(Please scan this QR code to view the Draft Prospectus)

SATIN CREDITCARE NETWORK LIMITED

Satin Creditcare Network Limited ("**Company**" / "**Issuer**") was incorporated as Satin Leasing and Finance Private Limited on October 16, 1990 as a private company incorporated under the Companies Act, 1956, as amended and was granted a certificate of incorporation by the Registrar of Companies, Delhi & Haryana ("**RoC**"). Subsequently, the company was converted into a public limited company during the year 1994 following which our name was changed to Satin Leasing and Finance Limited, and a fresh certificate of incorporation was issued on July 1, 1994. Further, our Company was registered as a Non-Banking Financial Company ("**NBFC**") pursuant to a certificate of registration issued by Reserve Bank of India ("**RBI**") on December 4, 1998. Later, 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 Registrar of Companies, Delhi and Haryana. Further, RBI also issued a certificate of registration to the Company in the name of Satin Creditcare Network Limited 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 bearing registration number B-14.01394 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. For more information about our Company including details regarding changes in Registered Office, please see "*General Information*" and "*History and Main Objects*" on pages 49 and 164, respectively.

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi – 110 033, India; **Tel:** +91 124 4715400
Corporate Office: Plot No. 492, Udyog Vihar, Phase-III, Gurugram-122016, Haryana, India; **Tel:** +91 124 4715400
CIN: L65991DL1990PLC041796; **PAN**: AAACS0044B **Website:** www.satincreditcare.com; **Email:** secretarial@satincreditcare.com
Company Secretary and Chief Compliance Officer: Vikas Gupta; **Tel.:** +91 124 4715400; **Email:** secretarial@satincreditcare.com
Chief Financial Officer*:* Rakesh Sachdeva; **Tel**: +91 124 4715400; **Email**: rakesh.sachdeva@satincreditcare.com

PUBLIC ISSUE BY THE COMPANY OF UPTO 20,00,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("NCDs" OR "DEBENTURES"), FOR AN AMOUNT UP TO ₹ 10,000 LAKH ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UP TO ₹ 10,000 LAKH ("GREEN SHOE OPTION"), AGGREGATING UP TO ₹ 20,000 LAKH ("ISSUE" / "ISSUE SIZE"). THE NCDs WILL BE ISSUED ON TERMS AND CONDITIONS AS SET OUT IN THIS DRAFT PROSPECTUS AND THE PROSPECTUS. THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED (THE "COMPANIES ACT, 2013") TO THE EXTENT NOTIFIED AND THE SEBI MASTER CIRCULAR, AS AMENDED FROM TIME TO TIME. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTER

Our promoters are (i) Harvinder Pal Singh, **Telephone**: +91 124-4715400, **Email id**: secretarial@satincreditcare.com, and (ii) Satvinder Singh, **Telephone**: +91 124-4715400, **Email id**: secretarial@satincreditcare.com. For further details see "*Our Promoters*" on page 183.

GENERAL RISKS

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved in it. Specific attention of the Investors is invited to the chapters *"Risk Factors"* and *"Material Developments"* on pages 18 and 199, respectively, before making an investment in such Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. This Draft Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any Stock Exchange in India nor do they guarantee the accuracy or adequacy of this document.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, see "*Issue Related Information*" on page 256.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated [ICRA]A (Stable) for an amount of ₹ 20,000 lakh by ICRA Limited *vide* their rating letter dated December 21, 2023 and revalidated vide letter dated January 16, 2024. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Rating given by ICRA Limited is valid as on the date of this Draft Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchange unless withdrawn. The rating is not a recommendation to buy, sell or hold the rated instrument and ICRA Limited does not comment on the market price or suitability for any particular investor and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rating letter, rationale, revalidation letter and press release for these ratings, see "*Annexure A*" of this Draft Prospectus.

LISTING

The NCDs offered through this Draft Prospectus are proposed to be listed on BSE Limited ("**BSE**" or "**Stock Exchange**"). Our Company has received an 'in-principle' approval from BSE *vide* its letter no. [•] dated [•]. BSE shall be the Designated Stock Exchange for the Issue.

PUBLIC COMMENTS

This Draft Prospectus dated [•] has been filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and will be open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Prospectus with the Stock Exchange. All comments on this Draft Prospectus are to be forwarded to the attention of the Company Secretary and Chief Compliance Officer of our Company. All comments must be received by our Company within seven Working Days of hosting this Draft Prospectus on the website of BSE. Comments by post, fax and e-mail shall be accepted, however please note that all comments by post must be received by our Company by 5:00 p.m. (Indian Standard Time) on the seventh Working Day from the date on which this Draft Prospectus is hosted on the website of the Designated Stock Exchange. All comments received on this Draft Prospectus will be suitably addressed prior to filing of the Prospectus with the RoC

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE TO THE ISSUE
JM FINANCIAL **JM FINANCIAL LIMITED** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** satin.ncd2024@jmfl.com **Contact Person:** Prachee Dhuri	KFINTECH EXPERIENCE TRANSFORMATION **KFIN TECHNOLOGIES LIMITED** **(*formerly KFin Technologies Private Limited*)** Selenium Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India **Tel:** +91 40 6716 2222 **Fax:** +91 40 6716 1563 **Email:** scnl.ipo@kfintech.com **Contact Person:** M Murali Krishna **Website**: www.kfintech.com	CATALYST Believe in Yourself... Trust Us! CIN: U74999PN1997PLC110262 **CATALYST TRUSTEESHIP LIMITED*** GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411 038, Maharashtra, India **Tel**.: +91 22 4922 0555 **Email**: ComplianceCTL-Mumbai@ctltrustee.com **Contact Person**: Deesha Trivedi

CREDIT RATING AGENCY	STATUTORY AUDITOR
ICRA **ICRA LIMITED** Electric Mansion, 3rd Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra - 400025 **Tel**: +91 22 6114 3406 **Email**: shivakumar@icraindia.com **Contact Person**: L. Shivakumar	**S. S. KOTHARI MEHTA & CO.** Chartered Accountants Plot No. 68, First floor Okhla Phase-III, New Delhi-110020 **Tel**: +91 11 46708888 **Email**: delhi@sskmim.com **Contact Person**: Naveen Aggarwal

ISSUE PROGRAMME**	
ISSUE OPENS ON: *As specified in the Prospectus*	**ISSUE CLOSES ON:** *As specified in the Prospectus*

**Catalyst Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated November 10, 2023 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus, the Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.*

***This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from the date of filing the Prospectus with RoC) as may be decided by the Board of Directors or NCD Public Issuance Committee of our Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 49.*

A copy of the Prospectus shall be filed with the Registrar of Companies, Delhi and Haryana in terms of Section 26(4) of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" on page 340.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Draft Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Draft Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

Notwithstanding the foregoing, the terms defined as part of "General Information", "Risk Factors" "Industry Overview", "Regulations and Policies", "Statement of Possible Tax Benefits", "Summary of Key Provisions of Articles of Association", "Financial Information" and "Other Regulatory and Statutory Disclosures" on pages 49, 18, 98, 188, 76, 313, 198 and 231, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections "Our Business", "Risk Factors", "Industry Overview" and "Regulations and Policies", on pages 142, 18, 98 and 188, respectively, shall have the meaning ascribed to them hereunder.

General Terms

Term	Description
the Issuer, our Company, the Company or Satin Creditcare Network Limited	Satin Creditcare Network Limited, an NBFC-MFI incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its CIN L65991DL1990PLC041796 and having its registered office at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi-110033.
we/ us/ our	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis
Promoters	Harvinder Pal Singh and Satvinder Singh
Subsidiaries	Satin Housing Finance Limited and Satin Finserv Limited

Company Related Terms

Term	Description
Articles or Articles of Association or AOA	Articles of Association of our Company
Asset Liability Management Committee or ALCO	Asset Liability Management Committee of our Company, constituted in accordance with applicable laws and as reconstituted from time to time by Board of Directors of the Company
Audit Committee	Audit committee of the Board of Directors of our Company, constituted in accordance with applicable laws and as reconstituted from time to time by Board of Directors of the Company
Audited Financial Statements	Collectively, Audited Consolidated Financial Statements and Audited Standalone Financial Statements.
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 & Co., 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 Auditor.

Term	Description
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 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 & Co., 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 Auditor.
Auditors or Statutory Auditors	The current statutory auditor of our Company, S. S. Kothari Mehta & Co.
Board or Board of Directors or our Board or our Board of Directors	Board of Directors of our Company or any duly constituted committee thereof
Committee	A committee constituted by the Board, and as reconstituted from time to time.
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company last re-constituted by our Board of Directors by board resolution dated November 14, 2018, constituted in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company
Corporate Office	Plot No. 492, Udyog Vihar, Phase-III, Gurugram-122016, Haryana, India
Directors	Directors of our Company
Equity Shares	Equity shares of the Company of face value of ₹10 each
ESOP(s)	Employee stock options
Gross Stage 3 book	Also referred to as Gross NPA
Gross Stage 3 (%)	Also referred to as Gross NPAs to Gross Advances %
Group Company(ies)	Such companies as identified in accordance with Regulation 2(1)(r) of SEBI NCS Regulations, as under: (i) Satin Neo Dimensions Private Limited; and (ii) Niryas Food Products Private Limited
ICRA	ICRA Limited
Independent Director(s)	The independent director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations
ISIN	International Securities Identification Number
JLG	Joint Liability Group
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in this Draft Prospectus and appointed in accordance with Section 203, as defined under Section 2(51) of the Companies Act, 2013
Loan Book	Loan book containing loans and advances to the borrowers
MoA or Memorandum or Memorandum of Association	Memorandum of Association of our Company
Net Stage 3 (%)	Referred to as Net NPAs to Net Advances %
Net Stage 3	Referred to as Net NPA
Nomination and Remuneration Committee	Nomination and Remuneration Committee of our Company last re-constituted by the Board of Directors by board resolution dated October 29, 2021, in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company
Net worth	As defined in Section 2(57) of the Companies Act, 2013, as follows: "*Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*"

Term	Description
Previous Statutory Auditor	The previous statutory auditor of our Company, Walker Chandiok & Co. LLP, Chartered Accountants
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office	Registered Office of our Company presently situated at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi-110033, India
Risk Management Committee	Risk Management Committee of our Company last re-constituted by the Board of Directors by board resolution dated November 13, 2020, in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company.
RoC or Registrar of Companies	Registrar of Companies, Delhi and Haryana
Shareholders	The holders of the Equity Shares of the Company from time to time
Senior Management Personnel or SMP	Senior Management Personnel of our Company in accordance with definition of Senior Management in Regulation 2(1)(iia) of the SEBI NCS Regulations, as described in "*Our Management"* on page 166.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company last reconstituted by the Board of Directors by board resolution dated November 14, 2018, in accordance with applicable laws and as may be further re-constituted time to time by Board of Directors of the Company.
Subsidiaries	Subsidiaries shall mean the subsidiaries of the Company, namely, Satin Finserv Limited and Satin Housing Finance Limited
Total Borrowing(s)/ Total Debt	Debt securities plus borrowings other than debt securities
Unaudited Interim Condensed Consolidated Financial Statements	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 Standalone Financial Statements	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 Financial Statements	Collectively, Unaudited Interim Condensed Standalone Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Prospectus
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document accompanying the Application Form issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allotment, Allot or Allotted	Unless the context otherwise requires, the issue and allotment of NCDs to the successful Applicants pursuant to the Issue
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue
Applicant or Investor or ASBA Applicant	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus and the Application Form.
Application or ASBA Application or ASBA or Application supported by Blocked Amount	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the bid amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto the UPI Application Limit which will be considered as the application for Allotment in terms of the Prospectus.

Term	Description
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue
Application Form or ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of Prospectus.
ASBA Account	A bank account maintained by an ASBA bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to UPI Application Limit.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Banker(s) to the Issue	Collectively, Public Issue Account Bank, Refund Bank and Sponsor Bank
Base Issue Size	₹ 10,000 lakh
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in "*Issue Procedure – Basis of Allotment*" on page 310.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange at www.bseindia.com.
BSE	BSE Limited.
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI or Non-Banking Financial Company registered with the RBI having total assets of more than ₹ 50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II (Non-Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue

Term	Description
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the SEBI Master Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Consortium Agreement	Consortium Agreement to be entered into amongst the Company, Lead Manager and Consortium Member as specified in the Prospectus.
Consortium Member(s)	As specified in the Prospectus
Consortium or Members of the Consortium or Members of Syndicate (each individually, a Member of the Consortium)	The Lead Manager and the Consortium Member.
Coupon or Interest Rate	The coupon rate as disclosed in the "*Issue Structure – Specific terms for NCDs*" on page 260.
Credit Rating Agency	ICRA Limited
Debenture Holder(s) /NCD Holder(s)	The holders of the NCDs pursuant to the Issue whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trustee Agreement	Agreement dated January 19, 2024 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue, is agreed between our Company and the Debenture Trustee
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure atleast 1.10 times security cover for the NCDs for the principal amount outstanding under the NCDs and the interest due and payable thereon in respect of the NCDs maintained at all times as security until the Maturity Date, issued pursuant to the Issue.
Debenture Trustee or Trustee	Trustee for the NCD holders in this case being Catalyst Trusteeship Limited
Deemed Date of Allotment	The date on which the NCD Public Issuance Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the NCD Public Issuance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other weblink as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com
Designated Date	The date on which the Registrar to the Issue issues instructions to SCSBs for transfer of

Term	Description
	funds blocked from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Prospectus and the Public Issue Account and Sponsor Bank Agreement.
Designated Intermediaries	Collectively, members of the Consortium, Sub-Consortium/agents, Trading Members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager, Members of the Consortium, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Master Circular.
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit) are available on the website of the Stock Exchange at www.bseindia.com, as updated from time to time
Designated Stock Exchange	The designated stock exchange for the Issue, being the BSE Limited
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
Draft Prospectus	This Draft Prospectus dated January 24, 2024 filed with the Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Interest Payment Date or Coupon Payment Date	As specified in the Prospectus
Issue	Public Issue by the Company of up to 20,00,000 secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 Each (“**NCDs**” or “**Debentures**”), for an amount up to ₹ 10,000 lakh (“**Base Issue Size**”) with an option to retain oversubscription up to ₹ 10,000 lakh (“**Green Shoe Option**”), aggregating up to ₹ 20,000 lakh (“**Issue**” / “**Issue Size**”).
Issue Agreement	The Issue Agreement dated January 24, 2024 entered between the Company and JM Financial Limited the Lead Manager to the Issue.
Issue Closing Date	As specified in the Prospectus
Issue Documents or Offer Document	This Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto.
Issue Opening Date	As specified in the Prospectus
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms as provided in the Prospectus.
Lead Manager	JM Financial Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchange in connection with the listing of debt securities of our Company
Market Lot	1 (One) NCD
Mobile App(s)	The mobile applications listed on the website of Stock Exchange as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
Maturity Date or Redemption Date	The maturity/ redemption dates as disclosed in the section “*Issue Structure*” on page 256.
NCDs or Debentures	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹1,000 each, for an amount up to ₹10,000 lakh (“**Base Issue Size**”) with an option to retain oversubscription up to ₹10,000 lakh (“**Green Shoe Option**”), aggregating up to ₹20,000 lakh to be issued pursuant to this Issue.
NCD Holders or Debenture Holder	Any debenture holder who holds the NCDs issued pursuant to this Issue and whose name appears on the beneficial owners list provided by the Depositories.

Term	Description
NCD Public Issuance Committee	The NCD Public Issuance committee of our Company as constituted by our Board of Directors by a board resolution dated January 15, 2024 and as may be further reconstituted from time to time, by the Board of Directors of our Company.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in this Issue
Prospectus	The Prospectus to be filed with the RoC and submitted with SEBI and BSE, in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Public Issue Account	Account(s) to be opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date.
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Manager for the appointment of the Public Issue Account Bank, Refund Bank and Sponsor Bank in accordance with the SEBI Master Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants.
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened and as specified in the Prospectus.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date under the Prospectus as may be determined by the Company. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date
Recovery Expense Fund	Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and have informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.
Redemption Amount	As specified in the Prospectus
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the Prospectus.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made.
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in the Prospectus
Register of NCD holders	The register of NCD holders maintained by the Issuer/RTA in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar
Registrar Agreement	Agreement dated January 19, 2024 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from

Term	Description
	Applicants
Registrar to the Issue or Registrar or RTA	KFin Technologies Limited (formerly known as KFIN Technologies Private Limited)
Resident Individual	An individual who is a person resident in India as defined in the FEMA
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue
RTA Master Circular	Securities and Exchange Board of India Master Circular for Registrars to an Issue and Share Transfer Agents' dated May 17, 2023, bearing reference number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70.
Security	The principal amount of the NCDs to be issued in terms of this Draft Prospectus together with all interest due and payable on the NCDs thereof, shall be secured by way of first ranking exclusive and continuing charge to be created over certain identified receivables of the Company in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of at least 1.10 times of the principal amounts and interest outstanding in respect of the NCDs is maintained at all times until the Maturity Date.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other websites as may be prescribed by SEBI from time to time. Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or at such other web-link as may be prescribed by SEBI from time to time.
Series/Option	As specified in the Prospectus
Specified Cities or Specified Locations or Syndicate ASBA Application Locations or Syndicate Bidding Centres	Bidding centres where the Members of the Syndicate shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto the UPI Application Limit and carry out any other responsibilities in terms of the SEBI Master Circular and as specified in the Prospectus.
Stock Exchange or Exchange	BSE
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries
Syndicate ASBA or Syndicate ASBA Application	ASBA Applications through the Lead Manager, Consortium Member, the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms
Tenor	Tenor of NCDs as specified in the Prospectus
Trading Members	Intermediaries registered with a lead broker or a sub-broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange(s) under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange(s) from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange(s).
Transaction Documents	Transaction documents shall mean this Draft Prospectus, the Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, Application Form, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Deed of Hypothecation, Debenture Trust Deed, Consortium Agreement, Public Issue Account and Sponsor Bank

Term	Description
	Agreement, Tripartite Agreements. For further details please see the section titled, "*Material Contracts and Documents for Inspection*" on page 340.
Tripartite Agreements	Tripartite agreement dated April 2, 2012 among our Company, the Registrar and CDSL and tripartite agreement dated March 22, 2011 among our Company, the Registrar and NSDL.
UPI or UPI Mechanism	Unified Payments Interface mechanism in accordance with SEBI Master Circular to block funds for application value up to UPI Application Limit submitted through intermediaries, namely the Registered Stock brokers, Consortium Member, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹ 500,000 for issues of debt securities pursuant to SEBI Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time
UPI Mandate Request or Mandate Request	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount (not exceeding UPI Application Limit) and subsequent debit of funds in case of allotment.
Wilful Defaulter(s)	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a person or a company who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes a company whose director or promoter is categorized as a wilful defaulter.
Working Committee	The working committee of our Company last re-constituted by our Board of Directors by a board resolution dated October 27, 2023 and as may be further reconstituted from time to time, by the Board of Directors of our Company.
Working Day	Working day means all days on which commercial banks in Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

Conventional and General Terms or Abbreviations

Term/ Abbreviation	Description/Full Form
"₹", Rupees, INR or Indian Rupees	The lawful currency of the Republic of India
US$, USD, and U.S. Dollars	The lawful currency of the United States of America
AGM	Annual General Meeting
ALM	Asset Liability Management
AMC	Asset Management Company
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ASBA	Application Supported by Blocked Amounts
AUM	Assets Under Management
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder

Term/ Abbreviation	Description/Full Form
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
CrPC	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	Depositories Act, 1996
Depository(ies)	NSDL and /or CDSL
DIN	Director Identification Number
DP or Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
Financial Year, Fiscal or FY or for the year ended	Period of 12 months ended March 31 of that particular year
Government	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards
Income Tax Act or IT Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules
Ind AS Rules	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time
India	Republic of India
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
KYC	Know Your Customer
LEI	Legal Entity Identifier
LLP	Limited Liability Partnership
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MLD	Market Linked Debentures
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
NRI	Non-resident Indian
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PP MLD	Principal Protected Market Linked Debentures
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities

Term/ Abbreviation	Description/Full Form
	Interest Act, 2002
SBR Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 dated October 19, 2023, as updated from time to time.
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	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI Debenture Trustee Master Circular	SEBI circular with reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated 31 March 2023 as may be amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended and circulars issued thereunder
SEBI Master Circular	SEBI circular no. SEBI/HO/DDHS/PoD1/CIR/2023/119 dated August 10, 2021, as amended
SFL	Satin Finserv Limited
SHFL	Sating Housing Finance Limited
TDS	Tax Deducted at Source
Trademarks Act	Indian Trademarks Act, 1999

Technical and Industry Related Terms

Term/Abbreviation	Description/Full Form
CRISIL	CRISIL Limited
CRISIL MI&A	CRISIL Market Intelligence & Analytics
CRISIL Report	The report "*Report on Microfinance Industry in India*" dated November 2023 provided by CRISIL
ECBs	External Commercial Borrowing.
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
LTV	Ratio of loan to the collateral value
MFI	Microfinance institutions
NPA	Non-Performing Assets
NBFC-BL/ NBFC – Base Layer	Non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI (NBFC-ML/ NBFC – Middle Layer)	(a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund – Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFC)
NBFC- TL / NBFC- Top Layer	NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk

Term/Abbreviation	Description/Full Form
NBFC-UL / NBFC-Upper Layer	NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in SBR Framework
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Prudential Norms	Prudential norms as provided under Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 dated October 19, 2023
MSME	Micro, Small and Medium Enterprises
RBI	Reserve Bank of India.
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies 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, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: a. preference shares other than those which are compulsorily convertible into equity; b. revaluation reserves at discounted rate of fifty five percent; c. General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; d. hybrid debt capital instruments; e. subordinated debt; perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital
UTI	Unit Trust of India.
WCDL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "we", "us", "our" are to Satin Creditcare Network Limited *and its subsidiaries*, on a consolidated basis and references to "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Issue. Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

All references in this Draft Prospectus to "India" are to the Republic of India and its territories and possessions. All references to the "Government", "Central Government" or "State Government" are to Government of India, Central or State, as applicable.

Presentation of Financial Information

Unless stated otherwise or unless the context requires otherwise, the financial data as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 used in this Draft Prospectus is derived from our Audited Financial Statements. Additionally, unless stated otherwise or unless the context requires otherwise, the financial data as at and for the quarter and half year ended September 30, 2023 and used in this Draft Prospectus, is derived from the Unaudited Interim Condensed Financial Statements.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year / fiscal / FY/ fiscal year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Prospectus are to a calendar year ended December 31.

For the purposes of disclosure in this Draft Prospectus, we have presented the following:

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"**).

For the purposes of disclosure in this Draft Prospectus, the Audited Consolidated Financial Statements and Audited Standalone Financial Statements for Fiscal 2021 prepared in accordance with Ind AS, 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 Draft Prospectus.

Further, the Audited Consolidated Financial Statements and Audited Standalone Financial Statements, for Fiscals 2022 and 2023 prepared in accordance with Ind AS, 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 & Co., Chartered Accountants, have been included in this Draft Prospectus.

We have included the following Audited financials along with auditors report issued by the following auditors:

Particulars	Auditors Report issued by
Unaudited Interim Condensed Consolidated Financial Statements	S. S. Kothari Mehta & Co.
Unaudited Interim Condensed Standalone Financial Statements	
Audited Standalone Financial Statements of the Company for Fiscal 2023	
Audited Consolidated Financial Statements of the Company for Fiscal 2023	
Audited Standalone Financial Statements of the Company for Fiscal 2022	
Audited Consolidated Financial Statements of the Company for Fiscal 2022	
Audited Standalone Financial Statements of the Company for Fiscal 2021	Walker Chandiok & Co. LLP, Chartered Accountants
Audited Consolidated Financial Statements of the Company for Fiscal 2021	

Currency and Unit of Presentation

In this Draft Prospectus, all references to 'Rupees'/'₹'/'INR'/ 'Rs.' Are to Indian Rupees, the official currency of the Republic of India. Except where stated otherwise in this Draft Prospectus, all figures have been expressed in 'in lakh'. All references to 'million/millions/mn.' refer to one million, which is equivalent to 'ten lakh' or 'ten lacs', the word 'lakh/lacs/lac' means 'one hundred thousand' and 'crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crore'.

Certain figures contained in this Draft Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to one decimal point. 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 numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than one decimal point to conform to their respective sources.

Industry and Market Data

Any industry and market data used in this Draft Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including the report "*Report on Microfinance Industry in India*" dated November 2023 provided by CRISIL, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

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, 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 Draft Prospectus. Prospective investors should read this information in conjunction with the financial statements included in "*Annexure C – Financial Statements*" on page 348.

General Risk

Investment in NCDs is risky, and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 18. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

Exchange Rates

The exchange rates for Rupees (₹) vis-à-vis of USD, as of December 31, 2023, September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, are provided below:

Currency	December 31, 2023	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.12	83.06	82.22	75.81	73.50

Source: *https://www.fbil.org.in/#/home and https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx*
Note: In case, any of the above dates is a public holiday, the immediately preceding working day has been considered.

The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. 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. 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.

3. 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.

4. 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.

5. 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.

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

7. 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.

8. 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.

9. 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.

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

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 18.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled "*Industry Overview*", "*Our Business*" and "*Legal and Other Information*" on pages 98, 142 and 224. The forward-looking statements contained in this Draft Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. 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 or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors, its KMPs and officers, or the Lead Manager, nor any of their respective affiliates or associates have any obligation 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 come to fruition. In accordance with SEBI NCS Regulations, our Company and the Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Draft Prospectus, including the chapters "Our Business" and "Financial Information" on pages 142 and 198, respectively, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Additional risks and uncertainties, which are currently unknown or now deemed immaterial, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations and cash flows. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

If any one of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occurs, the Company's business, financial conditions and results of operations and cash flows could suffer and, therefore, the trading price of the Company's NCDs could decline and/or the Company's ability to meet its obligations in respect of the NCDs could be affected and you may lose all or part of your interest and/or redemption amounts. More than one risk factor may have simultaneous affect with regard to the NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the NCDs and/or the Company's ability to meet its obligations in respect of the NCDs.

The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Draft Prospectus. This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in the Draft Prospectus.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Report on 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.*

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 (ii) the six months period ending September 30, 2023 has been derived from Unaudited Interim Condensed Consolidated 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 Draft Prospectus. For further information, see "Financial Information" on page 198.

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.

INTERNAL RISK FACTORS

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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/NHB. 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.

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 and is currently compliant with the principal business criteria laid down by RBI.

While our Company and SFL were granted waivers by RBI for the time being, 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 regulatory restrictions 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. ***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.***

Majority of 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 156. 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 non-verifiable, 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.

3. ***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 indicators, as well as provisions made, as of each of the corresponding periods:

Asset Classification	**As at March 31,**			**As at September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
(₹ in lakh, except %)					
On-book Loan Portfolio-(Gross carrying amount)					
Stage 1 (I)	5,17,705.13	4,74,351.89	5,58,989.93	4,81,372.96	6,54,804.13

Asset Classification	As at March 31,			As at September 30	
	2021	2022	2023	2022	2023
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
Gross NPA	8.40%	8.01%	3.28%	3.92%	2.38%
Net NPA	3.28%	2.38%	1.50%	1.82%	0.92%

**As per new definition of RBI for NPA*

Notes:

(1) 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.

(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.

4. ***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, 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" on August 26, 2022.

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 Draft Prospectus, 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.

5. ***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:

(₹ in crores, except in percentage)

Sr. No.	Particulars	AUM as of September 30, 2023	% 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 "*Our Business*" on page 142. 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.

6. ***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)

Particulars	As of and for the financial year ended March 31			As of and for the six-month period ended September 30	
	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%

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.

7. ***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 ₹ lakhs)	Number of cases	Aggregate amount (in ₹ lakhs)	Numbe r of cases	Aggregate amount (in ₹ lakhs)	Number of cases	Aggregate amount (in ₹ lakhs)	Number of cases	Aggregat e amount (in ₹ 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 "***Outstanding Litigations- Litigation involving our Company- Litigation by our Company- Criminal Litigation by our Company***" on page 225.

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 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.

8. ***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 (now merged with SFL) 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.

9. ***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 10,727 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 soundtrack 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.

10. ***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

11. ***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.

12. ***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 is 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.

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.

13. ***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.

14. ***Our Company, Promoter, Directors, Subsidiaries and Group Companies are involved in certain legal and other proceedings and there can be no assurance that our Company and/or Subsidiaries and/or Group Companies will be successful in any of these legal actions. In the event our Company and/or Subsidiaries and/or Group Companies 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, Subsidiaries and Group Companies 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 Draft Prospectus 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	559.00***
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil
Group Companies					
By Group Companies	Nil	Nil	Nil	1	120.00
Against Group Companies	Nil	Nil	Nil	Nil	Nil

^To the extent ascertainable

** Excluding 320 complaints filed by the Company under section 138 of the Negotiable Instruments Act, 1881 aggregating to an amount of ₹ 25,45,77,361.*

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

**** Excluding 65 complaints filed by SHFL under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 aggregating to an amount of ₹ 486.21 lakhs, 19 complaints filed by SHFL under section 138 of the Negotiable Instruments Act, 1881 aggregating to an amount of ₹ 101.91 lakhs and 148 complaints filed by SFL under section 138 of the Negotiable Instruments Act, 1881 aggregating to an amount of ₹ 1,208.60 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 "*Outstanding Litigations*" on page 224. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation.

15. ***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.

FINANCIAL RISKS

16. *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*

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. 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%.

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 such as acceleration of repayment, levy of penal interest etc., 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.

17. ***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 fair valuation of investment in subsidiaries in the six months period ended September 30, 2022. 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. 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 Draft Prospectus. Further, our failure to achieve or maintain profitability may restrict our cash flows, affect our ability to pay interest and dividends and impair our ability to raise capital and expand our business.

18. ***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 generated from / (used) in operating activities	(94,489.81)	33,616.57	(95,634.09)	(17,238.04)	(105,982.72)
Net cash flow generated / (used) in operating activities excluding 'change in working capital'	21,977.31	21,830.88	22,484.18	9,107.46	22,276.14

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.

19. We have contingent liabilities and commitments as on September 30, 2023, and our financial condition could be adversely affected if any of these contingent liabilities and/ or commitments materialize.

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

(₹ in lakhs)

Particulars	Amount
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/commitments in the future. If any of these contingent liabilities materialise, our financial condition and results of operation may be adversely affected.

20. 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. 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.

The following table describes the ALM of our Company as on December 31, 2023:

(in lakh, except percentages)

		0 day to 7 days	**8 days to 14 days**	**15 days to 1 month**	**Over one month and up to 3 months**	**Over two months**	**Over 3 month and up to 6 months**	**Over 6 months and upto 1 year**	**Over 1 year and upto 3 years**	**Over 3 years and upto 5 years**	**Over 5 years**	**Total**
	A. OUTFLOWS											
1.	Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,004.31	11,004.31
2.	Reserves & Surplus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	242,857.68	242,857.68
3.	Gifts, Grants, Donations & Benefactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Bonds & Notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Borrowings	8,486.18	8,481.55	20,595.97	36,405.44	39,579.26	106,370.03	174,859.45	328,488.56	18,576.27	1,020.99	742,863.70

(in lakh, except percentages)

		0 day to 7 days	8 days to 14 days	15 days to 1 month	Over one month and up to 3 months	Over two months	Over 3 month and up to 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
7.	Current Liabilities & Provisions	1,697.42	1,697.42	2,527.42	1,202.10	1,819.48	860.60	293.95	0.00	0.00	793.60	10,891.99
8.	Statutory Dues	244.40	244.40	488.81	0.00	0.00	0.00	0.00	0.00	0.00	7,659.00	8,636.61
9.	Unclaimed Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10.	Any Other Unclaimed Amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	Debt Service Realisation Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12.	Other Outflows	391.46	391.46	782.92	0.00	0.00	0.00	44.30	0.00	0.00	0.00	1,610.14
13.	Outflows On Account of Off Balance Sheet (OBS) Exposure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	A. Total Outflows (A)	**10,819.46**	**10,814.83**	**24,395.12**	**37,607.54**	**41,398.74**	**107,230.63**	**175,197.70**	**328,488.56**	**18,576.27**	**263,335.58**	**1,017,864.43**
	B. Cumulative Outflows	**10,819.46**	**21,634.29**	**46,029.41**	**83,636.95**	**125,035.6**	**232,266.32**	**407,464.02**	**735,952.58**	**754,528.85**	**1,017,864.4**	**1,017,864.43**
	C. INFLOWS											
1.	Cash (In 1 to 30/31 day time-bucket)	3,558.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,558.73
2.	Remittance in Transit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Balances With Banks	102,568.20	53.81	184.91	617.40	5,201.23	22,766.40	18,690.72	25,997.76	2,038.30	0.00	178,118.73
4.	Investments	0.00	0.00	493.59	0.00	0.00	0.00	0.00	5,229.51	0.00	74,516.03	80,239.13
5.	Advances (Performing)	8,796.69	10,112.27	19,853.78	39,890.99	36,231.23	119,390.40	210,252.24	263,921.27	4,961.81	1,528.49	714,939.17
6.	Gross Non-Performing Loans (GNPA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	159.35	18,781.67	18,941.02
7.	Inflows From Assets On Lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	Fixed Assets (Excluding Assets On Lease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,212.06	9,212.06
9.	Other Assets	457.95	457.95	915.90	53.44	11.72	18.80	1,978.53	464.47	46.68	8,450.15	12,855.59
10.	Security Finance Transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	Inflows On Account of Off Balance Sheet (OBS) Exposure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	C. TOTAL INFLOWS (B)	**115,381.57**	**10,624.03**	**21,448.18**	**40,561.83**	**41,444.18**	**142,175.60**	**230,921.49**	**295,613.01**	**7,206.14**	**112,488.40**	**1,017,864.43**
	C. Mismatch (B - A)	**104,562.11**	**-190.80**	**-2,946.94**	**2,954.29**	**45.44**	**34,944.97**	**55,723.79**	**-32,875.55**	**-11,370.13**	**-150,847.18**	**0.00**
	D. Cumulative Mismatch	**104,562.11**	**104,371.3**	**101,424.3**	**104,378.6**	**104,424.1**	**139,369.07**	**195,092.86**	**162,217.31**	**150,847.18**	**0.00**	**0.00**
	E. Mismatch as % of Total Outflows	**966.43%**	**-1.76%**	**-12.08%**	**7.86%**	**0.11%**	**32.59%**	**31.81%**	**-10.01%**	**-61.21%**	**-57.28%**	**0.00%**
	F. Cumulative Mismatch as % of Cumulative Total Outflows	**966.43%**	**482.43%**	**220.35%**	**124.80%**	**83.52%**	**60.00%**	**47.88%**	**22.04%**	**19.99%**	**0.00%**	**0.00%**

21. ***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 (excluding interest accrued) was ₹ 66,965.37 lakhs as compared to our total Rupee indebtedness (excluding debt securities, subordinated liabilities and interest accrued) of ₹ 5,49,412.71 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

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.

22. 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."

Fiscal 2021
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.

Fiscal 2022
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

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 198.

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.

23. 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. For further details, please see "*Related Party Transaction*" on page 186.

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.

24. 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 (₹ in 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 (₹ in 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.

25. ***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.

26. ***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 150. 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, behaviour 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, embezzlement or fraud by our employees, which may adversely affect our business, operations and ability to recruit and retain employees***." on page 23. 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.

27. 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.

28. 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.

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, embezzlement or fraud by our employees, which may adversely affect our business, operations and ability to recruit and retain employees.*" on page 23.

29. 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 of use assets, Intangible assets & financial assets)	52.29%	60.14%	63.75%	65.26%	75.11%

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.

30. 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.

31. 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
Long-term fund-based term-bank facilities program	CARE A-; Stable	CARE A-; Negative	[ICRA A- (Negative)*
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) CARE A- (Stable)	CARE A- (Negative) [ICRA]A- (Negative)	[ICRA] A- (Negative)*, CARE BBB+; Stable

***** *Our Company has obtained a credit rating of 'ICRA A (Stable)' (upgraded from ICRA A- (Stable)) on December 26, 2023*

As set forth above, there have been certain instances of downgrading in the past three fiscals. 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" on August 26, 2022. 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.

32. Industry information included in this Draft Prospectus 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 Draft Prospectus has been derived from the report titled "*Report on 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 Draft Prospectus. 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 Draft Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue.

33. We have entered into certain financial arrangements which may potentially involve conflicts of interest pertaining to the 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 Financials Credit Solutions Limited, affiliate of JM Financial Limited. The loans sanctioned to our Company by JM Financial Credit Solutions 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. For further details, see "*Financial Indebtedness*" on page 200.

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

34. ***As of the date of this Draft Prospectus, 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 Draft Prospectus, 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 willfully 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.

35. ***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.

36. ***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 practicing 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 Draft Prospectus, 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.

37. ***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.

38. ***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.

39. ***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.

40. ***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.

41. ***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 September 30, 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.

42. ***We have in this Draft Prospectus 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 Draft Prospectus. 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 Draft Prospectus. 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 "***Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation***" on page 13.

43. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the net proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of our financing business including onward lending, repayment of interest and principal of existing borrowings and for general corporate purposes. For further details, please see "*Objects of the Issue*" at page 73. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

EXTERNAL RISKS

RISKS RELATED TO INDIA

44. ***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 and our non-convertible debentures are listed on BSE. Consequently, our business, operations, financial performance and the market price of our listed securities 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.

45. ***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. Any of the above factors may adversely affect our business, results of operation and financial condition.

46. ***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. Any of the above factors may adversely affect our business, results of operation and financial condition.

47. India's existing credit information infrastructure may cause increased risks of loan defaults.

All of our business is located in India. India's existing credit information infrastructure may pose problems and difficulties in running a robust credit check on our borrowers. We may also face difficulties in the due diligence process relating to our customers or to any security or collateral we take in relation to our loans. We may not be able to run comprehensive searches relating to the security and there are no assurances that any searches we undertake will be accurate or reliable. Hence, our overall credit analysis could be less robust as compared to similar transactions in more developed economies. Any inability to undertake a comprehensive due diligence or credit check might result in an increase in our NPAs and we may have to increase our provisions correspondingly. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and cash flows.

48. 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.

49. ***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.

50. ***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 and our future financial performance.

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.

51. ***Companies operating in India are subject to a variety of taxes and surcharges.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty, tax on dividends and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

52. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.***

A decline in India's foreign exchange reserves could affect the liquidity and result in higher interest rates in the Indian economy, which could adversely affect our business, future financial performance, results of operations and financial condition.

53. ***There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India and that in the markets in the United States and certain other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in certain other countries. As a result, investors may have access to less information about the business, results of operations, cash flows and financial conditions, and those of the competitors that are listed on BSE and NSE and other stock exchanges in India on an on-going basis than you may find in the case of companies subject to reporting requirements of other more developed countries.

Risks relating to the Issue and NCDs

54. ***The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, inter alia, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favor of the Debenture Trustee for the NCD Holders on the assets adequate to ensure security cover of 1.10 times of the outstanding principal and interest for the NCDs, and it will be the duty of the Debenture Trustee to monitor that the security is maintained, however, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs and shall depend on the market scenario prevalent at the time of the enforcement of the security. A failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

55. ***There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

56. There may be a delay in making refund/ unblocking of funds to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your Applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

57. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

58. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchange in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on stock exchange in a timely manner, or at all.

59. You may be subject to taxes arising on the sale of the NCDs.

Sale of NCDs by any holder may give rise to tax liability, as discussed in section entitled "*Statement of Possible Tax Benefits*" on page 76.

60. Legal investment considerations may restrict certain investment.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the NCDs are legal investments for it, (ii) the NCDs can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the NCDs.

61. Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.

The Indian Stock Exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian Stock Exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and Stock Exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

62. Repayment is subject to the credit risk of the Company.

Potential investors should be aware that receipt of the principal amount, (i.e., the redemption amount), interest thereon and any other amounts that may be due in respect of the NCDs is subject to the credit risk of the Company whereby the Investors may or may not recover all or part of the funds in case of default by the Company. Potential investors assume the risk that the Company will not be able to satisfy their obligations under the NCDs. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the NCDs may not be made or may be substantially reduced or delayed.

On December 14, 2021, the RBI issued a circular titled "Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)" ("**PCA Framework Circular**") to enable supervisory intervention and implement remedial measures of NBFCs, including NBFC-NDs, on the basis of tracking certain indicators such as CRAR, Tier I Capital Ratio and Net NPA Ratio.

63. The NCDs are subject to the risk of change in law.

The terms and conditions of the NCDs are based on Indian law in effect as of the date of issue of the relevant NCDs. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the relevant NCDs and any such change could materially and adversely impact the value of any NCDs affected by it.

64. The Issuer, being a NBFC is not required to maintain a debenture redemption reserve ("DRR")

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company, Satin Creditcare Network Limited, was incorporated on October 16, 1990 in New Delhi under the provisions of the Companies Act 1956, as amended, as a private limited company under the name 'Satin Leasing and Finance Private Limited' with the Registrar of Companies, Delhi & Haryana ("**RoC**"). During the year 1994, our Company was converted into a public limited company, following which our name was changed to 'Satin Leasing and Finance Limited', and a fresh certificate of incorporation was issued on July 1, 1994. Pursuant to a certificate of registration issued by RBI on December 4, 1998, our Company was registered as a Non-Banking Financial Company ("**NBFC**"). Later, 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 RoC. Further, RBI also issued a certificate of registration to the Company in the name of Satin Creditcare Network Limited on November 2, 2000 as 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, in year 2013, our Company was converted to an NBFC-Micro Finance Institution ("**NBFC-MFI**"), and a fresh certificate of registration bearing registration number B-14.01394 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 Middle Layer NBFC which is engaged in the business of providing financial services.

For further details in relation to the changes in our name, registered office, constitution, and registration with the RBI, see "*History and Main Objects*" on page 164.

Registration:

CIN: L65991DL1990PLC041796
LEI: 335800V8FIS7PR5S3K73
RBI registration number: B-14.01394
Permanent Account Number: AAACS0044B

Registered Office and Corporate Office

Registered Office: 5th Floor, Kundan Bhawan,
Azadpur Commercial Complex,
Azadpur, North West, Delhi-110033, India
Tel: +91 124 4715400

Corporate Office:
Plot No. 492, Udyog Vihar,
Phase-III, Gurugram-122016, Haryana, India
Tel: +91 124 4715400
Website: www.satincreditcare.com
Email: secretarial@satincreditcare.com
For further details regarding changes to our Registered Office, see "*History and Main Objects*" on page 164.

Registrar of Companies, Delhi & Haryana
Registrar of Companies, 4th Floor, IFCI Tower,
61, Nehru Place, New Delhi – 110019
Tel. No.: 011-26235707, 26235708, 26235709
E-mail: roc.delhi@mca.gov.in

Liability of the members of the Company

Limited by shares

Chief Financial Officer

Rakesh Sachdeva
Address: Plot No. 492, Udyog Vihar,
Phase-III, Gurugram-122016,
Haryana, India
Tel No: +91 124 4715400
Email: rakesh.sachdeva@satincreditcare.com

Company Secretary and Chief Compliance Officer

Vikas Gupta
Address: Plot No. 492,
Udyog Vihar, Phase – III,
Gurugram, Haryana-122016
Tel No: +91 124-4715400
Email: secretarial@satincreditcare.com

Investors may contact the Registrar to the Issue or our Company Secretary and Chief Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, transfers, etc. as the case may be.

Lead Manager

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg,
Prabhadevi Mumbai – 400 025
Tel: +91 22 6630 3030
Fax: +91 22 6630 3330
E-mail: satin.ncd2024@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
Compliance Officer: Sunny Shah
SEBI Registration Number: INM000010361
CIN: L67120MH1986PLC038784

Debenture Trustee

Catalyst Trusteeship Limited
GDA House, Plot No. 85,
Bhusari Colony (Right), Kothrud,
Pune – 411 038, Maharashtra
Tel: +91 22 4922 0555
Fax: +91 22 4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: https://catalysttrustee.com/
Contact Person: Deesha Trivedi
Compliance Officer: Kalyani Pandey
SEBI Registration No: IND000000034
CIN: U74999PN1997PLC110262

Catalyst Trusteeship Limited under regulation 8 of SEBI NCS Regulations, by its letter dated November 10, 2023 has given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as "**Trustees**"). A copy of letter from Catalyst Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders and for its name to be included in the Draft Prospectus and the Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue is annexed as *Annexure B*.

All the rights and remedies of the Debenture Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for the Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity.

Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders to that extent. For details on the terms of the Debenture Trust Deed, please see "*Issue Related Information*" on page 256.

Registrar to the Issue

KFINTECH
EXPERIENCE TRANSFORMATION

Kfin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot No – 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032, Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 6716 1563
Email: scnl.ipo@kfintech.com
Investor Grievance mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

Kfin Technologies Limited (*formerly KFin Technologies Private Limited*), has vide its letter dated January 12, 2024 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Prospectus and the Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Investors may contact the Registrar to the Issue or our Company Secretary and Chief Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, unblocking, transfers, etc. as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchange may be addressed directly to the relevant Stock Exchange.

Consortium member to the Issue

As specified in Prospectus.

Bankers to the Issue

Public Issue Account Bank, Sponsor Bank and Refund Bank

As specified in Prospectus.

Statutory Auditor

SS Kothari Mehta & Co.*
Chartered Accountants
Address: Plot No. 68, First floor, Okhla,
Phase-III, New Delhi-110020
Tel: +91 11 4670 8888
Email: delhi@sskmin.com
Website: https://sskmin.com/
Firm Registration Number: 000756N
Peer Review Number: 014441
Contact Person: Naveen Aggarwal
** The Auditor in the process of conversion from partnership firm to LLP and the name of firm has changed from "SS Kothari Mehta & Company" to "SS Kothari Mehta & Co.". Till the time of approval for change from partnership firm to LLP, the changed name of the firm is " SS Kothari Mehta & Co.*

For change in statutory auditors in last three financial years and current financial year, please see '*Other Regulatory and Statutory Disclosures*' on page 231.

Credit Rating Agency

ICRA Limited
Electric Mansion, 3rd Floor,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai, - 400025
Maharashtra, India
Tel: +91 22 6114 3406
Fax: +91 22 2433 1390
Email: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: L. Shivakumar
SEBI Registration No: IN/CRA/008/15

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated [ICRA]A (Stable) for an amount of ₹ 20,000 lakh by ICRA Limited vide their rating letter dated December 21, 2023 and was revalidated vide letter dated January 16, 2024. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Rating given by ICRA Limited is valid as on the date of this Draft Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchange unless withdrawn. The rating is not a recommendation to buy, sell or hold the rated instrument and ICRA Limited does not comment on the market price or suitability for any particular investor and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rating letter, rationale, revalidation letter and press release for these ratings, see "*Annexure A*".

Disclaimer Statement of ICRA Limited

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

Legal Counsel to the Issue

Khaitan & Co
One World Centre
13th& 10th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 6636 5000

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who —

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our

Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and have informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.

Inter-se allocation of Responsibility

The following table sets forth the responsibilities for various activities by the Lead Manager:

Sr. No.	Activities
1.	Due diligence of Company’s operations/ management/ business plans/ legal etc. • Drafting of the offering document. • Coordination with the Stock Exchange for in-principle approval
2.	Structuring of various issuance options with relative components and formalities etc.
3.	Co-ordination with intermediaries for their deliverables and co-ordination with lawyers for legal opinion
4.	Drafting and approval of statutory advertisement.
5.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.
6.	Coordination with the printer for designing and finalization of Issue Documents, Application Form including memorandum containing salient features of the Issue Documents.
7.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 4 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.
8.	Preparation of road show presentation, FAQs.
9.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Issue Documents, posters, banners, etc. • Finalise collection centres; • Finalisation of list and allocation of institutional investors for one on one meetings.
10.	Domestic institutions/banks/mutual funds marketing strategy: • Finalize the list and division of investors for one on one meetings, institutional allocation
11.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget; • Finalize centers for holding conferences for brokers, etc.
12.	Coordination with the Stock Exchange for use of the bidding software
13.	Coordination for security creation by way of execution of Debenture Trust Deed
14.	Post-issue activities including: • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account • Coordinate with Registrar for collection of Application Forms by ASBA banks; and • Allotment resolution
15.	• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and • Redressal of investor grievances in relation to post issue activities.

Underwriting

This Issue is not underwritten**.**

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Designated Intermediaries

Self-Certified Syndicate Bank

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yesand https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yesand updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or any such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with the RTA Master Circular and the SEBI Master Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com.

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 for Registered Brokers and http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for RTAs and CDPs, as updated from time to time.

The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds please see, "*Objects of the Issue*" beginning on page 73.

Issue Programme*

ISSUE OPENS ON	*As specified in the Prospectus*
ISSUE CLOSES ON	*As specified in the Prospectus*
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the NCD Public Issuance Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the NCD Public Issuance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

**This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from the date of filing the Prospectus with RoC) as may be decided by the Board of Directors or NCD Public Issuance Committee of our Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 49.*

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("Bidding Period"), during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI Master Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as on December 31, 2023 is set forth below:

Share Capital	(₹)
AUTHORISED SHARE CAPITAL	
12,50,00,000 equity shares of face value of ₹ 10 each	1,25,00,00,000
7,50,00,000 preference shares of face value of ₹ 10 each	75,00,00,000
Total Authorised Share Capital	2,00,00,00,000
ISSUED CAPITAL	
11,05,96,245 equity shares of face value of ₹ 10 each	1,10,59,62,450
Total Issued Capital	1,10,59,62,450
SUBSCRIBED CAPITAL	
11,05,95,861 equity shares of face value of ₹ 10 each	1,10,59,58,610
Total Subscribed Capital	1,10,59,58,610
PAID-UP SHARE CAPITAL	
11,04,70,965 equity shares of face value of ₹ 10 each	1,10,47,09,650
Total Paid-Up Share Capital	1,10,47,09,650
Securities Premium Account (*₹ in lakhs*)	1,47,219.49

Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

Details of change in authorised share capital of our company for the preceding three financial years and current financial year up to December 31, 2023:

The changes in the authorised share capital for the preceding three financial years and current financial year upto December 31, 2023 is stated as follows:

Date of Change (Annual General Meeting/ Extraordinary General Meeting)	Particulars
June 17, 2020 (Postal Ballot)	The Company increased its authorised share capital from ₹ 140,00,00,000 (Rupees Fourteen Thousand lakhs) divided into 650,00,000 (Six Hundred and Fifty lakhs) equity shares of ₹ 10 (Indian Rupees Ten only) each and 750,00,000 (Seven Hundred and Fifty lakhs) preference shares of ₹10 (Indian Rupees Ten only) each to ₹ 170,00,00,000 (Rupees Seventeen Thousand lakhs) consisting of 950,00,000 (Nine Hundred and Fifty lakhs) equity shares of ₹10 (Indian Rupees Ten only) each and 750,00,000 (Seven Hundred Fifty lakhs) preference shares of ₹10 (Indian Rupees Ten only) each by addition of 3,00,00,000 (Three Hundred lakhs) equity shares having a face value of ₹ 10 (Rupees Ten only) each, of the aggregate nominal value of ₹ 30,00,00,000 (Rupees Three Thousand lakhs), on July 17, 2020.
December 31, 2021	The Company increased its authorised share capital from ₹ 170,00,00,000 (Rupees Seventeen Thousand lakhs) divided into 950,00,000 (Nine Hundred and Fifty lakhs) equity shares of ₹10 (Indian Rupees Ten only) each and 750,00,000 (Seven Hundred and Fifty lakhs) of ₹10 (Indian Rupees Ten only) each to ₹ 180,00,00,000 (Rupees Eighteen Thousand lakhs) consisting of 1050,00,000 (One Thousand and Fifty lakhs) equity shares of ₹10 (Indian Rupees Ten only) each and 750,00,000 (Seven Hundred Fifty lakhs) preference shares of ₹10 (Indian Rupees Ten only) each by addition of 1,00,00,000 (One Hundred lakhs) equity shares having a face value of ₹ 10 (Rupees Ten only) each, of the aggregate nominal value of ₹ 10,00,00,000 (Rupees One Thousand lakhs), on December 31, 2021.
November 27, 2023	The Company increased its authorised share capital from ₹ 180,00,00,000 (Rupees Eighteen Thousand lakhs) divided into 1,050,00,000 (One Thousand and Fifty lakhs) equity shares of ₹10 (Indian Rupees Ten only) each and 750,00,000 (Seven Hundred and Fifty lakhs) preference shares of ₹10 (Indian

Date of Change (Annual General Meeting/ Extraordinary General Meeting)	Particulars
	Rupees Ten only) to ₹ 200,00,00,000 (Rupees Twenty Thousand lakhs) consisting of 1250,00,000 (One Thousand Two Hundred and Fifty lakhs) equity shares of ₹10 (Indian Rupees Ten only) each and 750,00,000 (Seven Hundred Fifty lakhs) preference shares of ₹10 (Indian Rupees Ten only) each by addition of 2,00,00,000 (Two Hundred lakhs) equity shares having a face value of ₹ 10 (Rupees Ten only) each, of the aggregate nominal value of ₹ 20,00,00,000 (Rupees Two Thousand lakhs), on November 27, 2023.

Issue of Equity Shares for consideration other than cash for the preceding three financial years and current financial year up to December 31, 2023

No equity shares of the Company have been issued for consideration other than cash.

Changes in the Equity Share capital of our Company for the preceding three financial years and current financial year up to December 31, 2023:

Except as stated below, there has been no change in Equity Share capital of our Company in preceding three financial years and current financial year up to December 31, 2023.

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative		
						No. of Equity Shares	Equity Share Capital (in ₹)	Equity Share Premium (₹ in lakhs)
September 1, 2020*	1,99,03,887	10	60.00	Cash	Rights issue	7,19,42,081	71,94,20,810	1,05,375.71
January 25, 2022	30,76,916	10	81.25	Cash	Preferential	7,50,18,997	75,01,89,970	1,07,568.01
September 28, 2022	41,02,564	10	81.25	Cash	Conversion**	7,91,21,561	79,12,15,610	1,10,491.09
December 29, 2022	41,02,564	10	81.25	Cash	Conversion***	8,32,24,125	83,22,41,250	1,13,414.17
March 16, 2023	20,00,000	10	81.25	Cash	Conversion**	8,52,24,125	85,22,41,250	1,14,839.17
June 13, 2023	32,82,052	10	81.25	Cash	Conversion**	8,85,06,177	88,50,61,770	1,17,177.63
July 7, 2023	29,23,076	10	81.25	Cash	Conversion**	9,14,29,253	91,42,92,530	1,19,260.32
July 21, 2023	82,05,128	10	81.25	Cash	Conversion***	9,96,34,381	99,63,43,810	1,25,106.47
December 19, 2023	1,08,36,584	10	230.70	Cash	Qualified Institutions Placement	11,04,70,965	1,10,47,09,650	1,49,022.82

* *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.*

*** 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 to promoter & promoter group entity namely, Trishashna Holdings & Investments Private Limited*

****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 person belonging to Non Promoter category namely, Florintree Ventures LLP.*

Shareholding pattern of our Company as on December 31, 2023

Table I – Summary Statement holding of specified securities

	Category of shareholder	Nos. of share-holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked ©n shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in materialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No.	As a % of total Shares held	
								Class eg: Equity Shares	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
A	Promoter & Promoter Group	6	3,98,30,753	0	0	3,98,30,753	36.06	3,98,30,753	0	3,98,30,753	36.06	0	36.06	1,23,07,692	30.90	0	0	3,98,30,753
B	Public	28,788	7,01,57,266	0	0	7,01,57,266	63.51	7,01,57,266	0	7,01,57,266	63.51	0	63.51	1,23,07,692	17.54	NA	NA	700,13,923
C	Non Promoter - Non Public	1	4,82,946	0	0	4,82,946	0.44	4,82,946	0	4,82,946	0.44	0	0.44	0	0	NA	NA	4,82,946
C1	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	NA	NA	0
C2	Shares Held By Employee Trust	1	4,82,946	0	0	4,82,946	0.44	4,82,946	0	4,82,946	0.44	0	0.44	0	0	NA	NA	4,82,946
	Total	**28,795**	**11,04,70,965**	**0**	**0**	**11,04,70,965**	**100.00**	**11,04,70,965**	**0**	**11,04,70,965**	**100.00**	**0**	**100.00**	**2,46,15,384**	**22.28**	**0**	**0**	**11,03,27,622**

Table II – Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholders	Nos. of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+ (X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
A1	**Indian**																	
(a)	**Individuals / Hindu Undivided Family**	**4**	**17,23,671**	**0**	**0**	**17,23,671**	**1.56**	**17,23,671**	**0**	**17,23,671**	**1.56**	**0**	**1.56**	**0**	**0**	**0**	**0**	**17,23,671**
	Anureet HP Singh	1	7,27,474	0	0	7,27,474	**0.66**	7,27,474	0	7,27,474	**0.66**	0	**0.66**	0	0	0	0	7,27,474
	Harbans Singh (Deceased)	1	4,06,402	0	0	4,06,402	**0.37**	4,06,402	0	4,06,402	**0.37**	0	**0.37**	0	0	0	0	4,06,402
	Satvinder Singh	1	3,85,703	0	0	3,85,703	**0.35**	3,85,703	0	3,85,703	**0.35**	0	**0.35**	0	0	0	0	3,85,703
	Neeti Singh	1	2,04,092	0	0	2,04,092	**0.18**	2,04,092	0	2,04,092	**0.18**	0	**0.18**	0	0	0	0	2,04,092
	HP Singh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	**Central Government / State Government(s)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(c)	**Financial Institutions / Banks**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(d)	**Any Other (Specify)**	**2**	**3,81,07,082**	**0**	**0**	**3,81,07,082**	**34.50**	**3,81,07,082**	**0**	**3,81,07,082**	**34.50**	**0**	**34.50**	**1,23,07,692**	**32.30**	**0**	**0**	**3,81,07,082**
	Bodies Corporate	**2**	**3,81,07,082**	**0**	**0**	**3,81,07,082**	**34.50**	**3,81,07,082**	**0**	**3,81,07,082**	**34.50**	**0**	**34.50**	**1,23,07,692**	**32.30**	**0**	**0**	**3,81,07,082**
	Trishashna Holdings & Investments Private Limited	1	3,77,84,820	0	0	3,77,84,820	**34.20**	3,77,84,820	0	3,77,84,820	**34.20**	0	**34.20**	1,23,07,692	32.57	0	0	3,77,84,820

	Category & Name of the shareholders	Nos. of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	Wisteria Holdings & Investments Private Limited	1	3,22,262	0	0	3,22,262	**0.29**	3,22,262	0	3,22,262	**0.29**	0	**0.29**	0	0	0	0	3,22,262
	Sub Total (A)(1)	**6**	**3,98,30,753**	**0**	**0**	**3,98,30,753**	**36.06**	**3,98,30,753**	**0**	**3,98,30,753**	**36.06**	**0**	**36.06**	**1,23,07,692**	**30.90**	**0**	**0**	**3,98,30,753**
A2	**Foreign**																	
(a)	**Individuals (Non-Resident Individuals / Foreign Individuals)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(b)	**Government**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(c)	**Institutions**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(d)	**Foreign Portfolio Investor**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(e)	**Any Other (Specify)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Sub Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)	**6**	**3,98,30,753**	**0**	**0**	**3,98,30,753**	**36.06**	**3,98,30,753**	**0**	**3,98,30,753**	**36.06**	**0**	**36.06**	**1,23,07,692**	**30.90**	**0**	**0**	**3,98,30,753**

Table III- Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares Shareholding (No. of shares) under		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category		
								Class eg: X	Class eg: y	Total									(i)	(ii)	(iii)
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	(XV)		
B1 Institutions (Domestic)																					
(a)	Mutual Fund	1	17,33,853	0	0	17,33,853	1.57	17,33,853	0	17,33,853	1.57	0	1.57	0	0	NA	NA	17,33,853	0	0	0
	Bandhan Small Cap Fund	1	17,33,853	0	0	17,33,853	1.57	17,33,853	0	17,33,853	1.57	0	1.57	0	0	NA	NA	17,33,853	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(c)	Alternate Investment Funds	4	11,51,839	0	0	11,51,839	1.04	11,51,839	0	11,51,839	1.04	0	1.04	0	0	NA	NA	11,51,839	0	0	0
(d)	Banks	2	27,80,179	0	0	27,80,179	2.52	27,80,179	0	27,80,179	2.52	0	2.52	0	0	NA	NA	27,80,179	0	0	0
	IndusInd Bank Limited Treasury Dept	1	21,85,425	0	0	21,85,425	1.98	21,85,425	0	21,85,425	1.98	0	1.98	0	0	NA	NA	21,85,425			
(e)	Insurance Companies	2	34,67,232	0	0	34,67,232	3.14	34,67,232	0	34,67,232	3.14	0	3.14	0	0	NA	NA	34,67,232	0	0	0
	ICICI Prudential Life Insurance Company Limited	1	21,66,842	0	0	21,66,842	1.96	21,66,842	0	21,66,842	1.96	0	1.96	0	0	NA	NA	21,66,842			
	Bajaj Allianz Life Insurance Company Limited	1	13,00,390	0	0	13,00,390	1.18	13,00,390	0	13,00,390	1.18	0	1.18	0	0	NA	NA	13,00,390			
(f)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares Shareholding (No. of shares) under		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category		
								Class eg: X	Class eg: y	Total									(i)	(ii)	(iii)
(G)	Asset Reconstruction Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(h)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(i)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(j)	Other Financial Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(k)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
	Sub Total (B)(1)	**9**	**91,33,103**	**0**	**0**	**91,33,103**	**8.27**	**91,33,103**	**0**	**9,13,03,103**	**8.27**	**0**	**8.27**	**0**	**0**	**NA**	**NA**	**91,33,103**	**0**	**0**	**0**
B2	**Institutions (Foreign)**																				
(a)	Foreign Direct Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(b)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(c)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(d)	Foreign Portfolio Investors Category I	35	1,04,88,296	0	0	1,04,88,296	9.49	1,04,88,296	0	1,04,88,296	9.49	0	9.49	0	0	NA	NA	1,04,88,296	0	0	0
	Evli Emerging Frontier Fund	1	25,00,000	0	0	25,00,000	2.26	25,00,000	0	25,00,000	2.26	0	2.26	0	0	NA	NA	25,00,000			
	Massachusetts Institute Of Technology	1	19,98,787	0	0	19,98,787	1.81	19,98,787	0	19,98,787	1.81	0	1.81	0	0	NA	NA	19,98,787			

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Class eg: y	Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialised form	Sub-categorization of shares Shareholding (No. of shares) under Sub-category: (i)	(ii)	(iii)
	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (Fmo)	1	14,24,030	0	0	14,24,030	1.29	14,24,030	0	14,24,030	1.29	0	1.29	0	0	NA	NA	14,24,030			
	Societe Generale - Odi	1	13,88,851	0	0	13,88,851	1.26	13,88,851	0	13,88,851	1.26	0	1.26	0	0	NA	NA	13,88,851			
(e)	Foreign Portfolio Investors Category II	1	1,00,037	0	0	1,00,037	0.09	1,00,037	0	1,00,037	0.09	0	0.09	0	0	NA	NA	1,00,037	0	0	0
(f)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(g)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
	Sub Total (B)(2)	**36**	**1,05,88,333**	**0**	**0**	**1,05,88,333**	**9.58**	**1,05,88,333**	**0**	**1,05,88,333**	**9.58**	**0**	**9.58**	**0**	**0**	**NA**	**NA**	**1,05,88,333**	**0**	**0**	**0**
B3	**Central Government/ State Government(s)**																				
(a)	Central Government / President of India	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(b)	State Government / Governor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(C)	Shareholding by Companies or Bodies Corporate where Central /	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares Shareholding (No. of shares) under		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category		
								Class eg: X	Class eg: y	Total									(i)	(ii)	(iii)
	State Government is a promoter																				
	Sub Total (B)(3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**NA**	**NA**	**0**			
B4	**Non-Institutions**																				
(a)	Associate companies / Subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(C)	Key Managerial Personnel	2	1,15,792	0	0	1,15,792	0.10	1,15,792	0	1,15,792	0.10	0	0.10	0	0	NA	NA	1,15,792	0	0	0
(D)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(E)	Trusts where any person belonging to 'Promoter and Promoter Group'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	No of Voting Rights: Class eg: y	No of Voting Rights: Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	Number of Locked in shares: As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	Number of Shares pledged or otherwise encumbered: As a % of total Shares held (b)	Number of equity shares held in dematerialised form	Sub-categorization of shares Shareholding (No. of shares) under Sub-category (i)	Sub-category (ii)	Sub-category (iii)
	category is 'trustee', 'beneficiary', or 'author of the trust"																				
(f)	Investor Education and Protection Fund (IEPF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(g)	i. Resident Individual holding nominal share capital up to ₹ 2 lakhs.	27,250	1,08,53,800	0	0	1,08,53,800	9.83	1,08,53,800	0	1,08,53,800	9.83	0	9.83	0	0	NA	NA	1,07,19,157	0	0	0
(h)	ii. Resident individual holding nominal share capital in excess of ₹ 2 lakhs.	96	92,75,046	0	0	92,75,046	8.40	92,75,046	0	92,75,046	8.40	0	8.40	0	0	NA	NA	92,75,046	0	0	0
(i)	Non Resident Indians (NRIs)	505	6,78,652	0	0	6,78,652	0.61	6,78,652	0	6,78,652	0.61	0	0.61	0	0	NA	NA	6,78,652	0	0	0
(j)	Foreign Nationals	1	3,200	0	0	3,200	0.00	3,200	0	3,200	0.00	0	0.00	0	0	NA	NA	0	0	0	0
(k)	Foreign Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(l)	Bodies Corporate	221	1,30,08,646	0	0	1,30,08,646	11.78	1,30,08,646	0	1,30,08,646	11.78	0	11.78	0	0	NA	NA	1,30,03,146	0	0	0

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares Shareholding (No. of shares) under		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category		
								Class eg: X	Class eg: y	Total									(i)	(ii)	(iii)
	Rajsonia Consultancy Services Private Limited	1	25,14,127	0	0	25,14,127	2.28	25,14,127	0	25,14,127	2.28	0	2.28	0	0	NA	NA	25,14,127			
	Bhawani Finvest Pvt Ltd	1	22,00,000	0	0	22,00,000	1.99	22,00,000	0	22,00,000	1.99	0	1.99	0	0	NA	NA	22,00,000			
	Linkage Securities Private Limited	1	21,85,627	0	0	21,85,627	1.98	21,85,627	0	21,85,627	1.98	0	1.98	0	0	NA	NA	21,85,627	0	0	0
	Trust Team Investors Limited	1	11,60,914	0	0	11,60,914	1.05	11,60,914	0	11,60,914	1.05	0	1.05	0	0	NA	NA	11,60,914			
(m)	Any Other (Specify)	668	1,65,00,694	0	0	1,65,00,694	14.94	1,65,00,694	0	1,65,00,694	14.94	0	14.94	1,23,07,692	74.59	NA	NA	165,00,694	0	0	0
	Trusts	2	51,749	0	0	51,749	0.05	51,749	0	51,749	0.05	0	0.05	0	0	NA	NA	51,749	0	0	0
	Body Corp-Ltd Liability Partnership	34	1,56,82,269	0	0	1,56,82,269	14.20	1,56,82,269	0	1,56,82,269	14.20	0	14.20	1,23,07,692	78.48	NA	NA	1,56,82,269	0	0	0
	Florintree Ventures LLP	1	1,23,07,692	0	0	1,23,07,692	11.14	1,23,07,692	0	1,23,07,692	11.14	0	11.14	1,23,07,692	100	NA	NA	1,23,07,692			
	Hindu Undivided Family	629	7,35,210	0	0	7,35,210	0.67	7,35,210	0	7,35,210	0.67	0	0.67	0	0	NA	NA	7,35,210	0	0	0
	Clearing Member	3	31,466	0	0	31,466	0.03	31,466	0	31,466	0.03	0	0.03	0	0	NA	NA	31,466	0	0	0
	Sub Total (B)(4)	**28743**	**5,04,35,830**	**0**	**0**	**5,04,35,830**	**45.66**	**50,43,5830**	**0**	**5,04,35,830**	**45.66**	**0**	**45.66**	**1,23,07,692**	**24.40**	**NA**	**NA**	**5,02,92,487**	**0**	**0**	**0**
	Total Public Shareholding B=(B)(1)+(B)(2) +(B) (3)+ (B)(4)	**28788**	**7,01,57,266**	**0**	**0**	**7,01,57,266**	**63.51**	**7,01,57,266**	**0**	**7,01,57,266**	**63.51**	**0**	**63.51**	**1,23,07,692**	**17.54**	**NA**	**NA**	**7,00,13,923**	**0**	**0**	**0**

Table IV – Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the shareholders	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demate rialised form
								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 Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Custodian/DR Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
2	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	1	4,82,946	0	0	4,82,946	0.44	4,82,946	0	4,82,946	0.44	0	0.44	0	0	NA	NA	4,82,946
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	**1**	**4,82,946**	**0**	**0**	**4,82,946**	**0.44**	**4,82,946**	**0**	**4,82,946**	**0.44**	**0**	**0.44**	**0**	**0**	**NA**	**NA**	**4,82,946**

List of top 10 holders of Equity Shares of our Company as on December 31, 2023:

Sr. No.	Name of Shareholder	Total Number of Equity Shares	No. of shares in demat form	Total shareholding as a % of total number of Equity Shares
1.	Trishashna Holdings & Investments Private Limited	3,77,84,820	3,77,84,820	34.20
2.	Florintree ventures LLP	1,23,07,692	1,23,07,692	11.14
3.	Rajsonia Consultancy Services Private Limited	25,14,127	25,14,127	2.28
4.	EVLI Emerging Frontier Fund	25,00,000	25,00,000	2.26
5.	Bhawani Finvest Pvt Ltd	22,00,000	22,00,000	1.99
6.	Linkage Securities Private Limited	21,85,627	21,85,627	1.98
7.	IndusInd Bank Limited Treasury Dept	21,85,425	21,85,425	1.98
8.	ICICI Prudential Life Insurance Company Limited	21,66,842	21,66,842	1.96
9.	Massachusetts Institute of Technology	19,98,787	19,98,787	1.81
10.	Bandhan Small Cap Fund	17,33,853	17,33,853	1.57

List of top 10 holders of non-convertible securities as on December 31, 2023 (on cumulative basis):

(₹ in lakh, except percentages)

Sr. No.	Name of Holder	Category of Holder	Face Value of Holding (₹ in lakhs)	Principal Amount Outstanding (₹ in lakhs)	Holding as a % of Total Outstanding Non-Convertible securities of the issuer
1	Blueorchard Microfinance Fund	FPI	15,480.00	15,480.00	13.91%
2	UTI International Wealth Creator 4	FPI	12,500.00	12,500.00	11.23%
3	AAV S.A.R.L	FPI	24,101.00	12,289.68*	11.04%
4	Masala Investments S.A.R.L.	FPI	24,101.00	12,289.68*	11.04%
5	Global Access Fund LP	FPI	9,257.00	9,257.00	8.32%
6	Nomura Capital (India) Private Limited	Corporate	7,810.00	7,810.00	7.02%
7	Japan ASEAN Women Empowerment Fund	FPI	10,000.00	7,000.00*	6.29%
8	Microfinance Initiative for Asia (MIFA) Debt Fund	FPI	3,750.00	3,750.00	3.37%
9	Ajanta Pharma Limited	Corporate	3,500.00	3,500.00	3.14%
10	Vivriti Emerging Corporate Bond Fund	AIF	3,500.00	3,500.00	3.14%
	Grand Total		**1,13,999.00**	**87,376.36**	**78.50%**

**The face value of the non-convertible securities has been partly redeemed and the balance shall be redeemed at the expiry of tenure.*

Statement of the aggregate number of securities of our Company and our Subsidiary purchased or sold by our Promoters, Promoter Group, our Directors and the directors of our Promoters and/or their relatives within six months immediately preceding the date of filing of this Draft Prospectus.

Except as disclosed below, no securities of our Company have been purchased or sold by our Promoters, promoter group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of the Draft Prospectus:

S. No.	Name of Shareholder	Category	Date of purchase/sale	Type of Security purchased/sold	Remarks
1.	Anureet HP Singh	Promoter Group	December 4, 2023	Equity Shares	Anureet HP Singh (Promoter Group) received 1,326 shares of Satin Creditcare Network Limited on December 4, 2023 from her father (Late Gurjit Singh Maingi) through transmission

No securities of our subsidiaries have been purchased or sold by our Promoters, promoter group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Draft Prospectus.

Statement of Capitalization

A. Statement of capitalization (Debt to Equity Ratio) of our Company (Standalone) as on March 31, 2023, September 30, 2023 and post-issue:

(₹ in lakh, except Debt/Equity ratio)

Particulars	Pre-Issue as at March 31, 2023	Pre-Issue as at September 30, 2023	Post Issue (as Adjusted based on September 30, 2023 figures)**
Debt			
Debt Securities & Subordinated Liabilities	1,44,270.33	109,911.73	129,911.73
Borrowings (Other than Debt Securities)	4,00,477.70	5,66,488.49	5,66,488.49
Total Debt (A)	5,44,748.03	6,76,400.22	6,96,400.22
Equity Share Capital	8,479.63	9,920.66	9,920.66
Other Equity	182,892.05	207,927.76	207,927.76
Total Shareholder's funds (B)	1,91,371.68	2,17,848.42	2,17,848.42
Debt/ Equity (C= A/B)* (No. of times)	2.85	3.10	3.20

***The debt-equity ratio post Issue in indicative on account of the assumed inflow of ₹ 20,000 lakhs from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

B. Statement of capitalization (Debt to Equity Ratio) of our Company (Consolidated) as on March 31, 2023, September 30, 2023 and post-issue:

(₹ in lakh, except Debt/Equity ratio)

Particulars	Pre-Issue as at March 31, 2023	Pre-Issue as at September 30, 2023	Post Issue (as Adjusted based on September 30, 2023 figures)**
Debt			
Debt Securities & Subordinated Liabilities	1,46,766.48	1,11,908.86	1,31,908.86
Borrowings (Other than Debt Securities)	4,44,358.26	6,16,378.08	6,16,378.08
Total Debt (A)	**5,91,124.74**	**7,28,286.94**	**7,48,286.94**
Equity Share Capital	8,479.63	9,920.66	9,920.66
Other Equity	154,332.81	180,098.63	180,098.63
Total Shareholder's funds (B)	**1,62,812.44**	**1,90,019.29**	**1,90,019.29**
Debt/ Equity (C= A/B)* (No. of times)	3.63	3.83	3.94

***The debt-equity ratio post Issue in indicative on account of the assumed inflow of ₹ 20,000 lakhs from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Shareholding of Directors in our Company

Except as disclosed below, none of the Directors in our Company as on December 31, 2023 hold shares of the Company:

Sr.	Name of Directors	Number of Shares	Percentage of Shareholding (in

No.			%) (on fully diluted basis)
1.	Satvinder Singh (*Promoter, Non-Executive Director)*	3,85,703	0.35
2.	Sanjay Kumar Bhatia (*Independent Director*)	1,000	Negligible

Details of Promoter's shareholding in our Company's Subsidiary

As on the date of this Draft Prospectus, our Promoters are not holding any shares in our subsidiaries.

Details of Promoter's shareholding in our Joint Venture and Associate Companies

Nil

Details of any acquisition or amalgamation in the last one year

Nil

Details of any reorganization or reconstruction in the last one year

Our Company has not made any reorganization or reconstruction in the last one year prior to the date of this Draft Prospectus.

Details of debt securities that were issued at a premium or a discount by the Company

Other than as disclosed in the section "*Financial Indebtedness*" on page 200, no debt securities were issued at a premium or a discount by the Company.

Details of shareholding of our Directors in our Subsidiaries, Associate or Joint Ventures as of date of this Draft Prospectus

As on the date of this Draft Prospectus, the Directors are not holding any shares in subsidiary, associates or joint ventures.

Details of change in the promoter holding in our Company during the last financial year beyond 26 % (as prescribed by RBI)

There has been no change in the promoter holding in our Company during the last financial year beyond 26%.

Employee Stock Option Scheme

Except as stated below, there are not have any outstanding employee stock option schemes.

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.*

OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Draft Prospectus for a public issue of up to 20,00,000, secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") for an amount up to ₹ 10,000 lakh ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 10,000 lakh ("**Green Shoe Option**"), for an aggregate amount of up to ₹ 20,000 lakh ("**Issue Size**" or "**Issue Limit**").

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilize the proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**") towards funding the objects listed under this section.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (₹ in lakh)
Gross proceeds of the Issue	*As specified in the Prospectus*
Less: Issue related expenses*	*As specified in the Prospectus*
Net proceeds	*As specified in the Prospectus*

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Issue (collectively, referred to herein as the "**Objects**") and the amount proposed to be financed from Net Proceeds:

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
(a)	For the purpose of onward lending, financing and for repayment of interest and principal of existing borrowings of the Company*	At least 75%
(b)	General Corporate Purposes**	Maximum up to 25%
	Total	**100%**

**Our Company will not utilise the proceeds of this Issue towards payment of prepayment penalty, if any*

***The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.*

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

Issue related expenses break-up

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Member and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment for this Issue shall be as specified in the Prospectus.

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

Our Company confirms that for the purpose of this Issue, funding plan will not be applicable.

Summary of the project appraisal report

Our Company confirms that for the purpose of this Issue, summary of the project appraisal report will not be applicable.

Schedule of implementation of the project

Our Company confirms that for the purpose of this Issue, schedule of implementation of the project will not be applicable.

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2024, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon receipt of minimum subscription, i.e., 75% of Base Issue Size relating to the Issue, the execution of the documents for creation of security and the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchange. Our Company, within forty-five days from the end of every quarter or such other period as per applicable law, submit to the stock exchange, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Interim use of proceeds

Our Management, in accordance with the policies formulated by it from time to time,will have the flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest/ non- interest bearing liquid instruments including money market mutual funds, deposits with banks, current account of banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by our Board of Directors or a committee thereof. Such investment would be in accordance with the investment policies approved by the Board of Directors or any committee thereof from time to time.

Other Confirmations

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the Promoter Group or Group Companies.

Proceeds from the Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, the Directors, Key Managerial Personnel, or companies promoted by our Promoters except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds from the Issue or any part of the proceeds, directly or indirectly, for the purchase of any business or in the purchase of an interest in any business and by reason of that purchase or anything done in consequence thereof, or in connection therewith our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) for which advances have been paid to third parties or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by our Board of Directors or duly authorized committee thereof.

Variation in terms of contract or objects in this Draft Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

Benefit / interest accruing to Promoters/Directors out of the object of the Issue

Neither our Promoters nor the Directors of our Company are interested in the Objects of this Issue.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S) UNDER THE APPLICABLE LAWS IN INDIA

Date: 24 January 2024

To,

The Board of Directors
Satin Creditcare Network Limited
Plot No. 492, Udyog Vihar,
Phase – III, Gurugram,
Haryana – 122 016, India

Dear Ma'am/Sir,

Sub: Proposed public issue by Satin Creditcare Network Limited ("Company" or "Issuer") of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each ("NCDs") for an amount aggregating up to ₹ 200 crores (the "Issue").

This certificate is issued in accordance with the terms of our engagement letter dated November 8, 2023.

The accompanying Statement of Possible Tax Benefits prepared by the management of the Company, discusses the tax provisions applicable to the Potential Debenture holders ("**Investors**") subscribing in the Public Issue of NCDs of **Satin Creditcare Network Limited** in Annexure A (hereinafter referred to as "**Statement of Possible Tax Benefits**" / "**Statement**"), under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023 (hereinafter referred to as the "**IT Act**") in connection with the proposed Issue.

Management's Responsibility

The preparation of this Statement as of the date of our certificate which is to be included in the Draft Prospectus and Prospectus (the "**Offering Documents**") is the responsibility of the management of the Company.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Our Responsibility

Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "**ICAI**").

Pursuant to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**") and the Companies Act 2013 ("**Act**"), it is our responsibility to examine whether the Statement prepared by the Company, in all material respects, reflects the current position of possible tax benefits available to the debenture holders of the Company. For this purpose, we have read the Statement as given in **Annexure I** and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The benefits discussed in the enclosed Annexure I are not exhaustive. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derive the tax benefits is dependent on fulfilling such conditions.

The Statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation. 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) debenture holders of the Company will continue to obtain the benefits as per the Statement in future;

ii) the conditions prescribed for availing the benefits as per the Statement have been/would be met with; or

iii) the revenue authorities/ courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

In our opinion, the Statement of Possible Tax Benefits prepared by the Company as set out in Annexure - I materially covers all tax benefits available to Debenture Holders as at the date of our report, in accordance with provisions of the IT Act as amended.

Restriction on Use

We hereby consent to inclusion of the extracts of this certificate in the Offering Documents and/or any other document in relation to the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority including SEBI and the Registrar of Companies, Delhi, BSE Limited, any other authority as may be required and/or for the records to be maintained by the lead manager appointed in connection with the Issue (the "**Lead Manager**") and in accordance with applicable law, and for the purpose of any defense the Lead Managers may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents. Accordingly, this certificate is not to be used, referred to or distributed for any other purpose without our prior and written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

This certificate may be relied on by Lead Manager, namely JM Financial Limited, their affiliates and legal counsel in relation to the Issue.

Sincerely,

For S S Kothari Mehta & Co.
Chartered Accountants
FRN: 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place: New Delhi
Date: January 24, 2024

UDIN: 24094380BKBEVM3106

Annexure I

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS OF SATIN CREDITCARE NETWORK LIMITED

Annexure to the certificate having UDIN No. 24094380BKBEVM3106 dated 24 January 2024

The information provided below sets out the possible tax benefits available to the Debenture Holders, of secured, rated, listed, redeemable non-convertible debentures ("NCDs") of Satin Creditcare Network Limited, under the Income-tax Act, 1961 ("the IT Act") presently in force in India. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice and is only intended to provide general information on the applicable provisions of the IT Act. Several of these benefits are dependent on the Debenture Holders fulfilling the conditions prescribed under the relevant provisions of the IT Act. Hence, the ability of Debenture Holders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives a subscriber faces, may or may not choose to fulfill.

Subscribers are advised to consult their own tax consultant with respect to the tax implications of an investment in the NCDs, 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 benefits, which an investor can avail. Neither we are suggesting nor advising the investor to invest money based on this Statement.

POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE IT ACT PRESENTLY IN FORCE IN INDIA ON INVESTMENT IN THE NCDs.

1. The basis of charge of income-tax in India would depend upon the residential status of the debenture holder during the financial year ("previous year"). The previous year means the period of 12 months commencing from April 1.

2. If the debenture holder is an Indian tax resident, he is liable to income-tax in India on his global income, subject to certain tax exemptions/deductions, which are provided under the IT Act.

3. A debenture holder, who is treated as a non-resident for the IT Act purposes, is generally subject to tax in India only on his India-sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. Since the NCDs would be issued by an Indian company, any income in respect of the NCDs and/or gains arising to the non-resident debenture holder on transfer would generally be regarded as India-sourced income and would accordingly be taxable in India under the IT Act.

4. In case of non-resident debenture holders, the tax rates and the consequent taxation, mentioned in this part shall be further subject to any benefits available under the Double Taxation Avoidance Agreement ("DTAA" or "tax treaty"), if any, between India and the country of residence of the non-resident, subject to satisfying the relevant conditions including but not limited to:

   - conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument ("MLI") as ratified by India with the respective country of which the said debenture holder is a tax resident; • non-applicability of General Anti-Avoidance Rule ("GAAR"); and

   - providing and maintaining necessary information and documents as prescribed under the IT Act read with applicable rules, circulars and/or notifications.

5. All references to NCDs hereinafter refer to secured, rated, listed, redeemable, non-convertible debentures issued by the Company, unless stated otherwise.

6. Taxability under various heads of income

   The returns received by the investors from the NCDs in the form of interest and/or gains or loss on sale/ transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

   - Profits and gains from business or profession ("PGBP");

   - Income from capital gains ("CG"); and

- Income from other sources (“IFOS”)

If the NCDs are held as ‘Stock-in-trade’, interest income as well as gain or loss on its transfer will be taxable under the head PGBP, whereas, if the NCD are held as ‘Investments’, then the interest income will be taxable under the head IFOS and any gain or loss on its transfer will be assessed to tax under the head CG.

For determining the appropriate head of income (as mentioned above) vis-à-vis the interest income or gains earned on/ from the NCD, it is pertinent to analyze whether the NCDs are held as ‘Investments’ i.e., capital asset or as ‘Stock- in-trade’. The conclusion can vary based on the facts of each investor’s case (taking into account factors such as the volume of purchases and sales, ratio between purchases and sales, the period of holding, whether the intention is to earn a profit from sale or to earn interest etc.).

The Central Board of Direct Taxes (“CBDT”) has clarified in Circular No. 6/2016 dated February 29, 2016 that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as “Capital Gains” unless the Assessee itself treats these as its stock-in-trade and income arising from transfer thereof as its business income. However, this stand, once taken for a particular previous year, shall remain applicable to the other previous years also.

Further, as per section 2(14) of the IT Act, ‘capital asset’ includes, inter alia, securities held by a Foreign Institutional Investor (“FII”) [now known as Foreign Portfolio Investor] which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992 (“SEBI”). Accordingly, such securities, held by an FII, will be characterized as ‘capital asset’ and classification as ‘Stock-in- trade’ shall not apply.

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

7. Taxation of interest and gain/loss on transfer of NCDs

A. *RESIDENT DEBENTURE HOLDERS*:

1. IN RESPECT OF INTEREST ON NCDS

Interest on NCDs received by the NCD holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act (Refer point 1.1 and 1.2 below). Interest will be assessed to income tax on an accrual basis or receipt basis depending on the method of accounting regularly employed by the debenture holder under section 145 of the IT Act.

1.1. TAXABLE UNDER THE HEAD PGBP

As discussed above, depending on the particular facts of each case, the NCDs may, in certain cases, be regarded to be in the nature of ‘Stock-in-trade’ and, accordingly, the interest on NCDs should be considered to be in the nature of business income and hence, chargeable to tax under the head PGBP.

1.2. TAXABLE UNDER THE HEAD IFOS

- Where the NCDs are held as investments by the debenture holders, then the interest income would be taxable under the head IFOS.
- Section 57(i) grants deduction of any reasonable sum paid by way of commission or remuneration paid to a banker or any other person for the purpose of realizing dividend or interest on securities on behalf of the Assessee. Further, under clause (iii) of section 57, deduction is allowable for any other expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of making or earning the income.
- Debentures received as gift without consideration or inadequate consideration As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000 the aggregate market value of the debentures shall be taxable as income in the hands of the recipient.
  Similarly, if debentures are received for a consideration, which is less than the fair market value by an amount exceeding fifty thousand rupees, the aggregate fair market value as exceed such consideration shall be taxable as income in the hands of recipient.

There is no gift tax for the Donor of the Debentures.

2. IN RESPECT OF WITHHOLDING TAXES

2.1. Interest on NCDs received by its holder would be subject to deduction of tax at source ("TDS") at the rate of 10% at the time of credit or payment, whichever is earlier as per the provisions of section 193 of the IT Act.

2.2. Prior to Finance Act 2023, section 193 provided for no TDS in case of any interest payable on any security issued by a company, where such security was in dematerialized form and listed on a recognized stock exchange in India. However, the said relaxation has been omitted by Finance Act 2023 with effect from April 1, 2023. Accordingly, TDS at the rate of 10% would now be deductible on listed NCDs.

2.3. Section 193 further provides for non-deduction of tax at source in certain cases. Section 193 inter alia provides for no TDS where the aggregate amount of interest paid or likely to be paid during the financial year to an individual or Hindu Undivided Family ("**HUF**"), being a resident, does not exceed ₹5,000 and such interest is paid by an account payee cheque.

2.4. (a) No deduction of tax is required in case of person other than company or a firm if self-declaration in Form no. 15Gis furnished as per section 197A(1A) of the IT Act.

2.4. (b) No deduction of tax is required in case of resident individual having age of sixty years or more if self-declaration in Form no. 15H is furnished as per section 197A 1C of the Act.

2.5. Further, as per section 196, no deduction of tax shall be made by any person from any sums payable to-

(i) the Government, or

(ii) the Reserve Bank of India, or

(iii) a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income, or
(iv) a Mutual Fund specified under clause (23D) of section 10

2.6. Further, section 197A(1E) of the IT Act provides that no deduction of tax shall be made from any payment to any person for, or on behalf of, the New Pension System Trust referred to in clause (44) of section 10 of the IT Act.

2.7. Section 206AA of the IT Act provides for a higher withholding rate in case of any person, who being entitled to receive any sum/ income on which TDS is deductible under Chapter XVIIB ("**Deductee**"), fails to furnish his Permanent Account Number ("PAN") to the person responsible for deducting such TDS. The withholding tax rates in case of such person shall be higher of the following:

(i) at the rate specified in the relevant provision of the IT Act; or

(ii) at the rate or rates in force; or

(iii) at the rate of 20%.

2.8. Section 206AB of the IT Act provides for a higher withholding rate in case of any person (other than (a) a non-resident who does not have a permanent establishment in India or (b) a person who is not required to furnish the return of income for the assessment year relevant to the concerned previous year and is notified by the Central Government in the Official Gazette in this behalf) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:

(i) at twice the rate specified in the relevant provision of the IT Act; or

(ii) at twice the rate or rates in force; or

(iii) at the rate of 5%.

Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the rates provided in section 206AB and in section 206AA of the IT Act.

3. IN RESPECT OF CAPITAL GAINS ARISING FROM TRANSFER OF NCDS

3.1. As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

3.2. As per section 2(29AA) and section 2(42A) of the IT Act, a capital asset shall be treated as a long- term capital asset ("LTCA"), if the same is held for more than 36 months immediately preceding the date of its transfer. However, in case of a listed security, the same shall be treated as a LTCA, if it is held for more than 12 months immediately preceding the date of its transfer.

3.3. As per section 112 of the IT Act, Long Term Capital Gain ("LTCG") arising on transfer of the NCDs would be subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, the amount of such tax shall be limited to 10% (plus applicable surcharge and education cess) without indexation, in case of listed NCDs.

3.4. As per the fourth proviso to section 48 of the IT Act, the benefit of indexation on the cost of acquisition of a LTCA under second proviso of section 48 of the IT Act, is not available in case of bonds and debenture, except capital indexed bonds and sovereign gold bonds.

3.5. Short Term Capital Gains ("STCG") arising from transfer of the NCDs would be taxable as per the normal slab rates (Plus, applicable surcharge and education cess), subject to applicability of concessional tax regime.

3.6. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act. Also, the capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the NCDs from the sale consideration accrued to the respective NCD holder.

3.7. Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the NCD holder, being an Individual or Hindu Undivided Family, on transfer of the NCDs would be exempt from tax, if the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India ("new asset").

However, the said exemption shall not be available, if the debenture holder:

a) Owns more than one residential house, other than the new asset, on the date of transfer of the NCDs; or
b) Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the NCDs; or
c) Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the NCDs; and
d) The income from such residential house, other than the one residential house owned on the date of transfer of the NCDs is chargeable under the head 'Income from house property'.

Where the cost of new assets exceeds Rs. 10 crores, the amount in excess of Rs. 10 crores shall not be taken into consideration for the purpose of section 54F of the IT Act i.e. the maximum deduction permissible under section 54F of the IT Act is restricted to Rs. 10 crores.

Further, if the new asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

3.8. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

3.9. A new section 50AA of the IT Act has been inserted by Finance Act 2023 for computation of capital gains in case of inter alia Market Linked Debentures ("MLDs") so as to tax the income from the same as short term capital gains irrespective of their period of holding.

4. IN RESPECT OF BUSINESS INCOME ARISING FROM TRANSFER OF NCDS

4.1. As discussed above, depending on the particular facts of each case, the NCDs may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence, chargeable to tax under the head PGBP.

4.2. In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e.net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

4.3. In terms of section 36(1)(xv) of the IT Act, the STT paid by the investor in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head PGBP, if the income arising from taxable securities' transaction is included in such income.

5. IN RESPECT OF SET OFF AND CARRY FORWARD OF THE LOSSES

5.1. As per section 70 of the IT Act, Short Term Capital Loss ("STCL") computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

5.2. Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

5.3. As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set off against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

5.4. Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' income computed under the head PGBP, as per section 72 of the IT Act.

6. In case, where total income of any individual, HUF, Association of Person ("AOP"), Body of Individuals ("BOI"), Artificial Juridical Person ("AJP") includes any income inter alia by way of capital gains under sections 111A, 112 and 112A, the rate of surcharge on the amount of income- tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	Income other than dividend income and capital gains covered under section 111A, 112 and 112A	Dividend income and capital gains covered under section 111A, 112 and 112A
Upto ₹50 lakh	Nil	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹1 crore	10%	10%
Income exceeds ₹1 crore but does not exceed ₹2 crore	15%	15%
Income exceeds ₹2 crore but does not exceed ₹5 crores	25%	15%
Income exceeds ₹5 crores	37%#	15%

#In case of any individual, HUF, AOP (other than a co-operative society), BOI, Artificial Juridical Person, Finance Act, 2023 has made section 115BAC as the default tax regime w.e.f. AY 2024-25. Under this regime the highest rate of surcharge is

restricted to 25%. There is an option to opt out of section 115BAC, in which case, the highest rate of surcharge rate shall be 37%.

Highest rate of surcharge in the case of AOP consisting of only companies as its members is 15%.

B. NON-RESIDENT DEBENTURE HOLDERS OTHER THAN FOREIGN INSTITUTIONAL INVESTOR ("FII"):

1. IN RESPECT OF INTEREST ON NCDS

Interest on NCDs received by the NCD holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act. Interest will be assessed to income tax on accrual basis or receipt basis depending on the method of accounting regularly employed by the debenture holder under section 145 of the IT Act.

1.1 TAXABLE UNDER THE HEAD PGBP

As discussed above, depending on the particular facts of each case, the NCDs may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the interest on NCDs should be considered to be in the nature of business income and hence, chargeable to tax under the head PGBP.

1.2. TAXABLE UNDER THE HEAD IFOS

- Where the NCDs are held as investments by the debenture holders, then the interest income would be taxable under the head IFOS.

- Section 57(i) grants deduction of any reasonable sum paid by way of commission or remuneration paid to a banker or any other person for the purpose of realizing dividend or interest on securities on behalf of the Assessee. Further, under clause (iii) of section 57, deduction is allowable for any other expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of making or earning the income.

- Debentures received as gift without consideration or inadequate consideration As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000 the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for a consideration which is less than the fair market value by an amount exceeding fifty thousand rupees, the aggregate fair market value as exceed such consideration shall be taxable as income in the hands of receipent.

2. IN RESPECT OF WITHHOLDING TAXES

2.1. Interest on the NCDs received by its holder would be subject to withholding tax at source at the time of credit or payment, whichever is earlier as per the provisions of section 195 of the IT Act. The applicable income-tax rate for deduction of tax at source has been provided in Part II of First Schedule to Finance Act, 2023.

2.2. However, no/lower income-tax shall be deducted if the holder of the NCDs obtains a certificate under sections 195(3) or 197(1) of the IT Act from the Assessing Officer for no deduction of tax at source or lower deduction at source and that certificate is furnished to the Company before the prescribed date of closure of books of account of the Company for payment of debenture interest.

2.3. The Company would be under an obligation to deduct tax at source under section 195 at applicable rates in force. As per section 206AA of the IT Act, in the absence of PAN of the debenture holder, tax would be deductible at higher of, the rate specified under the Act or the rates in force or 20%. The provisions of section 206AA of the IT Act will, however not apply if the non-resident debenture holder provides to the payer the following details as listed in Rule 37BC:

a) name, e-mail id, contact number;

b) address in the country or specified territory outside India of which the debenture holder is a resident;

c) Tax Residency Certificate and Form 10F filed electronically;

d) Tax Identification Number/ Unique Identification Number of the debenture holder.

2.4. Section 206AB provides for a higher withholding rate in case of any person (other than (a) a non-resident who does not have a permanent establishment in India or (b) a person who is not required to furnish the return of income for the assessment year relevant to the concerned previous year and is notified by the Central Government in the Official Gazette in this behalf) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:

a) at twice the rate specified in the relevant provision of the IT Act; or

b) at twice the rate or rates in force; or

c) at the rate of 5%.

Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the rates provided in section 206AB and in section 206AA of the IT Act.

3. IN RESPECT OF CAPITAL GAINS FROM TRANSFER OF NCDS

3.1. As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

3.2. As per section 2(29AA) and section 2(42A) of the IT Act, a capital asset shall be treated as a long-term capital asset (LTCA), if the same is held for more than 36 months immediately preceding the date of its transfer. However, in case of a listed security, the same shall be treated as a LTCA, if it is held for more than 12 months immediately preceding the date of its transfer.

3.3. Under the first proviso to Section 48 of the IT Act, in case of a non -resident investor, while computing the capital gains arising from transfer of the NCDs acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. The capital gains/loss in such a case is computed by converting the cost of acquisition, sale consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized for the purchase of the NCDs.

3.4. As per section 112 of the IT Act, Long Term Capital Gain (LTCG) arising on transfer of the NCDs would be subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, the amount of such tax shall be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the debenture holder if the NCDs are listed.

3.5. As per the fourth proviso to section 48 of the IT Act, the benefit of indexation on the cost of acquisition of a LTCA under second proviso of section 48 of the IT Act, is not available in case of bonds and debenture, except capital indexed bonds and sovereign gold bonds.

3.6. Short Term Capital Gains (STCG) arising from transfer of the NCDs would be taxable as per the slab rates provided under Finance Act, 2023 (plus applicable surcharge and education cess), subject to applicability of concessional tax regime.

3.7. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act. Also, the capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the NCDs from the sale consideration accrued to the respective NCD holder.

3.8. Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the debenture holder, being an Individual or Hindu Undivided Family, on transfer of the debentures would be exempt from tax, if the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India (new asset).

However, the said exemption shall not be available, if the debenture holder:

a) Owns more than one residential house, other than the new asset, on the date of transfer of the NCDs; or
b) Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the NCDs; or
c) Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the NCDs; and
d) The income from such residential house, other than the one residential house owned on the date of transfer of the NCDs is chargeable under the head 'Income from house property'.
e) Where the cost of new asset exceeds Rs. 10 crores, the amount exceeding Rs. 10 crores shall not be taken into consideration for the purpose of section 54F of the IT Act i.e., the maximum deduction permissible under section 54F is restricted to Rs. 10 crores. Further, if the new asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

3.9. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

3.10. A new section 50AA of the IT Act has been inserted by Finance Act 2023 for computation of capital gains in case of inter alia Market Linked Debentures (MLDs) so as to tax the income from the same as short term capital gains irrespective of their period of holding. The NCDs under consideration are not MLDs and thus, the said section would not be applicable.

4. IN RESPECT OF BUSINESS INCOME FROM TRANSFER OF NCDS

4.1 As discussed above, depending on the particular facts of each case, the NCDs may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence, chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e.net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

4.2. In terms of section 36(1)(xv) of the IT Act, the STT paid by the investor in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head PGBP, if the income arising from taxable securities transaction is included in such income.

5. IN RESPECT OF SET OFF AND CARRY FORWARD OF LOSSES

5.1. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

5.2. Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

5.3. As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set off against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

5.4. Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' income computed under the head PGBP income, as per section 72 of the IT Act.

6. Where the NCDs have been subscribed in convertible foreign exchange, Non-Resident Indians ("**NRI**"), i.e., an individual being a citizen of India or person of Indian origin who is not a resident, have the option of being governed by the provisions of Chapter XIIA of the IT Act, which inter alia entitles them to the following benefits:

   (i) Under section 115E of the IT Act, interest on NCDs shall be taxable in the hands of NRI at the rate of 20% (plus applicable surcharge and health & education cess) and the LTCG arising to the NRI shall be taxable at the rate of 10 % (plus applicable surcharge and health & education cess). While computing the LTCG, the benefit of indexation of cost and deductions under chapter VIA would not be available.

   (ii) Under section 115F of the IT Act, LTCG arising to an NRI from the transfer of the debentures subscribed to in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets or in any saving certificates referred to in section 10(4B) of the IT Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or saving certificate are transferred or converted into money within three years from the date of their acquisition.

   (iii) Under section 115G of the IT Act, it shall not be necessary for an NRI to furnish his return of income under section 139(1) of the IT Act if his total income chargeable under the IT Act consists of only investment income or LTCG or both; and tax deductible at source has been deducted thereon as per the provisions of Chapter XVII-B of the IT Act.

   (iv) In accordance with the provisions of Section 115H of the IT Act, where an NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such investment income derived from the specified assets (which includes debentures issued by an Indian company which is not a private company) for that year and subsequent assessment years until such assets are transferred or converted into money.

   (v) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

7. **MINIMUM ALTERNATE TAX ("MAT")**

   The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the Assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the Assessee is not required to seek registration under any law for the time being in force, relating to companies. Further, section 115JB of the IT Act expressly provides that the amount of income from (i) capital gains arising on transactions in securities; or (ii) interest, dividend, royalty or fees for technical services chargeable to tax at the rates specified in Chapter XII, accruing or arising to a foreign company shall not be liable to MAT if such income is credited to the profit and loss account and the income-tax payable in accordance with the other provisions of the IT Act, is less than the rate specified in section 115JB of the Act. The expenditures, if any, debited to the profit and loss account, corresponding to such income (which is to be excluded from the computation of book profit under section 115JB of the IT Act) shall also be added back to the book profit for the purpose of computation of section 115JB of the IT Act.

8. In case, where total income of any individual, HUF, AOP, BOI, Artificial Juridical Person includes any income inter alia by way of capital gains under sections 111A,112 and 112A, the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	Income other than dividend income and capital gains covered under section 111A, 112 and 112A	Dividend income and capital gains covered under section 111A, 112 and 112A
Upto ₹50 lakh	Nil	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹1 crore	10%	10%

Income exceeds ₹1 crore but does not exceed ₹2 crore	15%	15%
Income exceeds ₹2 crore but does not exceed ₹5 crores	25%	15%
Income exceeds ₹5 crores	37%#	15%

 # In case of any individual, HUF, AOP (other than a co-operative society), BOI, Artificial Juridical Person, Finance Act, 2023 has made section 115BAC as the default tax regime w.e.f. AY 2024-25. Under this regime the highest rate of surcharge is restricted to 25%. There is an option to opt out of section 115BAC, in which case, the surcharge rate of 37% would be applicable.

Highest rate of surcharge in the case of AOP consisting of only companies as its members is 15%.

9. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The tax treaty and MLI provide for various anti-abuse provisions (viz. beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming tax treaty benefit. In order to avail tax treaty benefit, the non-resident will also have to furnish a Tax Residency Certificate of his being a resident in a country outside India, along with Form No. 10F as prescribed under section 90(5) of the IT Act. Further, vide Notification No. 03/2022 dated 16 July 2022, the Directorate of Income Tax (Systems) has added Form 10F to the prescribed list of forms to be furnished electronically.

C. NON-RESIDENT DEBENTURE HOLDERS – FIIs:

1. IN RESPECT OF INTEREST ON NCDS

1.1. Section 115AD (1) provides for taxation of income of inter alia FIIs/FPIs from securities or capital gains arising from their transfer. The rate of income-tax prescribed for income in respect of securities inter alia debentures is 20% (plus applicable surcharge and education cess).

1.2. The computation of income has to be in accordance with section 115AD and other applicable provisions of the IT Act. FII/FPI debenture holders may avail tax treaty benefit (if any), subject to satisfaction of certain conditions.

2. IN RESPECT OF CAPITAL GAINS FROM TRANSFER OF NCDS

2.1. As per section 2(29AA) and section 2(42A) of the IT Act, a capital asset shall be treated as a long-term capital asset (LTCA), if the same is held for more than 36 months immediately preceding the date of its transfer. However, in case of a listed security, the same shall be treated as a LTCA, if it is held for more than 12 months immediately preceding the date of its transfer.

2.2. Capital gains taxable under section 115AD of the IT Act would be computed without giving effect to the first and second proviso to section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains. The rate of income-tax prescribed under the said section on capital gains income is as under:

(i) Short Term Capital Gains (other than gains covered under section 111A of the IT Act) – 30%

(ii) Long Term Capital Gains –10%

2.3. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 115AD of the IT Act. Also, the capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the NCDs from the sale consideration accrued to the respective NCD holder.

2.4. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

2.5. A new section 50AA of the IT Act has been inserted by Finance Act 2023 for computation of capital gains in case of inter alia Market Linked Debentures (MLDs) so as to tax the income from the same as short term capital gains irrespective of their period of holding. The NCDs under consideration are not MLDs and thus, the said section would not be applicable.

3. IN RESPECT OF WITHHOLDING TAXES

3.1. Interest on NCDs received by its holder would be subject to withholding tax at source at the time of credit or payment, whichever is earlier as per the provisions of section 196D of the IT Act. The applicable income-tax rate would be 20% (plus applicable surcharge and education cess) as provided under section 196D of the IT Act, subject to treaty benefit entitlement.

3.2. In the absence of PAN of the debenture holder, tax would be deductible at higher of, rate specified under the IT Act or the rates in force or 20% as per section 206AA of the IT Act. The provisions of section 206AA will, however not apply if the non-resident debenture holder provides to the payer the following details as listed in Rule 37BC:

(i) name, e-mail id, contact number;

(ii) address in the country or specified territory outside India of which the debenture holder is a resident;

(iii) Tax Residency Certificate and form 10F to be filed electronically;

(iv) Tax Identification Number/ Unique Identification Number of the debenture holder.

3.3. Section 206AB of the IT Act provides for a higher withholding rate in case of any person (other than (a) a nonresident who does not have a permanent establishment in India or (b) a person who is not required to furnish the return of income for the assessment year relevant to the concerned previous year and is notified by the Central Government in the Official Gazette in this behalf) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 of the IT Act has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:

(i) at twice the rate specified in the relevant provision of the IT Act; or

(ii) at twice the rate or rates in force; or

(iii) at the rate of 5%.

Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the rates provided in section 206AB and in section 206AA of the IT Act.

3.4. As per section 196D (2) of the IT Act, tax is not required to be deducted at source from any income, by way of Capital Gains arising to a FII from the transfer of securities referred to in section 115AD of the IT Act.

4. IN RESPECT OF SET OFF AND CARRY FORWARD OF LOSSES

4.1. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

4.2. Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

5. MINIMUM ALTERNATE TAX

The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the Assessee does not have a Permanent

Establishment in India or such company is a resident of a country with which India does not have such agreement and the Assessee is not required to seek registration under any law for the time being in force, relating to companies. Further, section 115JB of the IT Act expressly provides that the amount of income from (i) capital gains arising on transactions in securities; or (ii) interest, dividend, royalty or fees for technical services chargeable to tax at the rates specified in Chapter XII, accruing or arising to a foreign company shall not be liable to MAT if such income is credited to the profit and loss account and the income-tax payable in accordance with the other provisions of the Income-tax Act, is less than the rate specified in section 115JB of the IT Act. The expenditures, if any, debited to the profit and loss account, corresponding to such income (which is to be excluded from the computation of book profit) shall also be added back to the book profit for the purpose of computation of MAT under section 115JB of the IT Act.

6. In case, where total income of any individual, AOP, BOI, Artificial Juridical Person includes any income inter alia by way of capital gains referred under section 115AD(1)(b), the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	**Income other than dividend income and capital gains covered under section 111A, 112 and 112A**	**Dividend income and capital gains covered Under section 111A, 112 and 112A**
Upto ₹50 lakh	Nil	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹1 crore	10%	10%
Income exceeds ₹1 crore but does not exceed ₹2 crore	15%	15%
Income exceeds ₹2 crore but does not exceed ₹5 crores	25%	15%
Income exceeds ₹5 crores	37%#	15%

 # In case of any individual, HUF, AOP (other than a co-operative society), BOI, Artificial Juridical Person, Finance Act, 2023 has made section 115BAC as the default tax regime w.e.f. AY 2024-25. Under this regime the highest rate of surcharge is restricted to 25%. There is an option to opt out of section 115BAC, in which case, the surcharge rate of 37% would be applicable. In case of FIIs/FPIs, the applicability of section 115BAC needs to be evaluated.
Highest rate of surcharge in the case of AOP consisting of only companies as its members is 15%.

7. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The treaty and MLI provide for various anti-abuse provisions (viz. beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming treaty benefit. In order to avail treaty benefit, the non-resident will also have to furnish a Tax Residency Certificate of his being a resident in a country outside India, along with Form No. 10F as prescribed under section 90(5) of the IT Act. Further, vide Notification No. 03/2022 dated 16 July 2022, the Directorate of Income Tax (Systems) has added Form 10F to the prescribed list of forms to be furnished electronically.

D. SPECIFIED FUNDS DEFINED UNDER SECTION 10(4D)(C) OF THE IT ACT

(i) W.e.f. FY 2020-21, the provisions of section 115AD of the IT Act are extended to a 'specified fund' defined under clause (c) of the Explanation to clause (4D) of section 10. 'Specified fund' is defined to mean
   (a) a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate, –

      (i) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 made under the SEBI Act, 1992 or regulated under the IFSC (Fund Management) Regulations, 2022 made under the IFSC Authority Act, 2019;
      (ii) which is located in any International Financial Services Centre; and
      (iii) of which all the units are held by non-residents other than unit held by a sponsor or manager;

   (b) an investment division of an offshore banking unit, which has been–
      (i) granted a certificate of registration as a Category I FPI under the SEBI (FPI), Regulations, 2019 made under

the SEBI Act, 1992 which has commenced its operations on or before the 31st day of March, 2024; and

(ii) fulfils such conditions including maintenance of separate accounts for its investment division, as may be prescribed.

(iii) The rate of income-tax prescribed under section 115AD(1) on various streams of income is as under:

(i) Income in respect of securities inter alia debentures – 10%
(ii) Short Term Capital Gains covered under section 111A – 15%
(iii) Other Short Term Capital Gains – 30%
(iv) Long Term Capital Gains – 10%

The computation of income has to be in accordance with section 115AD and other applicable provisions of the IT Act.

3. Further, sub-section (1B) of section 115AD of the IT Act states that notwithstanding anything contained in section 115AD(1), in case of investment division of an offshore banking unit, the provisions of this section shall apply to the extent of income that is attributable to the investment division of such banking units.

4. The provisions of section 115AD of the IT Act shall apply only to the extent of income that is attributable to units held by non- resident (not being a permanent establishment of a non-resident in India) calculated in the prescribed manner.

5. Further, as per section 115JEE of the IT Act, the provisions of Alternate Minimum Tax shall not apply to such specified funds.

6. Section 196D(1A) of the IT Act provides for deduction of tax on any income in respect of securities referred to in section 115AD(1)(a) at the rate of 10% (plus applicable surcharge and education cess). Provided that no deduction shall be made in respect of an income exempt under section 10(4D) of the IT Act. In the absence of PAN, TDS rate would be increased to 20% as per section 206AA of the IT Act.

E. Investment Funds –. Category I or Category II Alternative Investment Fund ("AIF"):

1. Under section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head "Profits and gains of business or profession" would be exempt from income tax. For this purpose, an "Investment Fund" means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012 or regulated under the IFSC (Fund Management) Regulations, 2022 made under the IFSC Authority Act, 2019.

   As per section 115UB(1) of the IT Act, any income accruing/arising/received by a person from his investment in Investment Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.

2. In case, the Fund incurs any losses, only the business losses would be eligible to be carried forward and set-off by the Fund at the Fund level. The prescribed conditions laid down under the IT Act for carry forward and set off of losses should be applicable to the Fund in this regard.

3. Losses other than business loss shall be allowed to be carried forward and set-off by the Unit holders while computing the total tax liability, provided that the units of the Fund are held for a period of more than 12 months. Further, such loss cannot be carried forward at Fund level even if the loss is not passed onto the Investors on account of non - fulfilment of condition of holding the units for at least 12 months. The eligible period for carry forward of losses would depend on the nature of loss.

4. Section 115UB of the IT Act further provides that:

   (i) Income paid or credited by Fund shall be deemed to be of the same nature and in the same proportion in the hands of the Investors as it had been received by or had accrued or arisen to Fund.

   (ii) Income accruing or arising to, or received by, Fund, during a particular financial year, if not paid or credited to the Investors shall be deemed to be credited to the account of the Investors on the last day of the financial year in the same proportion in which such Investors would have been entitled to receive the income, had it been paid in the same financial year.

5. As per section 10(23FBB) read with section 115UB of the IT Act, any business income, accruing or arising to or received by Investors of the Fund, shall be exempt in the hands of the Investors and taxed in the hands of the Fund at the rates specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.

   Income received by Fund which is exempt in its hand under section 10(23FBA) would not be subjected to any withholding tax by virtue of section 197A(1F) read with Notification No.51/2015/SO1703(E) dated June 25, 2015.

6. Further, as per section 194LBB of the IT Act, where any income, other than that proportion of income which is of the same nature as income referred to in section 10(23FBB) of the IT Act, is payable to a unit holder in respect of units of an Investment Fund, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon:

   (i) at the rate of 10% where the payee is a resident; and

   (ii) at the rates in force where the payee is a non-resident.

F. Mutual Funds:

Under section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorized by the Reserve Bank of India and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

G. Provident Fund and Pension Fund, etc.:

Under section 10(25) of the IT Act, following incomes are exempt:

(i) interest on securities which are held by, or are the property of, any provident fund to which the Provident Funds Act, 1925 (19 of 1925), applies, and any capital gains of the fund arising from the sale, exchange or transfer of such securities;

(ii) any income received by the trustees on behalf of a recognised provident fund;

(iii) any income received by the trustees on behalf of an approved superannuation fund.;

(iv) any income received by the trustees on behalf of an approved gratuity fund;

(v) any income received—

   (a) by the Board of Trustees constituted under the Coal Mines Provident Funds and Miscellaneous Provisions Act, 1948 (46 of 1948), on behalf of the Deposit-linked Insurance Fund established under section 3Gof that Act; or

   (b) by the Board of Trustees constituted under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952), on behalf of the Deposit-linked Insurance Fund established under section 6C of that Act;

H. Withholding taxes on Purchase of Goods

As per section 194Q of the IT Act, any sum payable by a buyer for purchase of goods of the value exceeding Rs. 50 Lakhs shall be liable to withhold tax at the rate of 0.1 percent. Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds Rs. 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out. Further, TDS shall not be applicable where: -

(i) Tax is deductible under any of the provisions of the IT Act; or

(ii) Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies.

The CBDT has issued Circular No 13 of 2021 dated June 30, 2021 laying down guidelines under section 194Q of the IT Act. It inter alia provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation (including exchanges or corporation located in IFSC).

Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the subscribers obtain specific advice from their tax advisors regarding applicability of these provisions.

Further, the CBDT has also inter alia clarified that the section 194Q of the IT Act shall not apply to a non - resident buyer, whose purchase of goods from a seller, resident in India, is not effectively connected with the permanent establishment of such non-resident in India.

For this purpose, 'permanent establishment' shall mean to include a fixed place of business through which the business of the enterprise is wholly or partly carried on.

I. General Anti Avoidance Rules ("GAAR")

The General Anti Avoidance Rules ("GAAR") were introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

J. Documents required in cases of lower/ non-deduction of TDS due to exemption available

Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, as per section 197A(1B) of the IT Act, provisions of section 197A(1) and 197A(1A) of the IT Act shall not apply if the aggregate of the amounts of incomes referred under said sub-sections, gets credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

d. In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption, unless specified otherwise hereinabove:

Sl. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1.	Any person other than company or firm	Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act,	Declaration in form No.15G with PAN / Certificate issued under section 197(1) of the IT Act has to be filed with the Company.
2.	Individuals having age of 60 years or more		Declaration in form No.15H with PAN / Certificate issued under section 197(1) of the IT Act has to be filed with the Company
3.	Non-residents- (Other than FIIs/FPIs)	For Non-deduction or lower deduction of tax at source u/s 195 of the IT Act	A certificate under section 197 of the IT Act from the Indian Assessing Officer for nil / lower deduction of

Sl. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
			tax at source by making an application in the prescribed form (i.e. Form No.13.)
4.	Life insurance Corporation of India	Clause vi of Proviso to Section 193	Copy of Registration certificate
5.	General Insurance Corporation of India, companies formed under section 16(1) of General Insurance Business Act, 1972 and company in which GIC has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 193	Copy of Registration certificate Copy of shareholding pattern
6.	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
7.	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
8.	Government, RBI and corporation established under Central Act whose income is exempt from tax	Section 196(i), (ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions
9.	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that their income is exempt u/s 10(25) and 10(25A)
10.	New Pension System Trust	Section 10(44) read with Section 196(iii) and CBDT Circular - 18/2017	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
11.	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20), etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
12.	Alternative Investment Funds (Category I and II)	Section 197A(1F)	Copy of Registration certificate issued by SEBI

Note 1 – Tax rates

Individuals and Hindu Undivided Families:

The FA, 2023 has amended section 115BAC of the IT Act by, inter alia, inserting sub-section (1A) thereto to provide that the tax regime provided under section 115BAC of the IT Act shall be the default tax regime applicable in case of an individual, HUF, AOP (other than a co-operative society), body of individual or artificial juridical, beginning with the financial year 2023-24, except where the assessee specifically opts to be governed by the erstwhile regime.

In such cases, the following shall be the rate of tax applicable:

Slab	Tax Rate
Total income up to INR 3,00,000	Nil
More than INR 3,00,000 but up to INR 6,00,000	5 per cent of excess over INR 3,00,000
More than INR 6,00,000 but up to INR 9,00,000	10 per cent of excess over INR 6,00,000 + INR 15,000

More than INR 9,00,000 but up to INR 12,00,000	15 per cent of excess over INR 9,00,000 + INR 45,000
More than INR 12,00,000 but up to INR 15,00,000	20 per cent of excess over INR 12,00,000 + INR 90,000
More than INR 15,00,000	30 per cent of excess over INR 15,00,000 + INR 1,50,000

In computing the income-tax under the new regime, only few deductions like standard deduction available to salaried taxpayers, etc., shall be allowed. Whereas most of the deductions/exemptions such as section 80C, 80D, etc. would need to be foregone.

A resident individual (whose total income does not exceed Rs 7,00,000) whose income is chargeable to tax under sub-section (1A) of section 115BAC can avail rebate under section 87A, of the IT Act. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 25,000, whichever is less. Further, where the total income exceeds Rs 7,00,000, the assessee shall be entitled for deduction of an amount equal to the amount by which the income-tax payable on the total income exceeds the amount by which the total income exceeds Rs 7,00,000.

Where the assessee as stated above, specifically opts to be governed by the erstwhile regime, the income earned by assessee should be liable to tax as per the applicable slab rates (plus applicable surcharge and health and education cess) based on the taxable income of such assessee. The slab rates applicable to such investors (other than resident individuals aged 60 years or more) are as follows:

Income	Tax Rate*
Up to INR 2,50,000#	NIL
Exceeding INR 2,50,000 up to INR 5,00,000@	5 per cent of the amount by which the total income exceeds INR 2,50,000
Exceeding INR 5,00,000 up to INR 10,00,000	20 per cent of the amount by which the total income exceeds INR 5,00,000 plus INR 12,500$
Exceeding INR 10,00,000	30 per cent of the amount by which the total income exceeds INR 10,00,000 plus INR 112,500$

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income tax chargeable on his total income or Rs 12,500, whichever is less.

** Plus surcharge if applicable and a health and education cess ('cess') of 4 per cent on the amount of tax plus surcharge, if applicable). # for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age and above (“super senior citizen”) Rs 250,000’ has to be read as Rs 500,000.*

$Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

1. PARTNERSHIP FIRMS & LLP’S:

The tax rates applicable would be 30 per cent (plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

2. DOMESTIC COMPANIES:

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT Rate
Domestic companies having turnover or gross receipts of- upto Rs 400 Cr in FY 2020-21 (For AY 2023-24) and in FY 2021-22 (For AY 2024-25)	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable

Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above Category	30 per cent	15 per cent

Note 2: Surcharge (as applicable to the tax charged on income)

Non-corporate assessees (other than firm, co-operative societies and FIIs):

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) exceeds Rs 2 crore	15 per cent on total tax The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long term gains chargeable to tax under section 112 of the IT Act.
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 2 crore	25 per cent on tax on income excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act. In case the assessee opts out of Sec 115BAC then the rate of surcharge applicable is 37 percent. - 15 per cent on tax on dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act. The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long term gains chargeable to tax under section 112 of the IT Act as well.

Note: The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.

As per the FA, 2023, the maximum surcharge rate in case of capital gains chargeable to tax under section 112 of the IT Act, in case of an assessee being an individual, HUF, AOP (not being a co-operative society), BOI or artificial juridical person is also capped to 15%.

3. FIIs (NON – CORPORATE):

Particulars	Rate of Surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT	15 per cent on total tax

Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	- 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act. In case the assessee opts out of Sec 115BAC then the rate of surcharge applicable is 37 percent. - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act

4. FOR ASSESSES OTHER THAN THOSE COVERED ABOVE:

Particulars	Rate of surcharge applicable
Non-corporate taxpayers and cooperative societies	Nil where total income does not exceed Rs 1 crore
	From FY 2022-23 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	From FY 2022-23 12 per cent where total income exceeds Rs 10 crore
Non-corporate taxpayers being firms	Nil where total income does not exceed Rs 1 crore
	12 per cent where total income exceeds Rs 1 Crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where total income does not exceed Rs 1 crore
	7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	12 per cent where total income exceeds Rs 10 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of total income)
Foreign Companies (including corporate FIIs)	Nil where total income does not exceed Rs 1 crore
	2 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where total income exceeds Rs 10 crore

A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.

Notes:

• The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of NCD.
• The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.
• The above statement of possible tax benefits is as per the current direct tax laws (read along with the amendments made by the FA, 2023) relevant for the AY 2024-25 corresponding to the FY 2023-24.
• This statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the NCD of the Company.
• In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the nonresident has fiscal domicile.
• No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.
2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2024-2025 (Financial year 2023-24) and taking into account the amendments made by the Finance Act, 2023.
4. This statement is intended only to provide general information to Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each

debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.

5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the IT Act.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the industry and market data contained in this section is derived from the report titled "Report on 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 Draft Prospectus 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 Draft Prospectus.*

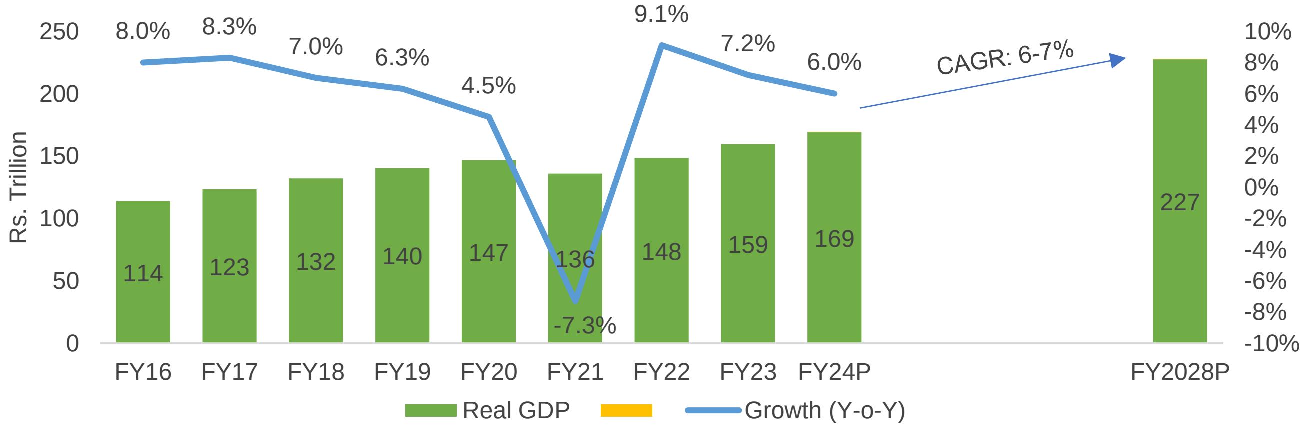
*A copy of the CRISIL Report is available on the website of our Company at www.satincreditcare.com. Also see "**Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation**", "**Industry Overview**" and "**Risk Factors – Industry information included in this Draft Prospectus has been derived from an industry report prepared by CRISIL and exclusively commissioned and paid for by us for such purpose"** on pages 13, 98 and 39, 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.

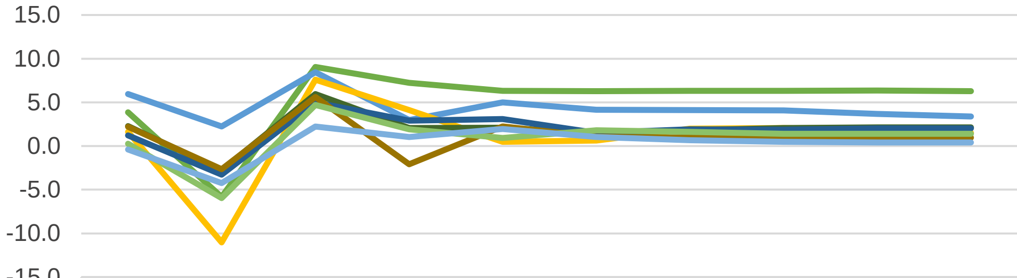
India's economy to grow at 6.0% in fiscal 2024



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.

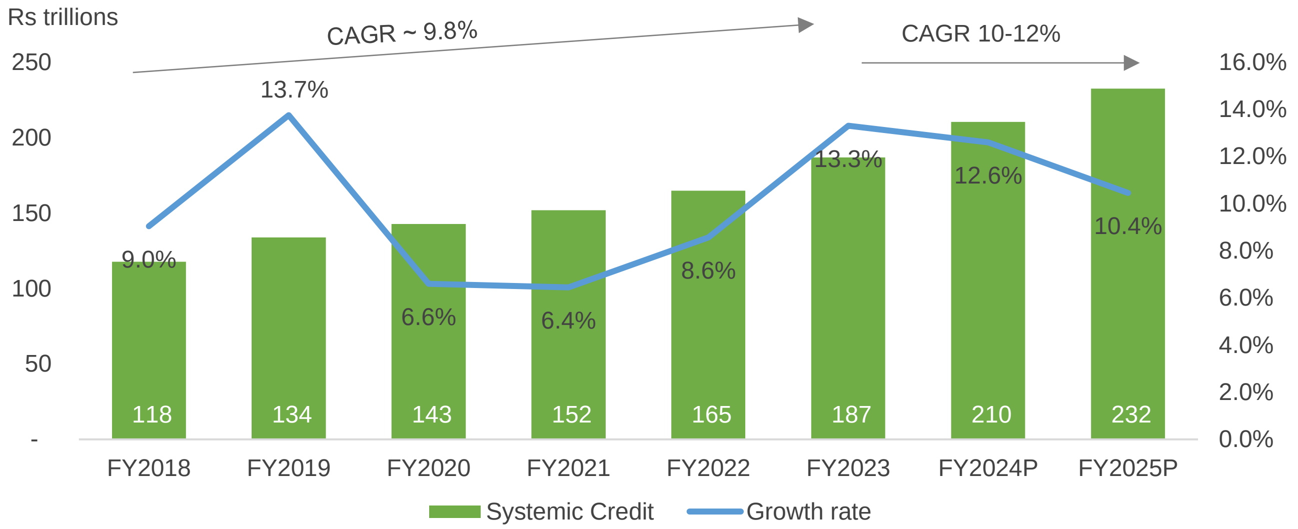
Note: P – Projected
Source: Reserve Bank of India (RBI), National Statistics Office (NSO), CRISIL MI&A

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.

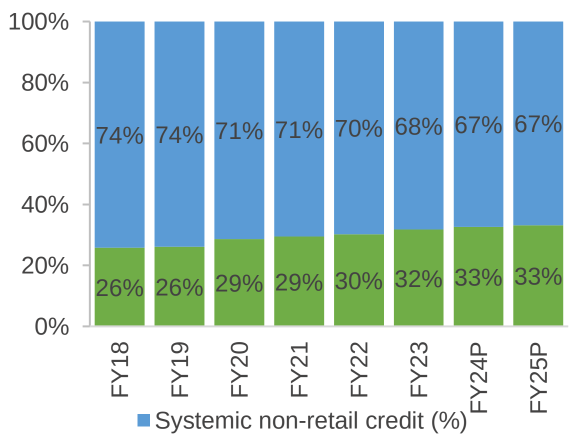
Systemic credit to grow by 10-12% between fiscal 2023 & fiscal 2025



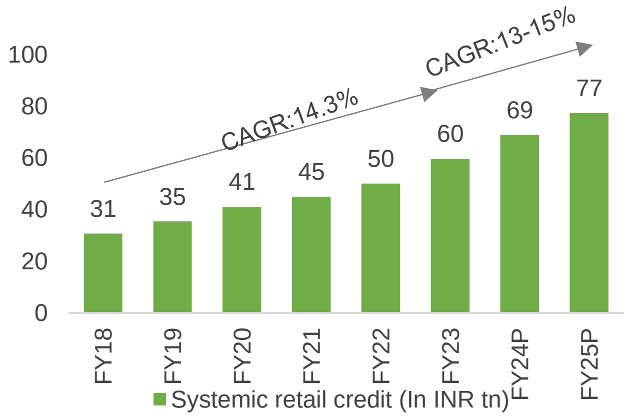
Note: P: Projected; Systemic credit includes domestic banking credit, NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC
Source: RBI, Company Reports, CRISIL MI&A

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



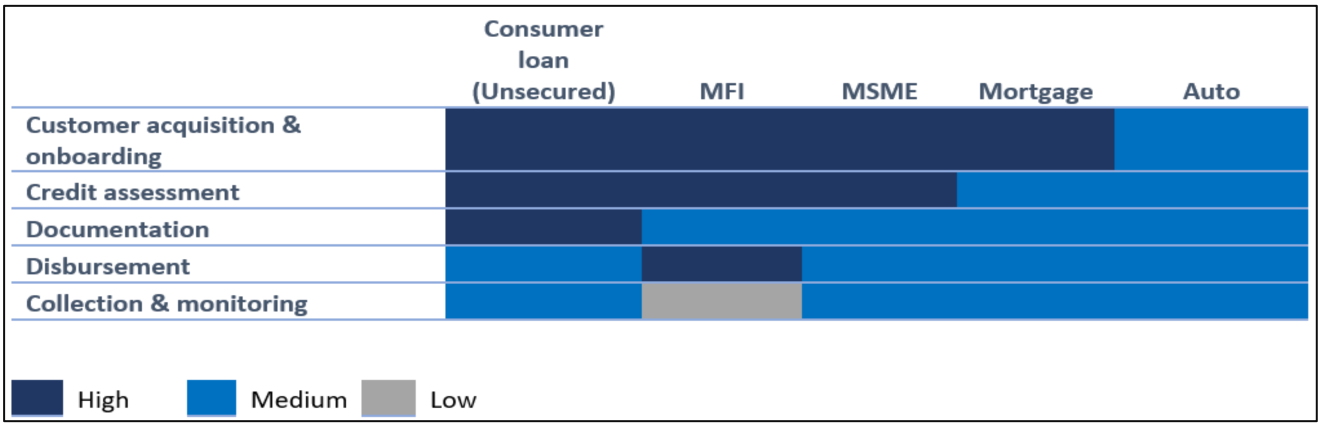
Note: P = Projected
Source: RBI, CRISIL MI&A

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



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.

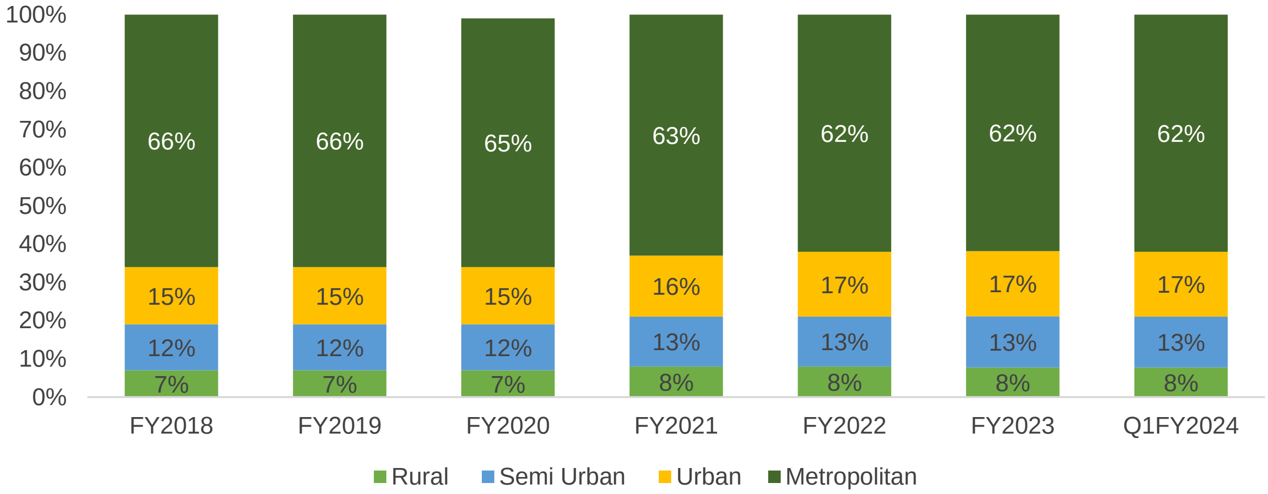
Current scenario and key developments

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.

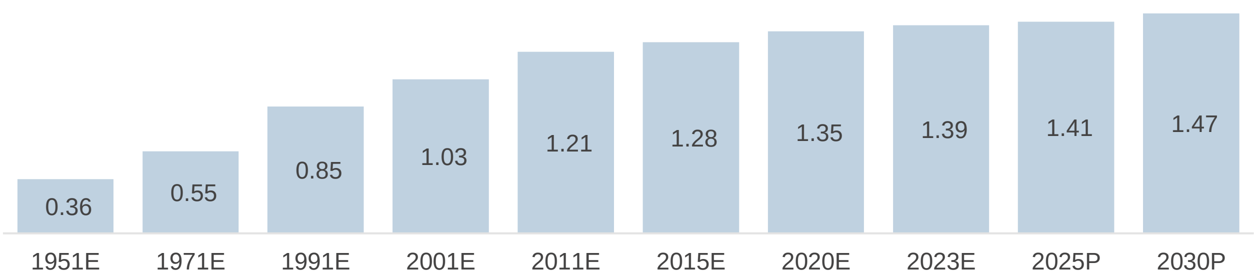
- **Emerging Middle Class**: As India's middle class continues to grow, many people who were previously unbanked are now entering the formal economy. Financial institutions can cater to their financial needs, including personal loans, small business loans, and more.
- **Digital Transformation**: The 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)

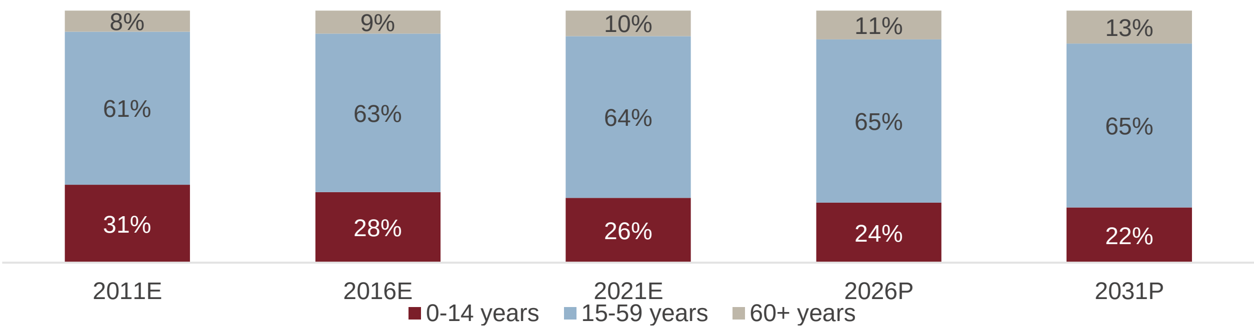


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A

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)

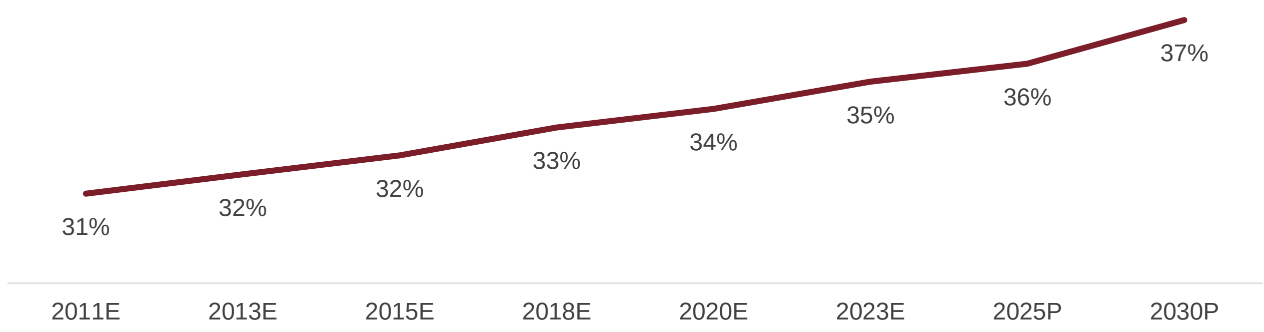


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A

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

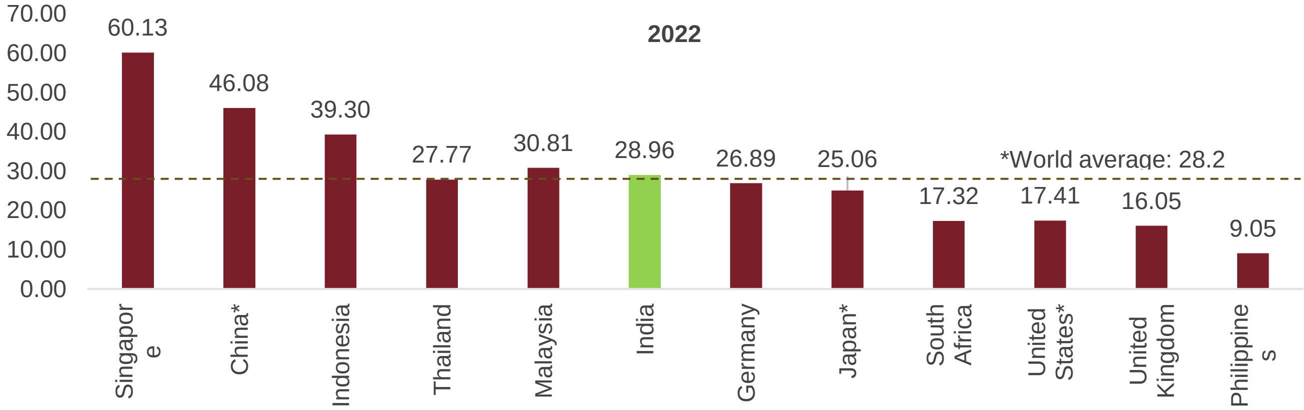


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A

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

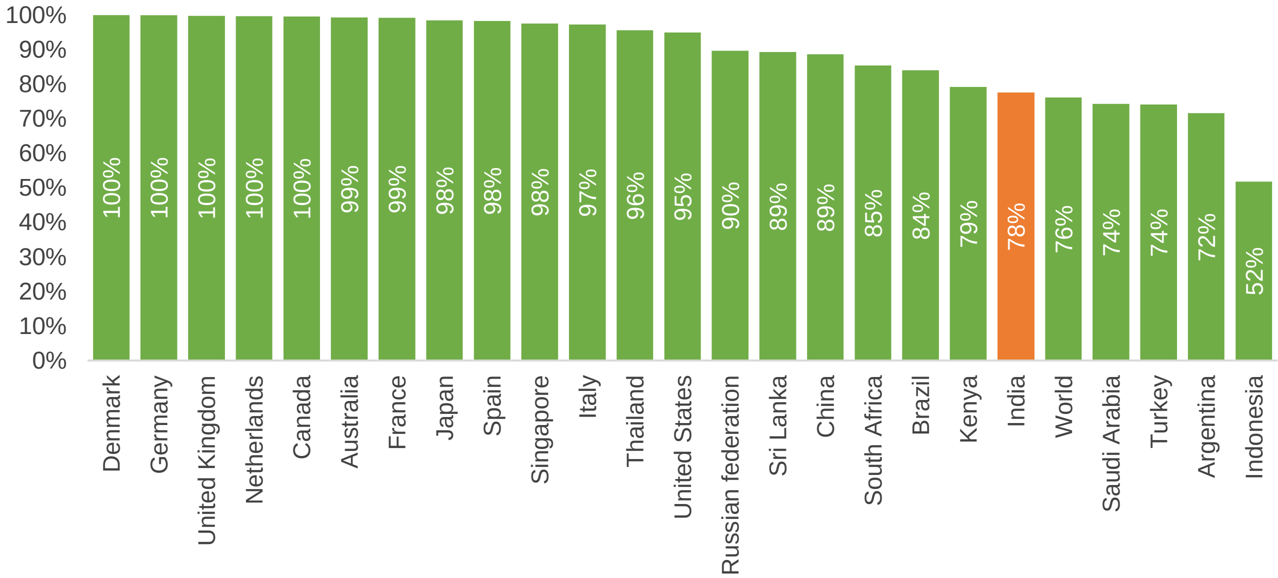
(PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Pradhan Mantri Suraksha Bima Yojana (PMSBY)

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

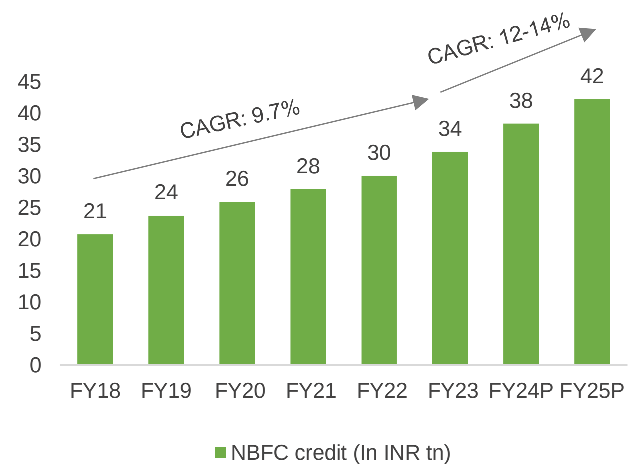
Over the past decade, banking credit growth lagged systemic credit growth for several years as NBFCs grew at a much faster pace. However, the NBFCs suffered a blow after IL&FS defaulted in September 2018. NBFCs not having the advantage of size, rating and/or parentage had to grapple with a liquidity 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.

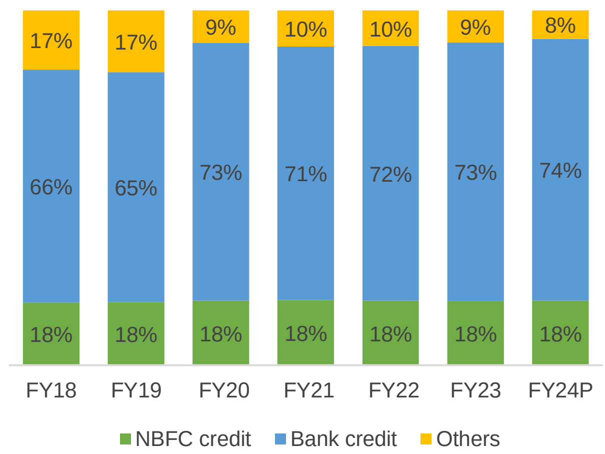
In Fiscal 2022, the second wave of the COVID-19 pandemic led to weak demand for credit in the first quarter of the year. However, the pace of credit recovered, with overall credit growing by 9% and retail credit increasing by 11.3% year-on-year as of March 2022. With the effect of COVID-19 waning, vaccination 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



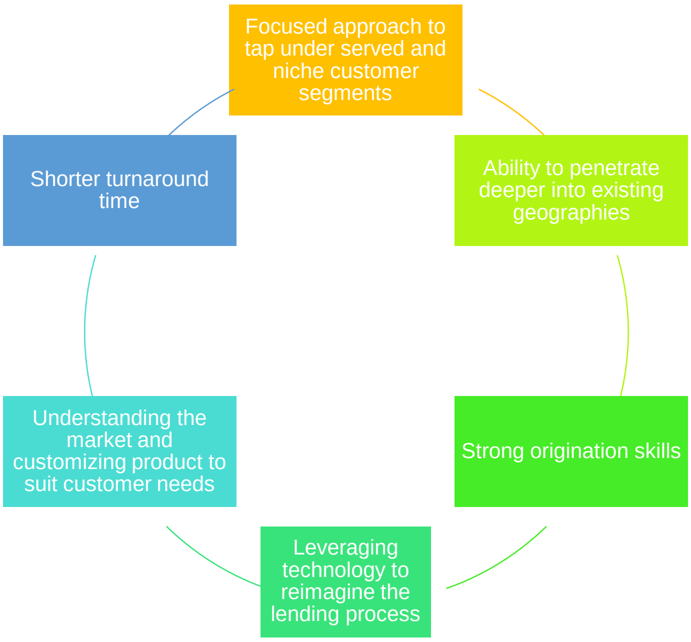
Share of NBFC Credit in Systemic Credit remained at 18% in fiscal 2023



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



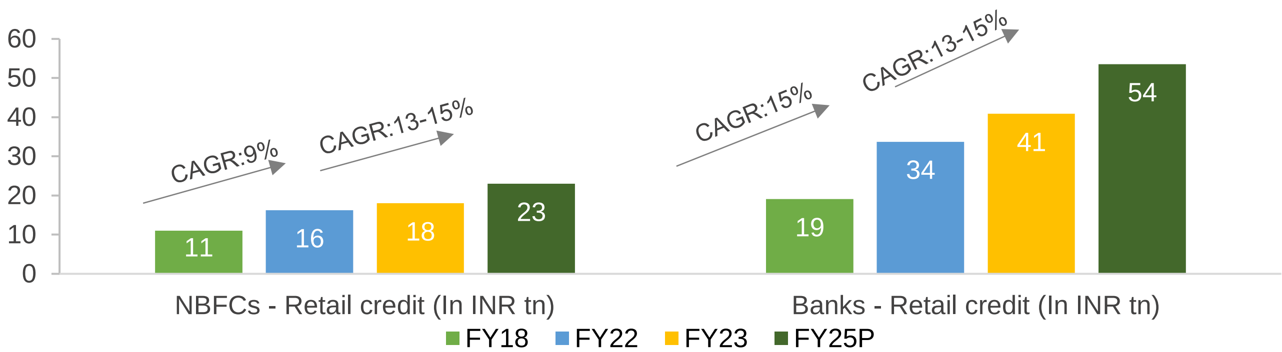
Source: CRISIL MI&A

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.

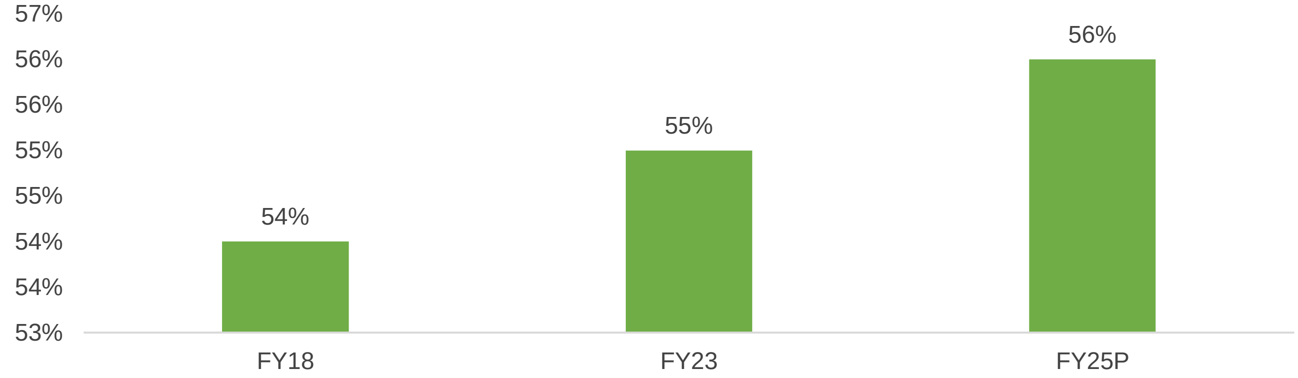
NBFCs retail credit is expected to grow at 13% - 15% CAGR in the next two years



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



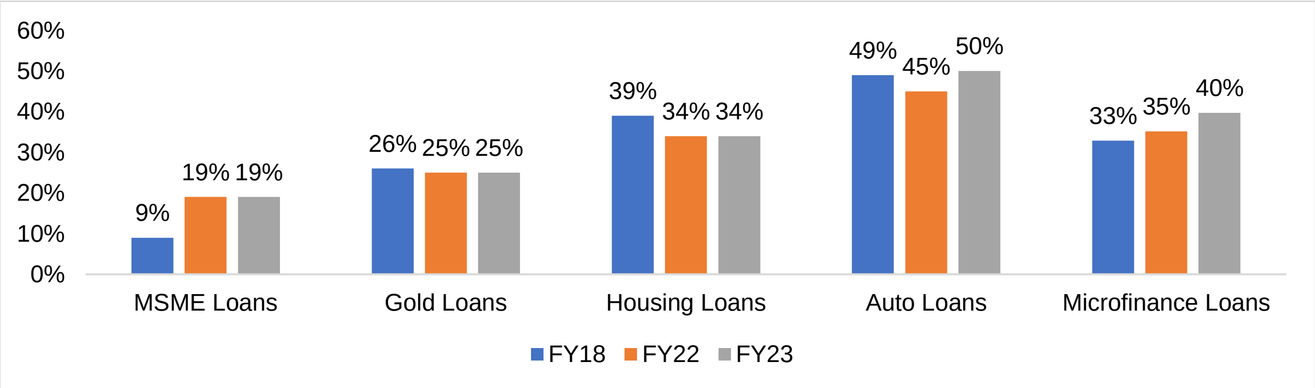
Note: P = Projected; Retail credit above includes housing finance, auto finance, microfinance, gold loans, consumer durable finance, MSME loans, education loans & other smaller segments
Source: Company reports, CRISIL MI&A

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

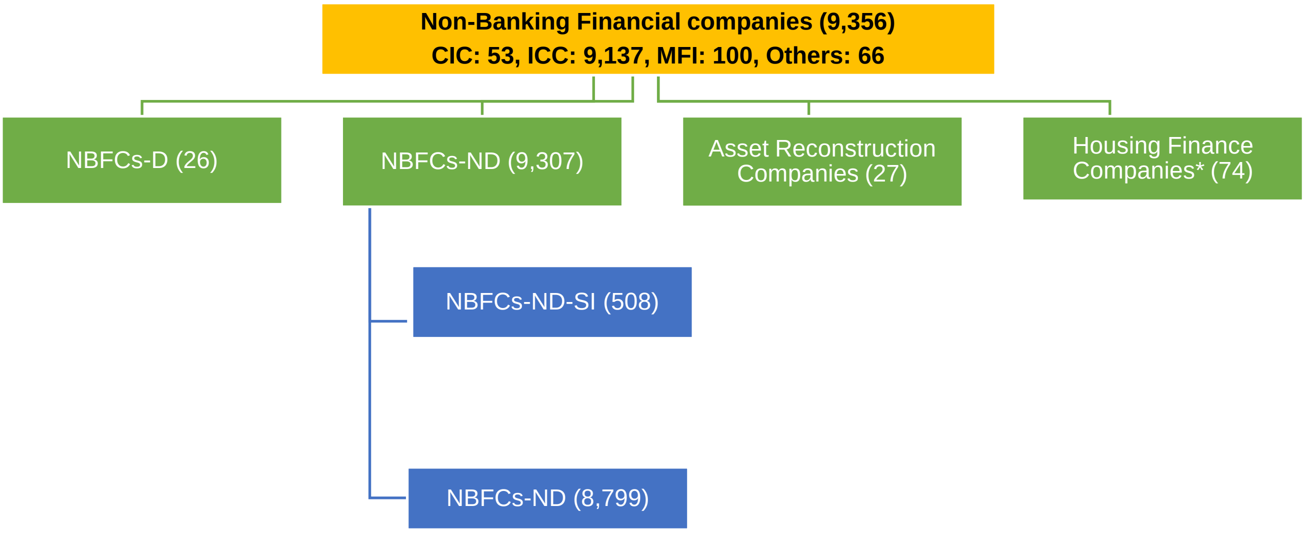
Constituents of NBFC industry in India

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



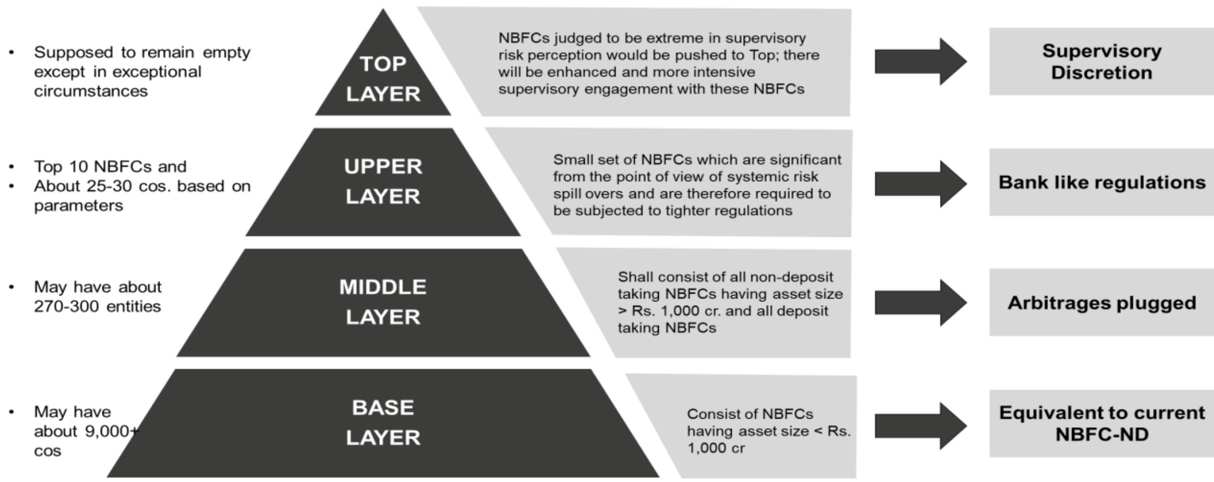
Note: (*) HFC which has more than 100 crores AUM as of March 2023. Figures in brackets represent the number of entities registered with RBI as of September 2023, CIC: Core Investment Company, ICC: Investment and Credit Company, Others include account aggregator, peer to peer lending, infrastructure debt 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.

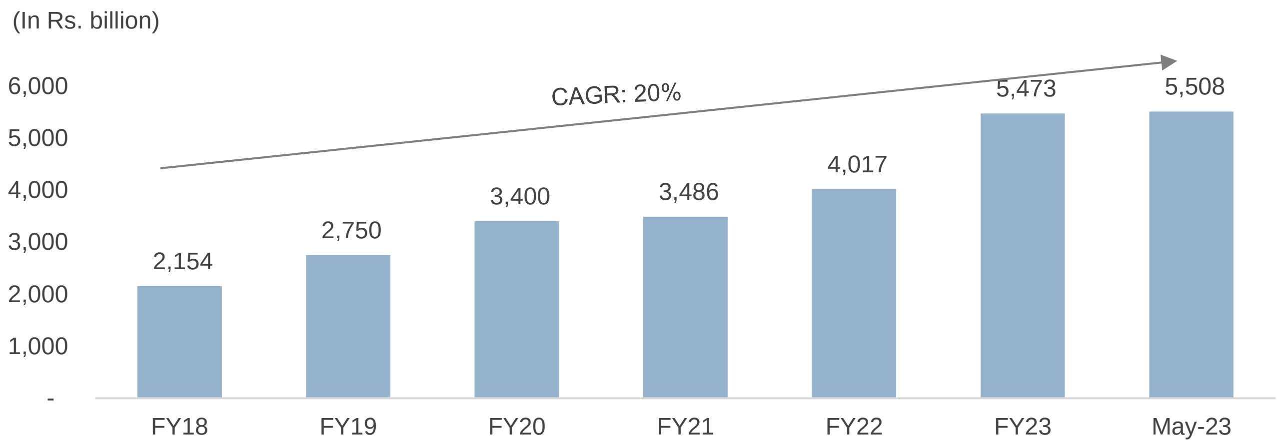
MICROFINANCE LOANS

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

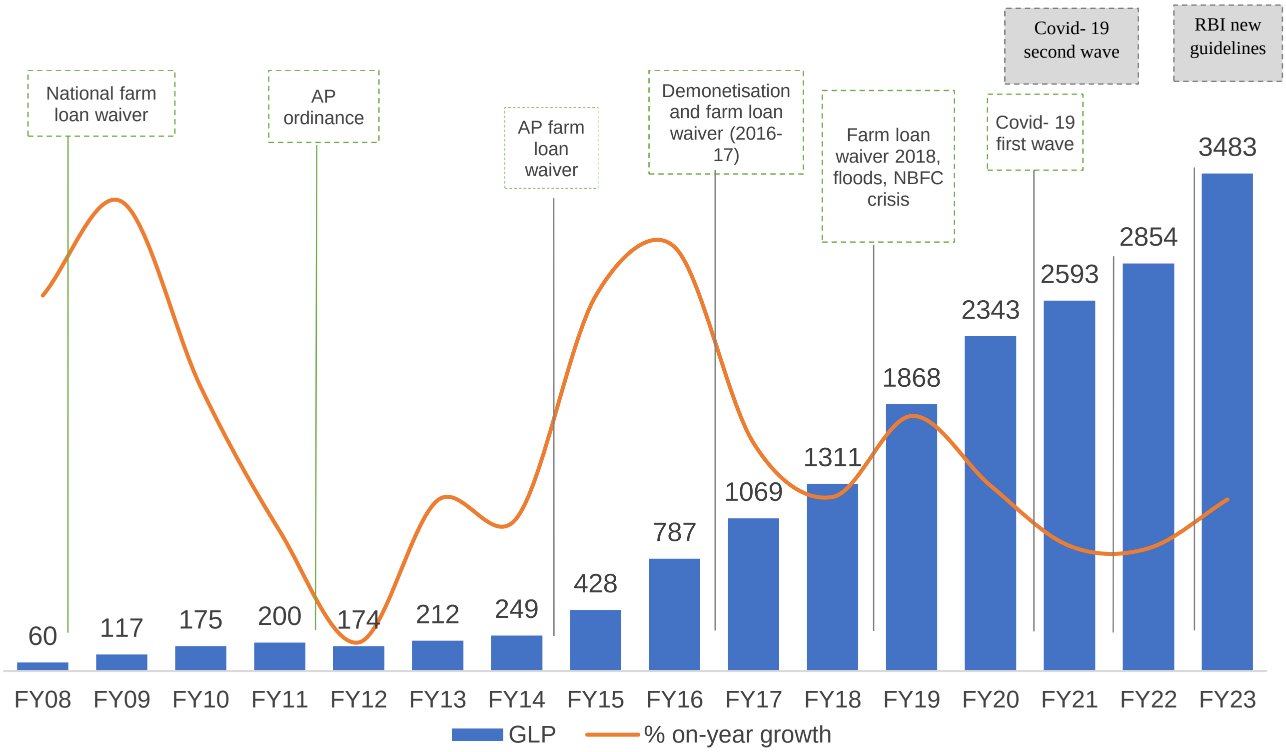
Industry resilient despite major setbacks and changing landscape

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



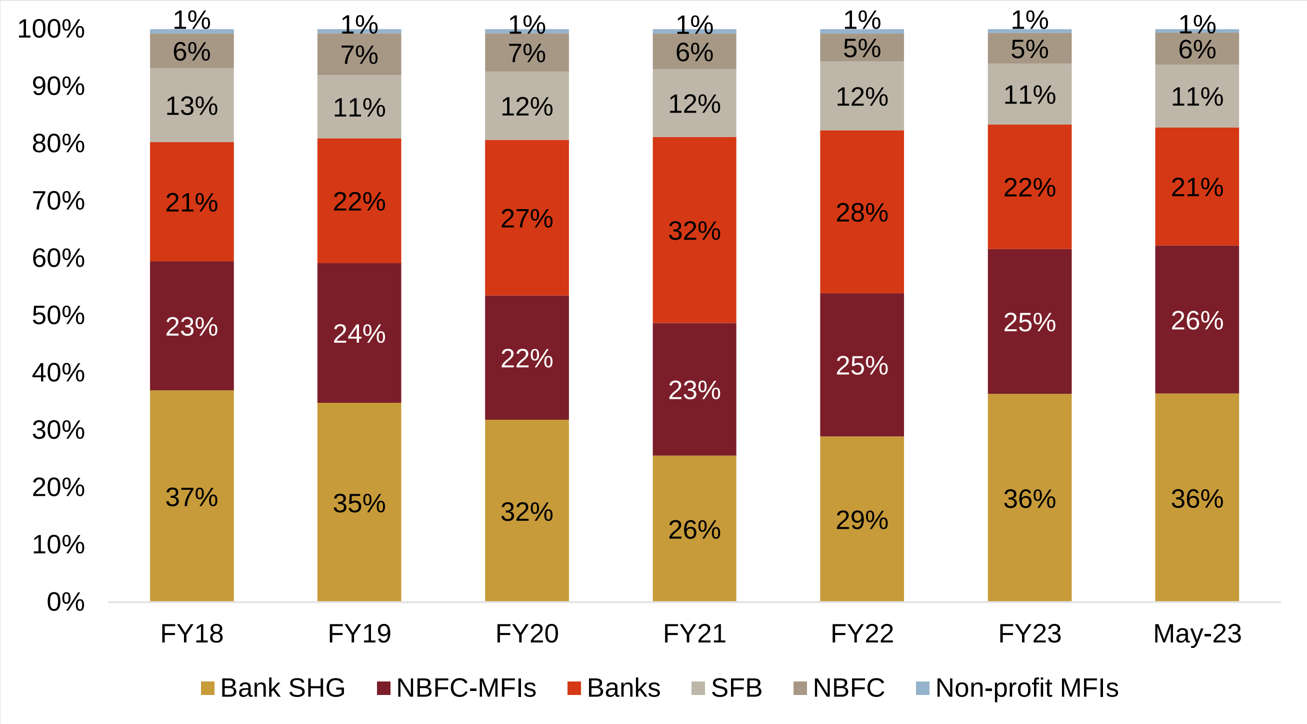
Note: Data includes numbers for banks' lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks' lending through SHGs. The amounts are as at of the send of the financial year; GLP refers to Gross loan portfolio.
Source: MFIN, CRISIL MI&A

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 affected 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.

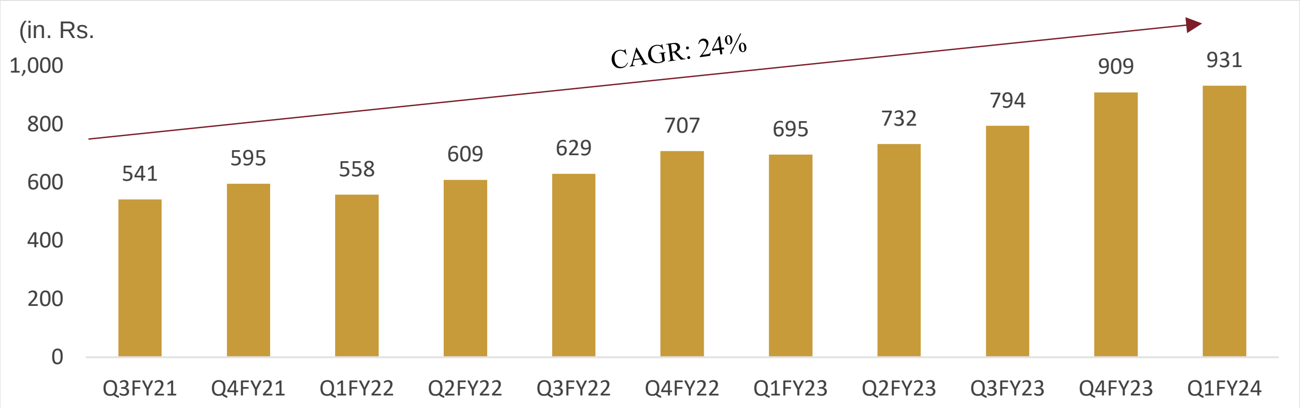
Impact of floods in Kerala and Odisha (2018-20)

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.

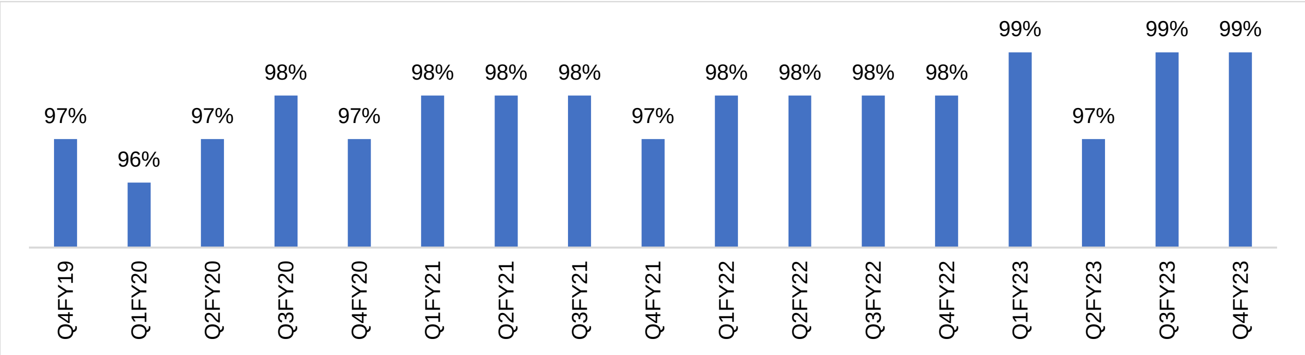
Adoption of technology in microfinance industry

- 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.

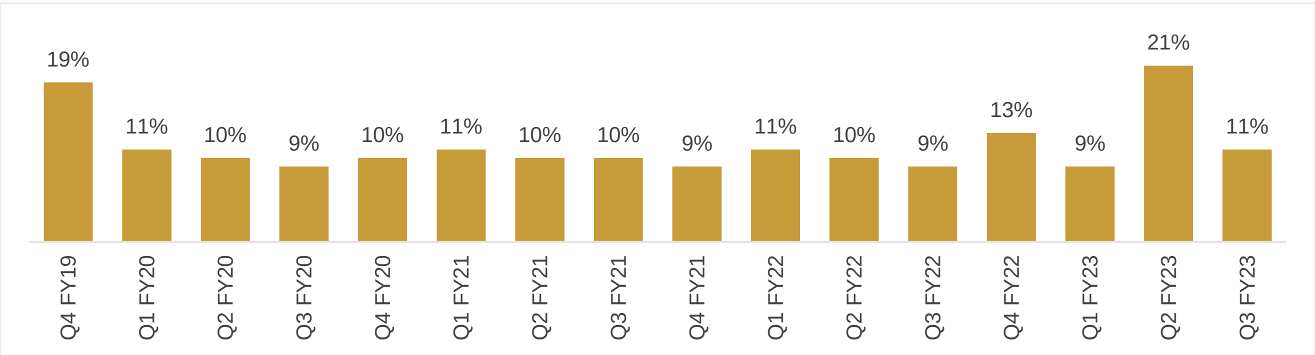
- Cashless disbursements and collections have become increasingly popular in the microfinance industry in India, as they promote transparency, reduce cash handling costs and improve customer experience.

Trend in cashless disbursement



Source: MFIN report, CRISIL MI&A

Trend in cashless collections



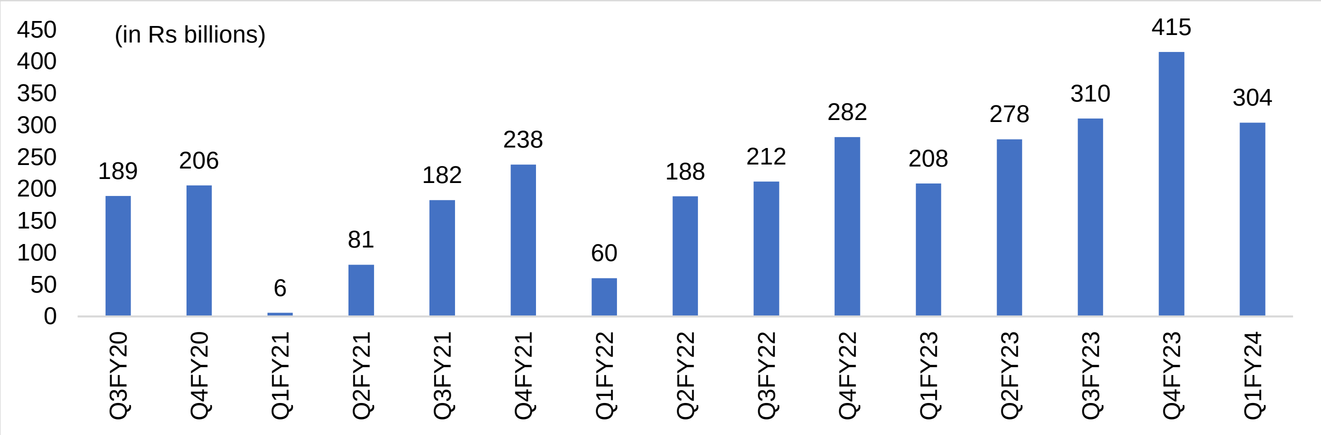
Source: MFIN report, CRISIL MI&A

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.

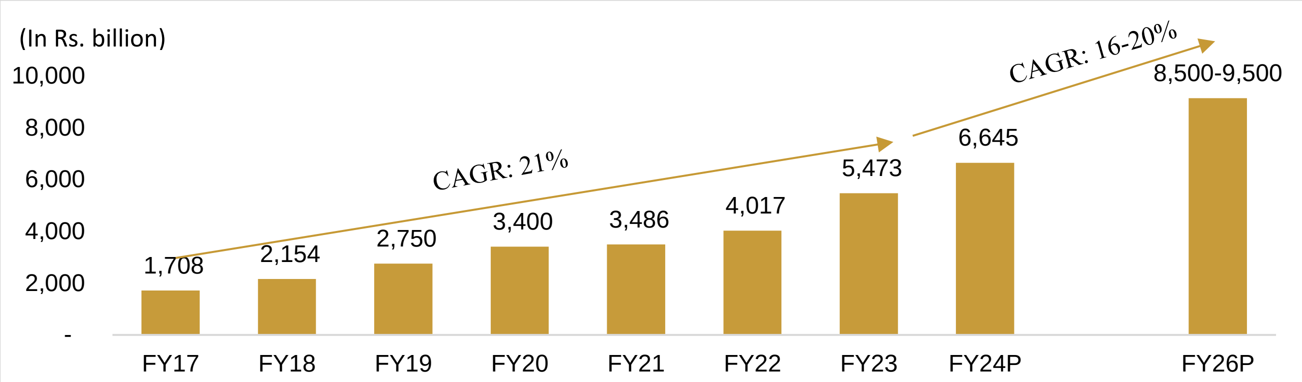
Key enablers for the microfinance industry growth

- 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.

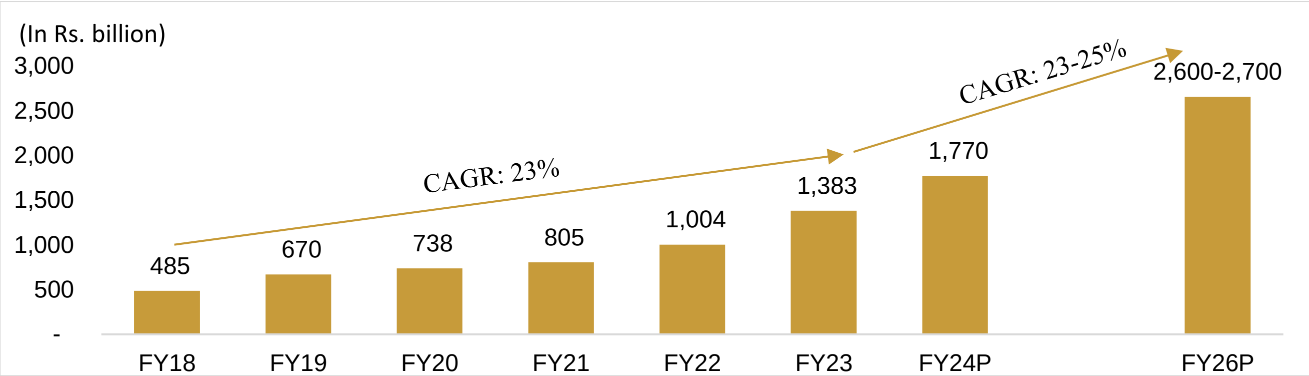
- New regulations will help further deepen the penetration of microcredit in the country. With enhancement of the household income threshold, the MFIs are expected to reach many more households. The regulations are also expected to create a level playing field, which will increase the competition, in 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

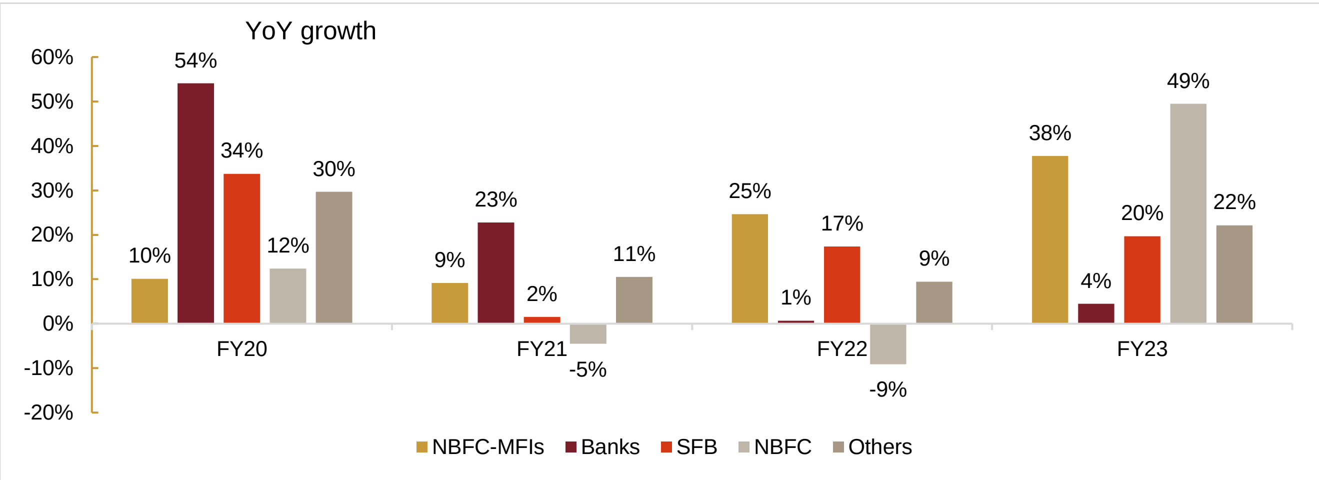
NBFC MFI Industry to grow at a faster rate than overall MFI Industry



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

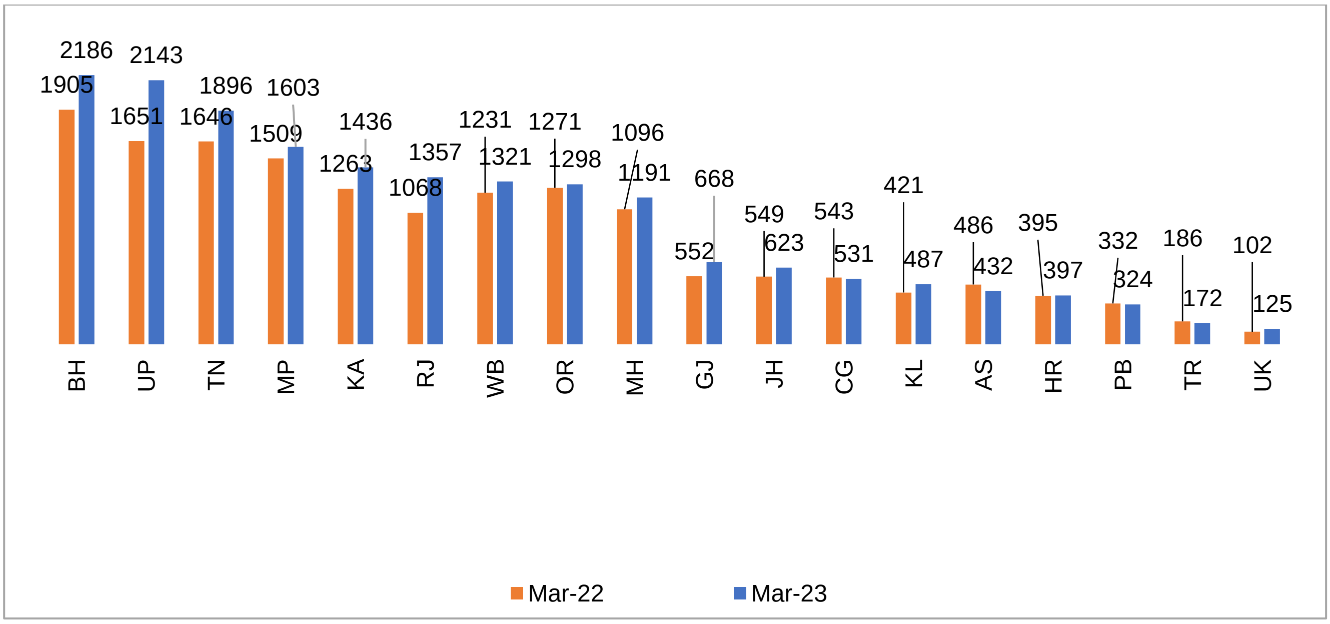


Note: Data includes data for Banks, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. In FY20, Bharat Financial (BFIL) was included in NBFC-MFIs and in fiscal 2020 Bharat Financial is included in banks.
Source: MFIN, CRISIL MI&A

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%

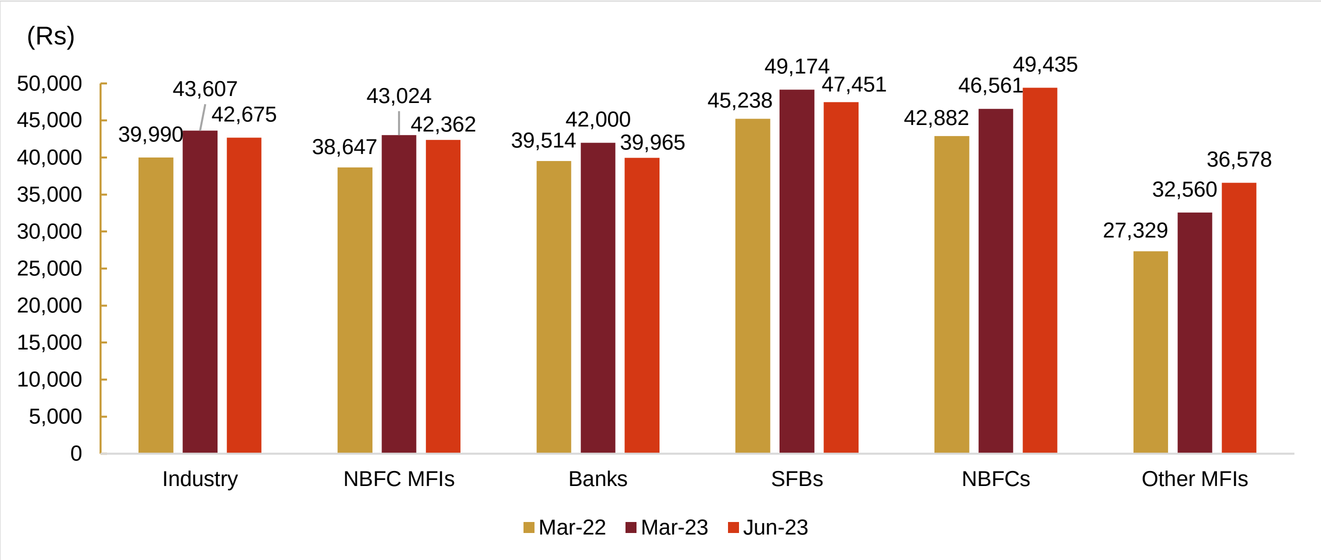
Note: Values taken as per Bharat Microfinance Report 2022.
Source: Sa-Dhan, CRISIL MI&A

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:

Area of regulation	Earlier regulations		New regulations (effective April 1, 2022)
	For NBFC-MFIs	For banks and SFBs	For all regulated entities*
Loan pricing	Margin cap at 10% for large MFIs (loan portfolios > Rs 1 billion) 12% for small MFIs (loan portfolios < Rs 1 billion)	No restrictions for banks and SFBs	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.
Processing fees	Not more than 1% of the gross loan amount		
Qualifying criteria	85% loans unsecured	Have to meet the target set for priority sector loans	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.
Household income	Rural areas: Rs 125,000 per annum Urban areas: Rs 200,000 per annum	No restrictions for banks and SFBs	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

<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>Ticket size of loans</td><td>Rs 75,000 in the first cycle and Rs 125,000 in the subsequent cycles</td><td rowspan="2"></td><td rowspan="2">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>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:

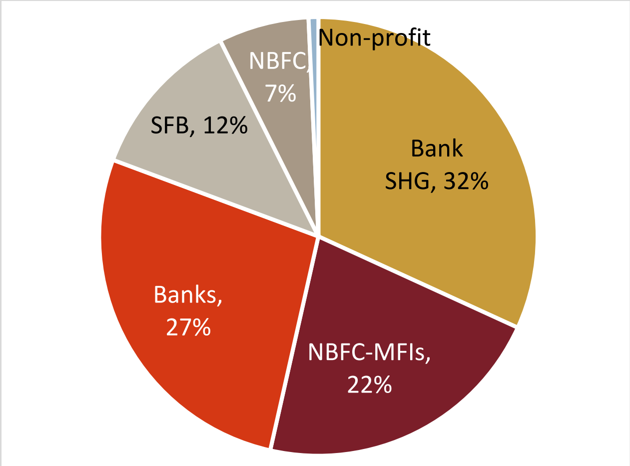
- Banks-SHGs, which refers to banks who provide microcredit under the SGH programme
- Banks (direct and indirect through BCs) includes portfolios for direct and indirect lending (through BCs) by banks; private banks are key constituents
- NBFC-MFIs includes MFIs exclusively focused on the microfinance 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.

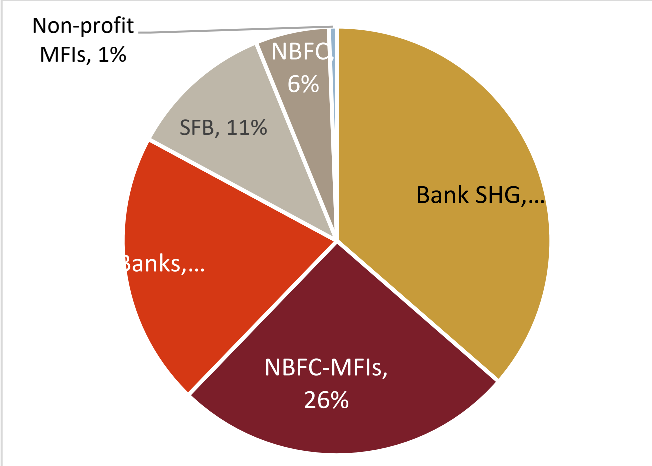
Hence, CRISIL MI&A expects NBFC-MFIs to grow at a much faster rate of 19-20% between fiscal 2023 and 2026 vis-v-a-vis SFBs which are expected to grow at slower rate, on account of increasing focus of SFBs towards other product suite beyond the MFI loan portfolio.

Player Group-wise Market Share

FY20 – Rs. 3,400 billion

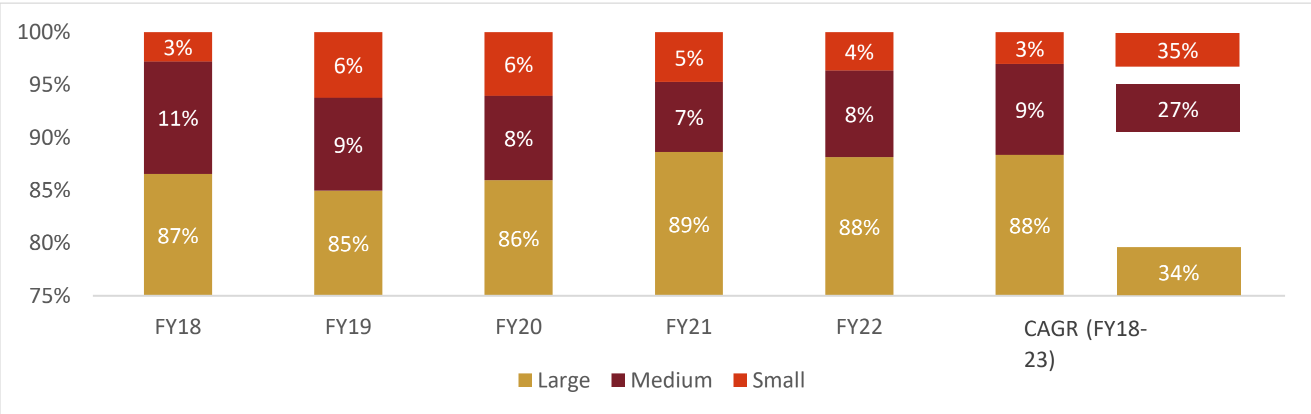


May 2023 – Rs. 5,508 billion



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			

	Scheduled commercial banks	SFBs	MFIs
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.

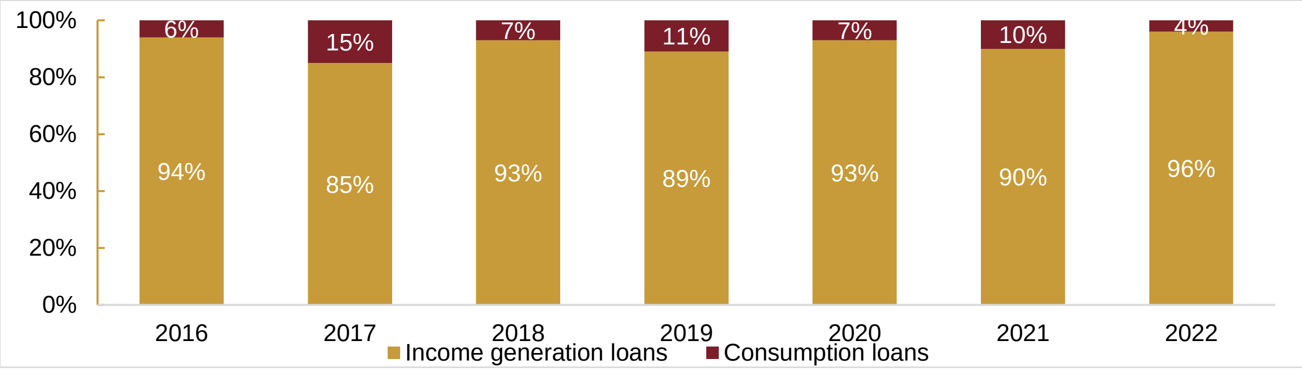
Products	Indicative list of players offering
Solar	Arohan Financial, Satin Creditcare, Muthoot Microfin
Water and Sanitation	Arohan Financial, CreditAccess Grameen, Ujjivan SFB, Satin Creditcare, Muthoot Microfin
Home Appliances	Arohan Financial, CreditAccess Grameen, Ujjivan SFB, Satin Creditcare
Cycle 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



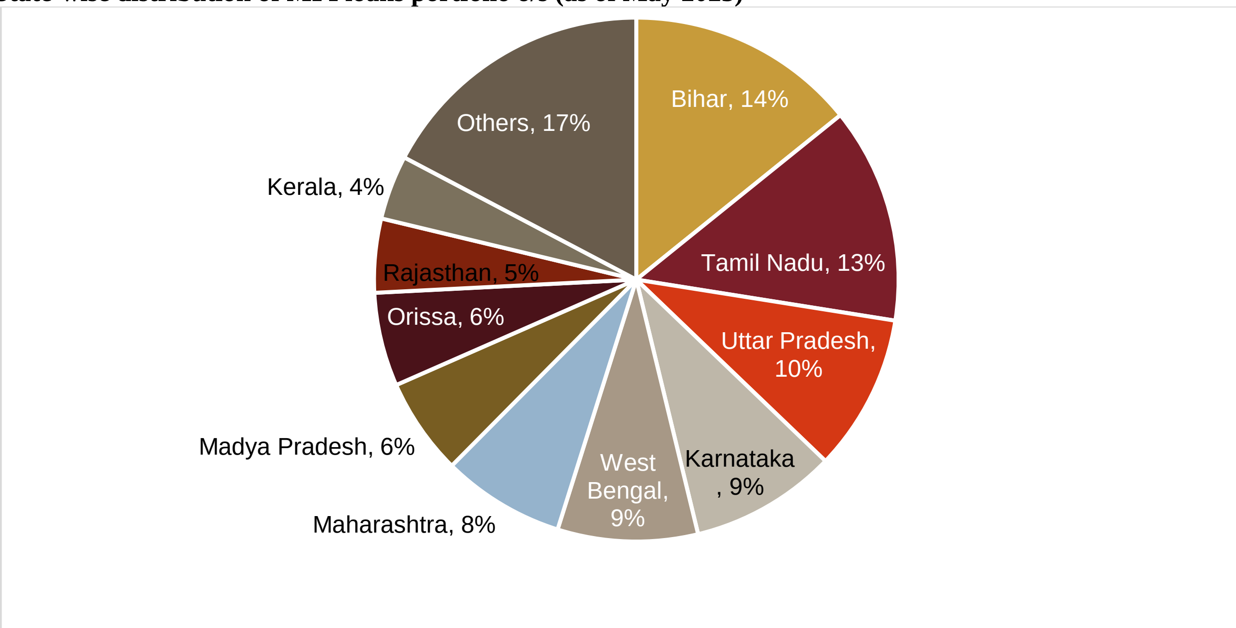
Note: The data for the industry given above is estimated using the data available for MFIs as per Bharat Microfinance Report 2022
Source: Bharat Microfinance Report 2022, CRISIL MI&A

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.

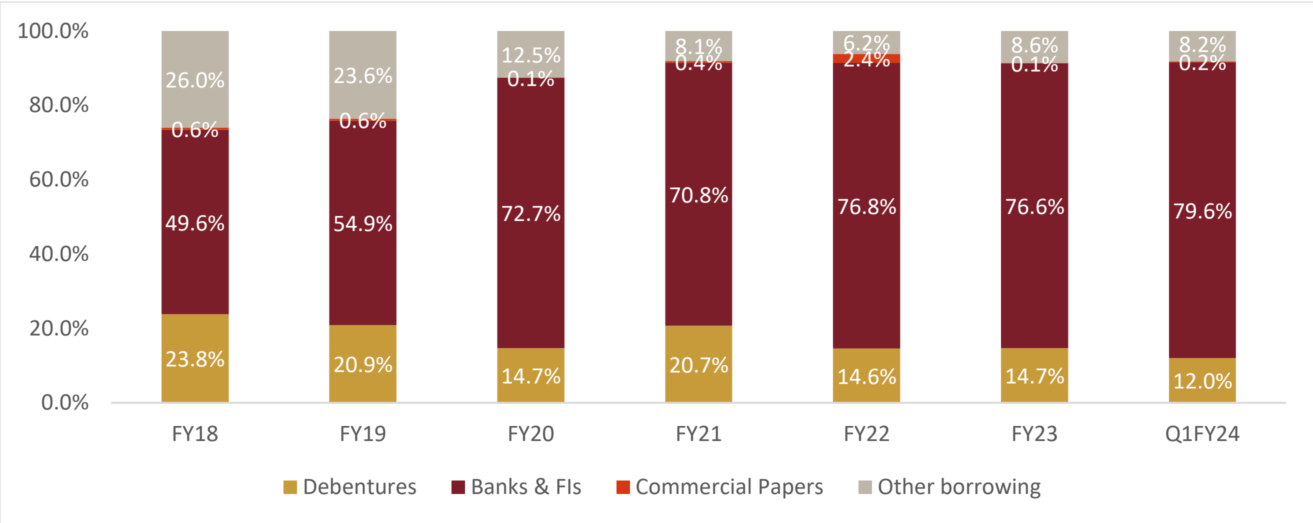
Borrowing Mix

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.

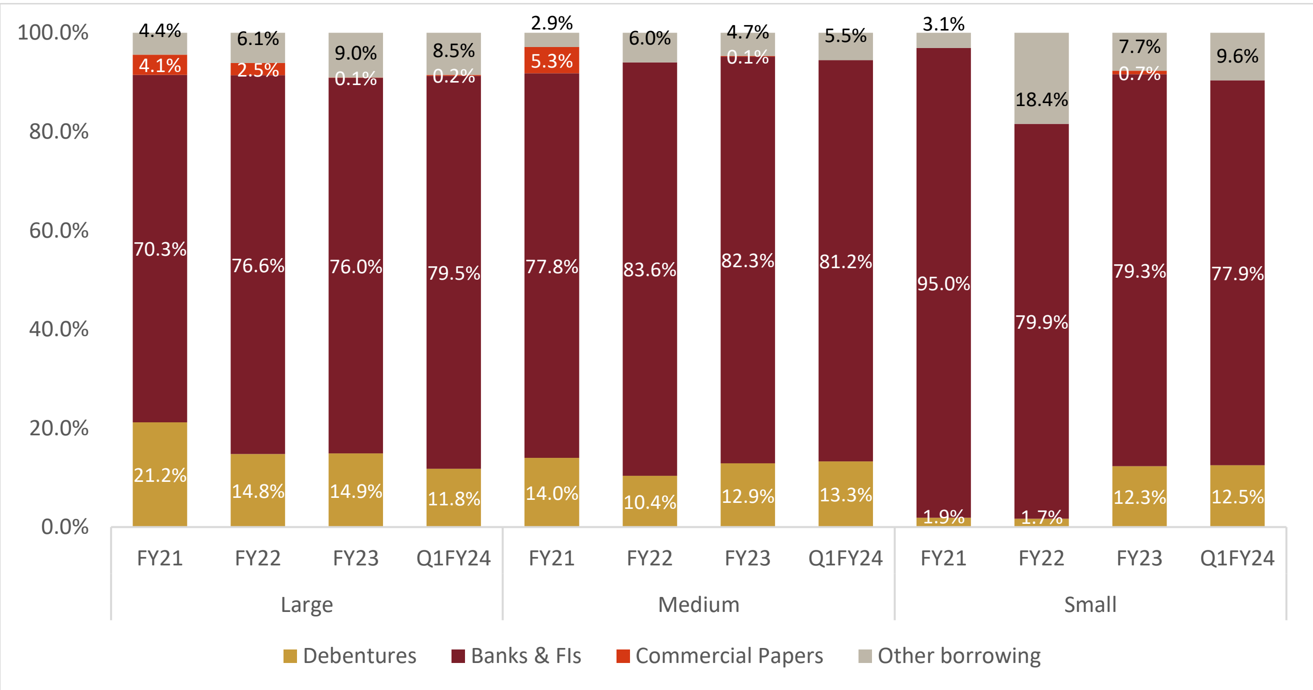
The share of term loans is expected to increase with a decline in NCD borrowings on account of hardening of interest rates due to a 250-bps hike in repo rates in fiscal 2023. The RBI has continued to pause interest rate hikes since February 2023 and is monitoring the impact of rate transmission on the 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

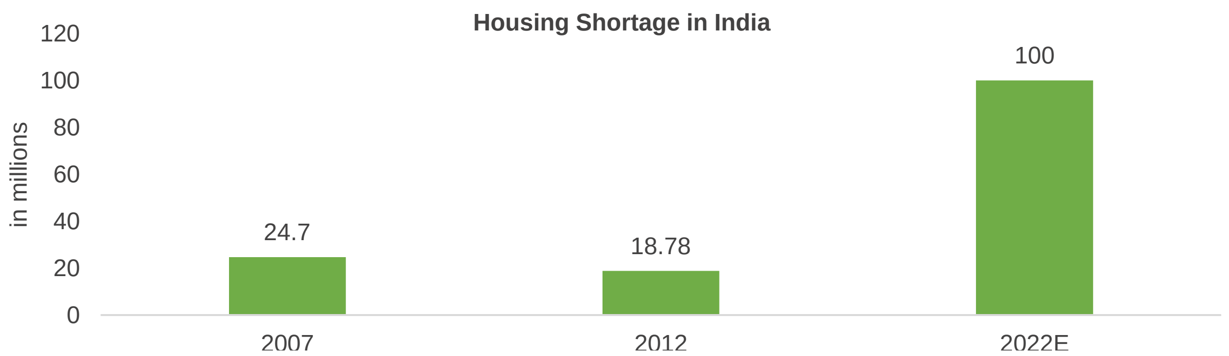
Housing Loans

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 ancillary 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

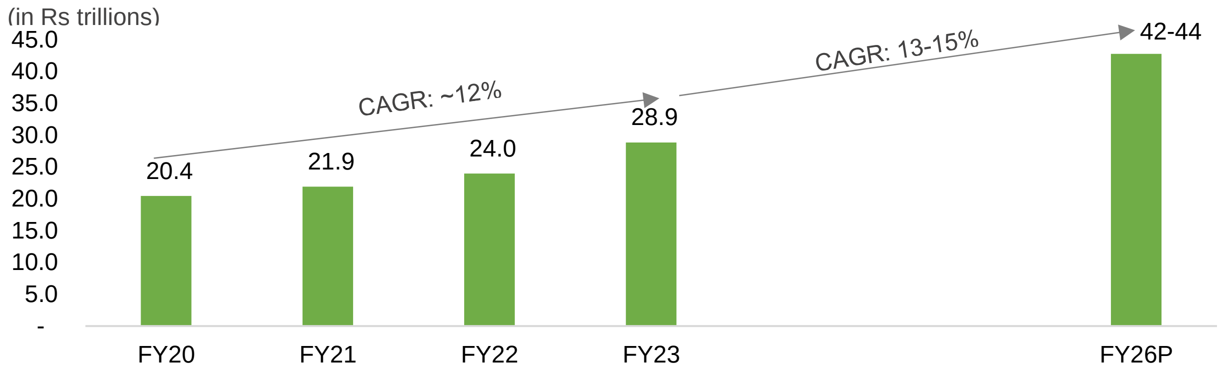
Income Segment	Housing Shortage (in Mn)	Avg ticket size (Rs. Mn)	Value of Units (in Rs. Tn)	LTV	Credit Penetration	Aggregate loans demand (in Rs. Tn)
EWS	45	0.75	34	40%	40%	5
LIG	50	1.5	75	50%	80%	30
MIG & above	5	8	40	65%	85%	22
Total	**100**		**149**			**58**

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.

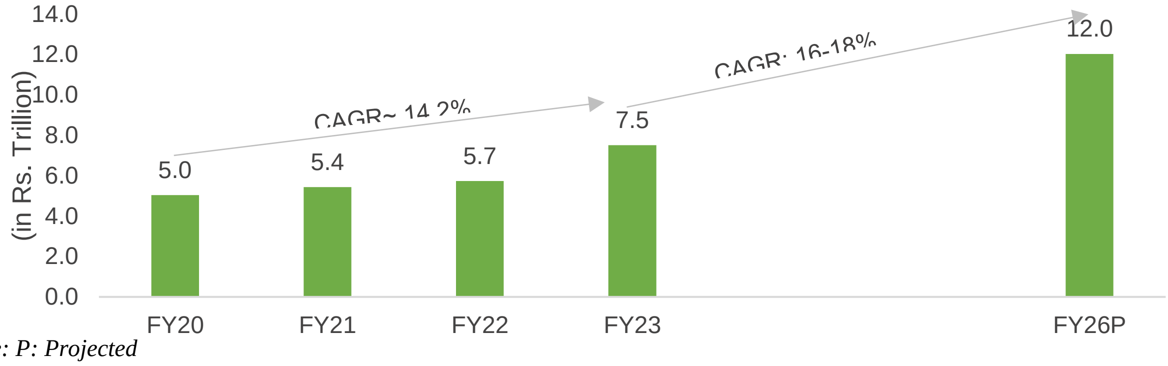
Loan Against Property

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

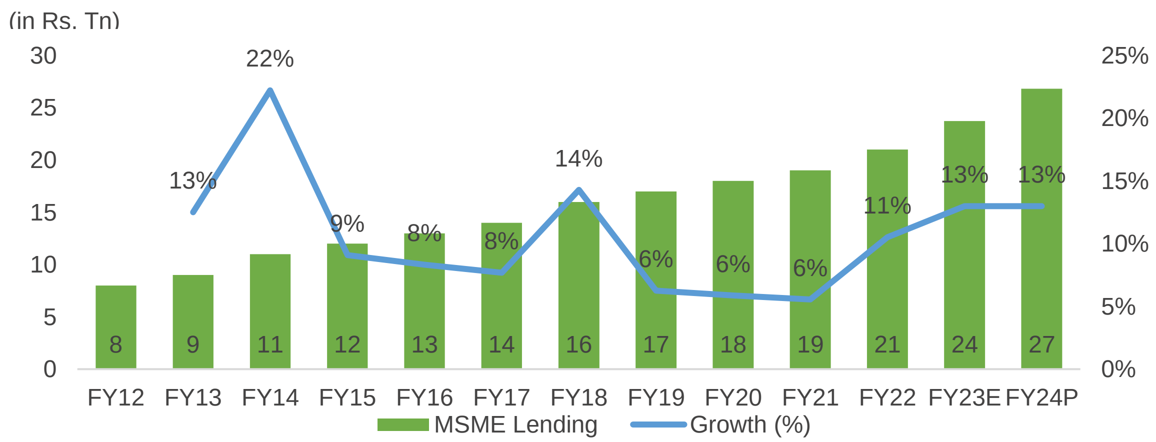
The overall Loan against property segment has grown at a CAGR of 14.2% from fiscal 2020 to fiscal 2023. The market size has expanded from Rs 5.0 trillion as of fiscal 2020 to Rs. 7.5 trillion as of fiscal 2023. The growth in this segment is attributed to increasing financial penetration and an increase 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.

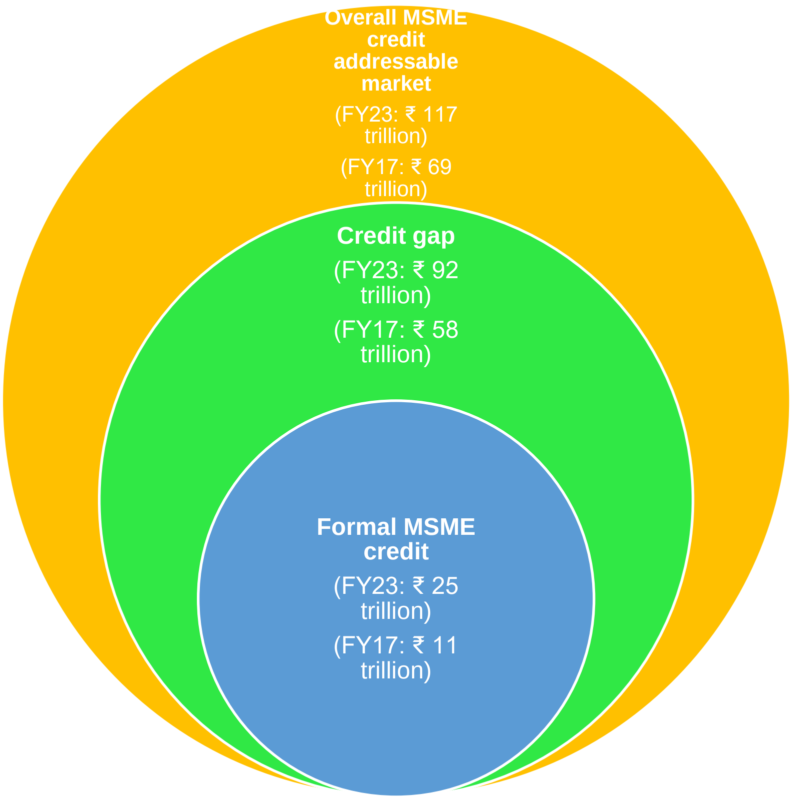
NBFCs have managed to carve out a strong presence in MSME loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. Over the years, the MSME portfolio of NBFCs have grown at a faster rate than the overall 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
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	49.69	80.04	64.26	31.42	76.24	15.99	61.08%	-19.72%	-51.10%	142.65%	31.07%

Financial Ltd											
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%
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	NA	8.10%	7.86%	6.26%	2.97%	2.75%	NA	4.05%	2.15%	1.55%	0.60%	0.51%

Microfin Ltd												
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%
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%

Players	Date of incorporation	No of directors*	Proportion of independent directors
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, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements", "Risk Factors", and "Financial Statements" on pages 16, 18, and 198, 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 "Report on Microfinance Industry in India", November 2023 (the "**CRISIL Report**"), prepared by CRISIL Limited, which has been exclusively commissioned and paid for by our Company pursuant to a request letter dated November 3, 2023, in connection with the Issue. See "Risk Factors – Industry information included in this Draft Prospectus has been derived from an industry report prepared by CRISIL and exclusively commissioned and paid for by us for such purpose" on page 39.*

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 (ii) the six months period ending September 30, 2023 has been derived from Unaudited Interim Condensed Consolidated 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 Draft Prospectus. For further information, see "Financial Information" on page 198.

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 5.86% 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 for the financial year ended March 31, 2023. 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 operations, which has now merged into SFL. For further details on the product-wise AUM, see "*Key Operational and Financial Parameters*" on page 153.

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 through our subsidiary SHFL. 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 existing MFI customers for higher level of fund requirements by providing finance for their working capital requirements and facilitating their business expansions through our subsidiaries SFL and SHFL and thereby leveraging synergy of the Group. 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 83 institutional 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 the business of our Company 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 gateway 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 Limited 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 9,23,716 households with clean energy and contributed to a reduction of 44,528 tons of carbon dioxide emissions as of November 30, 2023. Our Company has been conferred with the "Best Innovative Financial Accessibility Model" award for its WASH loans at the ISC-FICCI Sanitation Awards.

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 growth in the past and will drive our strategic growth in the future.

Our Competitive Strengths

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 (*Source: CRISIL Report*).

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, except percentages)

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

Particulars	Percentage of Total AUM (%)		AUM as of September 30, 2023
	As of March 31, 2016	As of September 30, 2023	
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**	**16.59**	**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.

Comprehensive understanding of the industry leading to 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 loans, 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 leading payment apps. 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.

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.

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.

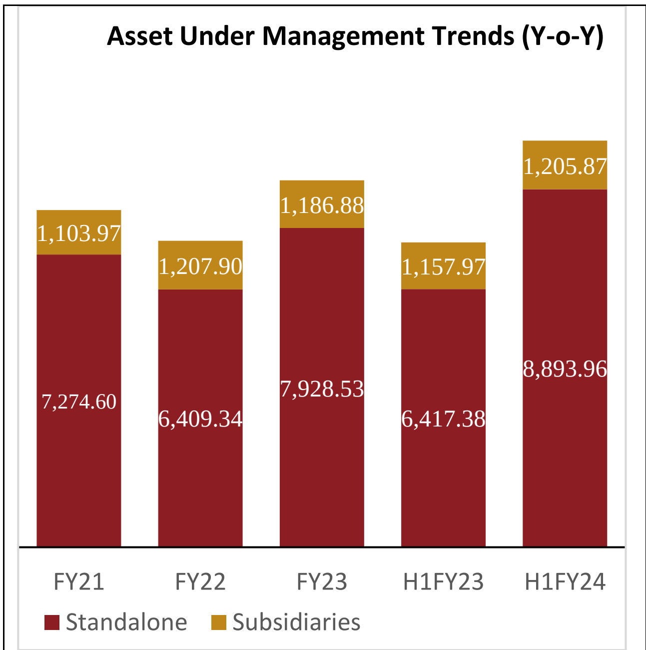
Sound operational performance and liquidity

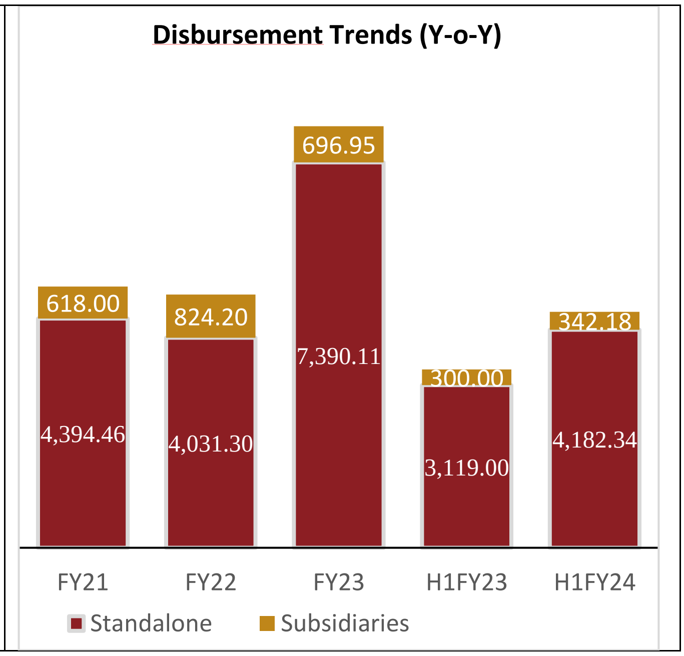
We believe we have demonstrated sound operational performance over the past three fiscals. In Fiscal 2023, our Company stood third in terms of year-on-year growth and posted a strong disbursement growth of 83.33%, on a standalone basis, among the MFI Peer Group, (*Source: CRISIL Report*) with a disbursement 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 as of September 30, 2022. This increase in AUM was driven by an increase in ticket size and new customer addition.

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 ₹ 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%, 24.06%, 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. For further details, please see *"Risk Factor - We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations, profitability and/ or cash flows"*

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, the Company has raised funds by way of a qualified institutional placement of equity shares of face value ₹ 10 each aggregating up to ₹ 25,000 lakhs in the month of December 2023.

Further, ICRA has upgraded our credit rating to ICRA A (Stable) from ICRA A- (Stable) on December 26, 2023 for our long term bank loans and a rating of 'ICRA A1 (Stable)' for our 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 162.

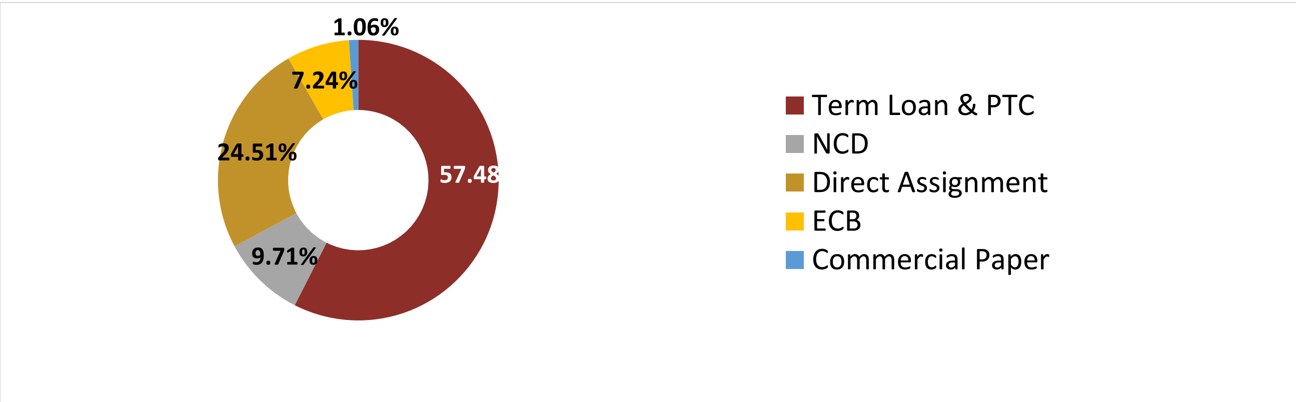
Diverse funding sources with substantial promoter shareholding

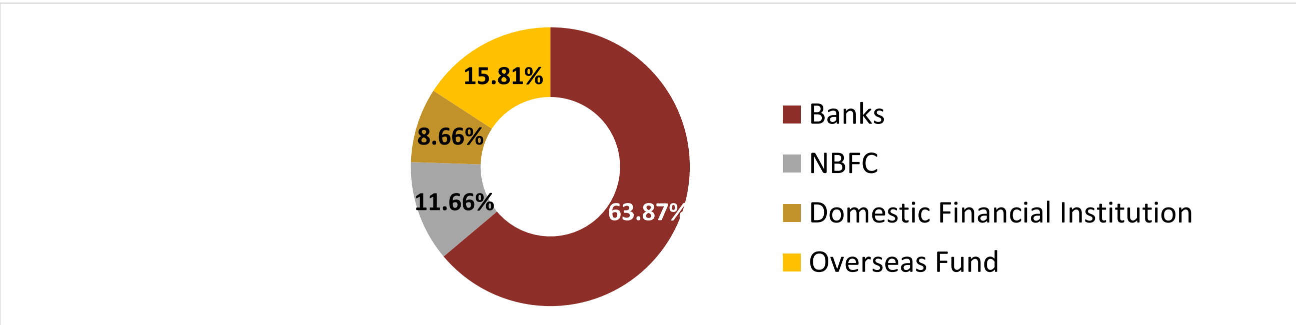
Our business requires substantial capital, and we meet our funding requirements through a diverse set of sources which includes both equity and debt funding. Our debt funding is primarily through loans from banks and financial institutions, non-convertible debentures and ECBs. We also enter into transactions with financial institutions and banks for securitization and assignment of our receivables, from time to time.

We have a large and diversified network of 83 institutional 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 of debt in the last 3.5 years with over ₹ 1,018.00 crores undrawn sanction as of September 30, 2023. 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.

Stringent customer selection and risk management framework leading to improvement in 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. 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 improved 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:

(₹ in lakhs except percentage)

Particulars	**As at March 31,**			**As at September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
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

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.

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 risk, have helped us reduce 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 and Net NPA Ratio was 3.28%, 2.38%, 1.50%, 1.82% and 0.92% 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.

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:

(₹ in crores)

Particulars	As at March 31,			As at September 30	
	2021	2022	2023	2022	2023
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.

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, 8.66% 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. 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. This co-lending arrangement is subject to execution of a 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. 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.

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:

(in %)

Particulars	As at March 31,			As at September 30,	
	2021	2022	2023	2022	2023
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.

Key Operational and Financial Parameters

A summary of our key operational and financial parameters as at and for the half year ended September 30, 2022 and September 30 2023, and the last three completed Fiscals on a standalone basis are as follows:

(₹ in lakhs)

Particulars	For half year ended September 30		Fiscal		
	2022	2023	2021	2022	2023
BALANCE SHEET					
Assets					
Property, Plant and Equipment (including Capital Work in Progress)	7,889.15	8,362.35	8,749.33	7,919.23	8,328.99
Financial Assets	7,14,502.56	896,251.97	770,729.89	718,359.88	749,527.89
Non-financial Assets excluding property, plant and equipment	10,566.22	9,404.67	7,972.20	11,261.39	6,682.77
Total Assets	**7,32,957.93**	**914,018.99**	**787,451.42**	**737,540.50**	**764,539.65**
Liabilities					
Financial Liabilities					
-Derivative financial instruments	-	-	-	-	-
-Trade Payables	263.83	66.37	792.62	1,049.81	198.23
-Other payables	1,897.95	1,966.50	1,658.58	1,543.56	1,149.80
-Debt Securities	1,02,828.96	81,922.60	170,507.14	118,743.75	109,144.08
-Borrowings (other than Debt Securities)	379,912.73	565,141.59	380,983.43	382,003.33	399,241.33
-Subordinated liabilities	37,341.86	27,989.13	50,412.79	45,034.73	35,126.25
-Lease liabilities	423.96	1,346.90	659.72	500.93	1,236.37
-Other financial liabilities	34,110.99	9,958.61	30,432.44	26,409.64	25,542.79
Non-Financial Liabilities					
-Current tax liabilities (net)	-	-	893.52	100.06	-
-Provisions	724.98	798.63	1,316.16	775.84	703.85
-Deferred tax liabilities (net)	-	6,238.24	-	-	245.64
-Other non-financial liabilities	748.11	742.00	689.79	754.02	579.63
Equity (Equity Share Capital and Other Equity)	1,74,704.56	217,848.42	149,105.23	160,624.83	191,371.68
Total Liabilities and Equity	**7,32,957.93**	**914,018.99**	**787,451.42**	**737,540.50**	**764,539.65**
PROFIT AND LOSS					
Revenue from operations	98,686.56	90,876.45	127,102.90	126,170.15	176,105.30
Other Income	17.33	36.04	204.62	23.34	49.18
Total Income	**98,703.89**	**90,912.49**	**127,307.52**	**126,193.49**	**176,154.48**
Total Expense	**84,592.97**	**65,590.72**	**128,283.80**	**120,257.46**	**142,054.44**
Profit/(loss) after tax for the year	**11,480.20**	**18,918.00**	**(1,355.49)**	**4,022.51**	**26,432.92**
Other Comprehensive income	**99.51**	**(1,222.50)**	**(3,473.87)**	**(2,921.73)**	**(1,904.81)**
Total Comprehensive Income	**11,579.71**	**17,695.50**	**(4,829.36)**	**1,100.78**	**24,528.11**
Earnings per equity share (Basic) (₹)	15.29	20.61	(2.19)	5.76	33.79
Earnings per equity share (Diluted) (₹)	14.31	20.61	(2.19)	5.29	32.30
Cash Flow					
Net cash from / used in (-) operating activities	(10,705.82)	(94,732.10)	(88,256.96)	46,516.18	(73,647.59)

(₹ in lakhs)

Particulars	For half year ended September 30		Fiscal		
	2022	2023	2021	2022	2023
Net cash from / used in (-) investing activities	(9,367.27)	(14,378.84)	21,131.56	(5,461.27)	(11,135.30)
Net cash from / used in (-)financing activities	(41,095.66)	138,390.90	71,265.16	(56,651.49)	20,636.02
Net increase / decrease (-) in cash and cash equivalents	(61,168.75)	29,279.96	4,139.76	(15,596.58)	(64,146.87)
Cash and cash equivalents as per Cash Flow Statement as at end of Half Year	24,313.28	50,615.12	101,078.61	85,482.03	21,335.16
Additional Information					
Net worth*	1,74,704.56	217,848.42	149,105.23	160,624.83	191,371.68
Cash and cash equivalents	60,096.37	50,615.12	112,068.58	104,900.58	21,335.16
Loans	4,94,147.17	661,190.58	551,496.23	489,739.76	568,421.19
Loans (Principal Amount)	4,99,560.27	658,809.57	565,965.19	514,501.66	564,996.16
Total Debts to Total Assets**	0.72	0.75	0.77	0.75	0.72
Interest Income	55,771.76	79,275.97	111,686.08	117,010.74	116,008.44
Interest Expense	28,531.91	37,042.47	61,760.83	60,160.39	57,602.47
Impairment on Financial Instruments	33,506.94	4,438.62	27,521.24	17,542.43	40,229.51
Bad Debts to Loans***	9.55%	0.73%	2.51%	2.41%	10.46%
% Stage 3 Loans on Loans (Principal Amount)	3.92%	2.38%	8.40%	8.01%	3.28%
% Net Stage 3 Loans on Loans (Principal Amount)	1.82%	0.92%	3.28%	2.38%	1.50%
Tier I Capital Adequacy Ratio (%)	21.27%	25.41%	19.73%	23.25%	25.34%
Tier II Capital Adequacy Ratio (%)	2.79%	0.32%	5.55%	4.59%	1.28%

* *Net worth: Equity Share Capital + Other Equity.*

***Total debts to total assets is calculated as sum of Debt securities, borrowings (other than debt securities), Subordinated liabilities, Lease liabilities, Interest accrued on Debt Securities, Interest accrued on borrowings other than debt securities and interest accrued on subordinated liabilities divided by total assets.*

****Bad Debt means loans written off (net of recovery)*

A summary of our key operational and financial parameters as at and for the half year ended September 30, 2022 and September 30, 2023, and the last three completed Fiscals on a consolidated basis is as follows:

(₹ in lakhs)

Particulars	For half year ended September 30		Fiscal		
	2022	2023	2021	2022	2023
BALANCE SHEET					
Assets					
Property, Plant and Equipment (including Capital Work in Progress)	8,243.92	8,916.56	9,116.67	8,300.07	8,681.88
Financial Assets	7,06,745.75	908,916.72	782,975.33	740,264.97	755,581.21
Non-financial Assets excluding property, plant and equipment	24,545.81	17,217.12	12,379.07	16,962.02	20,693.72
Total Assets	**7,39,535.48**	**935,050.40**	**804,471.07**	**765,527.06**	**784,956.81**
Liabilities					
Financial Liabilities					
-Derivative financial instruments	-	-	-	-	-
-Trade Payables	485.91	245.68	1,141.67	1,278.48	507.87
-Other payables	2,157.00	2,342.94	2,221.90	1,692.21	1,551.65
-Debt Securities	1,03,327.50	81,922.60	171,003.09	119,241.39	109,643.58
-Borrowings (other than Debt Securities)	4,10,100.86	6,14,675.40	3,93,824.31	4,07,351.30	4,42,948.04
-Subordinated liabilities	39,338.08	29,986.26	52,407.85	47,030.53	37,122.90

(₹ *in lakhs)*

Particulars	For half year ended September 30		Fiscal		
	2022	**2023**	**2021**	**2022**	**2023**
-Lease liabilities	611.10	1,702.68	877.73	728.66	1,410.22
-Other financial liabilities	36,090.84	11,797.31	31,776.33	28,001.28	27,071.94
Non-Financial Liabilities					
-Current tax liabilities (net)	-	-	87.90	-	-
-Provisions	977.99	1,045.77	1,642.85	982.33	934.35
-Deferred tax liabilities (net)					
-Other non-financial liabilities	939.13	1,312.47	870.98	1,035.54	953.82
Equity (Equity Share Capital and Other Equity)	1,45,507.07	190,019.29	148,616.46	158,185.34	162,812.44
Non-controlling interest	-	-	-	-	-
Total Liabilities and Equity	**7,39,535.48**	**935,050.40**	**804,471.07**	**765,527.06**	**784,956.81**
PROFIT AND LOSS					
Revenue from operations	70,443.99	99,510.59	137,569.57	137,679.98	155,729.04
Other Income	152.90	225.58	448.11	409.40	173.29
Total Income	**70,596.89**	**99,736.17**	**138,017.68**	**138,089.38**	**155,902.33**
Total Expense	**30,371.49**	**73,673.23**	**138,993.07**	**134,671.52**	**155,378.26**
Profit/(loss) after tax for the year	**(15,250.04)**	**19,464.96**	**(1,398.22)**	**2,069.89**	**481.31**
Other Comprehensive income	**78.04**	**(1,032.60)**	**(3,492.17)**	**(2,915.31)**	**(2,066.67)**
Total Comprehensive Income	**(15,172.00)**	**18,432.36**	**(4,890.39)**	**(845.42)**	**(1,585.36)**
Earnings per equity share (Basic) (₹)	(20.31)	21.20	(2.26)	2.96	0.62
Earnings per equity share (Diluted) (₹)	(20.31)	21.20	(2.26)	2.72	0.59
Cash Flow					
Net cash from / used in(-) operating activities	(17,238.04)	(105,982.72)	(94,489.81)	33,616.57	(95,634.09)
Net cash from / used in(-) investing activities	(7,463.18)	(7,934.69)	22,565.98	(5,079.77)	(7,289.83)
Net cash from / used in (-)financing activities	(36,315.59)	143,692.59	73,431.58	(44,242.09)	38,986.79
Net increase/decrease(-) in cash and cash equivalents	(61,016.81)	29,775.18	1,507.75	(15,705.29)	(63,937.13)
Cash and cash equivalents as per Cash Flow Statement as at end of Year	28,690.95	55,545.81	105,413.05	89,707.76	25,770.63
Additional Information					
Net worth*	1,45,507.07	190,019.29	148,616.46	158,185.34	162,812.44
Cash and cash equivalents	64,474.59	55,545.81	116,403.35	109,126.48	25,770.63
Loans	5,41,967.62	736,090.80	581,115.60	530,842.27	632,885.67
Loans (Principal Amount)	5,51,833.90	735,667.36	600,053.67	560,365.73	633,703.24
Total Debts to Total Assets**	0.76	0.78	0.78	0.76	0.76
Interest Income	59,697.82	85,352.62	116,716.44	122,773.49	124,896.84
Interest Expense	30,371.49	40,216.83	63,786.71	62,590.71	61,673.10
Impairment on Financial Instruments	33,747.25	4,657.46	27,902.65	18,073.66	40,808.22
Bad Debts to Loans***	8.73%	0.67%	2.42%	2.24%	9.45%

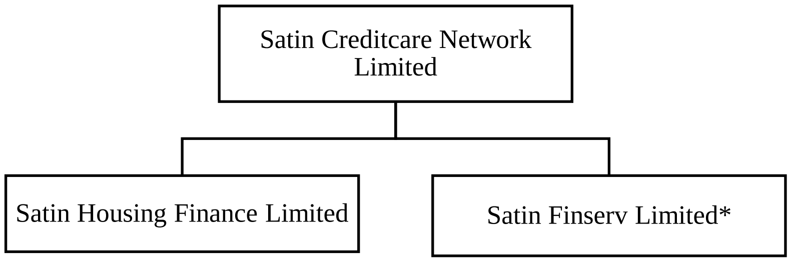
* *Net worth: Equity Share Capital + Other Equity.*

***Total debts to total assets is calculated as sum of Debt securities, Borrowings (other than debt securities), Subordinated liabilities, Lease liabilities, Interest accrued on Debt Securities, Interest accrued on borrowings other than debt securities and interest accrued on subordinated liabilities divided by total assets.*

****Bad Debt means loans written off (net of recovery)*

Organisational Structure

As on the date of this Draft Prospectus, our Company has two wholly-owned subsidiaries, viz., Satin Housing Finance Limited and Satin Finserv Limited. Our organization structure is set forth below:



** 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.*

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.

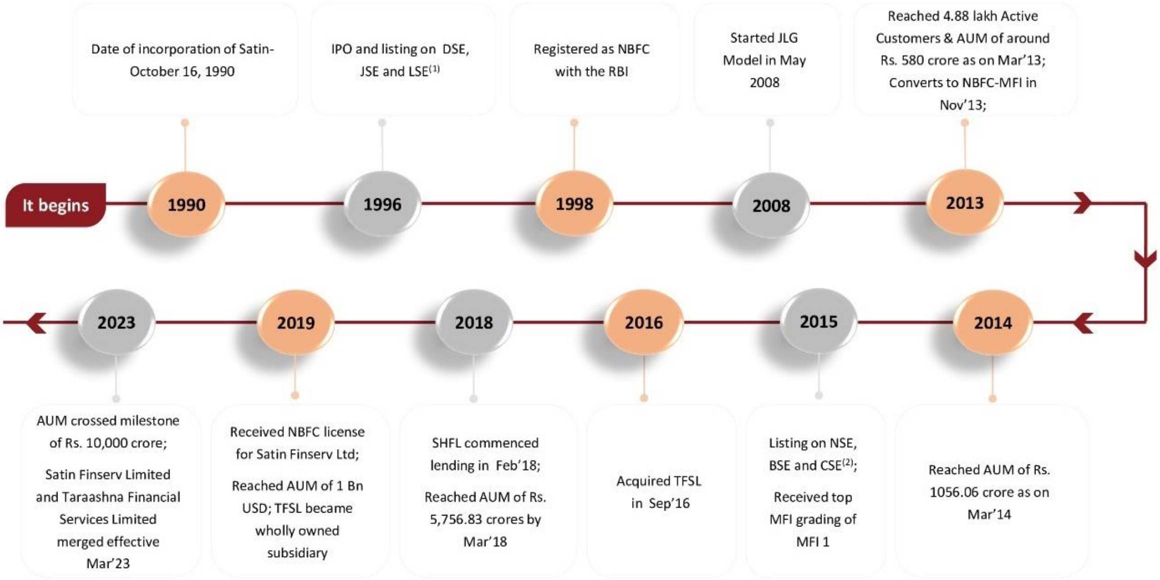
Business Model

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
Uttar Pradesh	222
Bihar	178
Madhya Pradesh	110
Rajasthan	105
West Bengal	91
Punjab	88
Gujarat	81
Odisha	75
Tamil Nadu	73
Assam	57
Maharashtra	56
Haryana	44
Jharkhand	42
Karnataka	40
Chhattisgarh	32
Tripura	14
Uttarakhand	14
Delhi	7
Arunachal Pradesh	1
Himachal Pradesh	1
Jammu Kashmir	1
Meghalaya	1
Pondicherry	1
Sikkim	1
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.

Product features as on September 30, 2023	**SCNL**	**SHFL [2]**	**SFL [3]**	
	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 (₹ in 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:

A. 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.

B. Non-MFI portfolio

1. 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.

2. 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	8,287
Field supervisors	1,660
Field monitoring	187
Centralized operations	35
Finance	19

Particulars	As of September 30, 2023
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. 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
Long-term fund-based term-bank facilities program	CARE A-; Stable	CARE A-; Negative	[ICRA A- (Negative)*
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) CARE A- (Stable)	CARE A- (Negative) [ICRA]A- (Negative)	[ICRA] A- (Negative)*, CARE BBB+; Stable

***** *Our Company has obtained a credit rating of 'ICRA A (Stable)' (upgraded from ICRA A- (Stable)) on December 26, 2023*

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 38.

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 41.

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 41.

Intellectual Property

As on date of this Draft Prospectus, 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. Our Company has made an application for registration of trademark for our new logo SATIN with the Trade Marks Registry in India on April 4, 2023, by way of application number 5878158.

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 37.

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.

HISTORY AND MAIN OBJECTS

Corporate Profile

Our Company was incorporated on October 16, 1990 in New Delhi under the Companies Act 1956, as a private limited company under the name 'Satin Leasing and Finance Private Limited' with the Registrar of Companies, Delhi & Haryana ("**RoC**"). During the year 1994, our Company was converted into a public limited company, following which our name was changed to 'Satin Leasing and Finance Limited', and a fresh certificate of incorporation was issued on July 1, 1994. Pursuant to a certificate of registration issued by RBI on December 4, 1998, our Company was registered as a NBFC. Later, 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 RoC. Further, RBI also issued a Certificate of Registration to the Company in the name of Satin Creditcare Network Limited on November 2, 2000 as 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, in year 2013, our Company was converted to an NBFC-Micro Finance Institution ("**NBFC-MFI**"), and a fresh certificate of registration bearing registration number B-14.01394 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 Middle Layer NBFC which is engaged in the business of providing financial services.

Registered Office and changes in Registered Office of our Company

At present our Registered Office is situated at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi-110033, India**.**

The details of change in the registered office of our Company are as under:

Date of change of Registered Office	**Details of changes in the address of registered office**
May 26, 2014	The registered office of our Company was changed from 306, LUSA Tower, Azadpur Commercial Complex, New Delhi, 110033, India to 5th floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi, 110033

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

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 mechanical or other power or device, agricultural implements and machinery, air ships, airplanes, 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 of 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.

Details of any acquisition or amalgamation in the last one year

Our Company has not made any acquisition during previous one financial year.

Details of any reorganization or Reconstruction undertaken by our Company in the last one year

Our Company has not made any reorganization/reconstruction in the last one year prior to the date of this Draft Prospectus.

Material Agreements and Material Contracts

Our Company has not entered into any other material agreements and material contracts which are not in the ordinary course of business, in the last two years.

Holding Company

The Company does not have any holding company.

Subsidiary Companies

As on the date of this Draft Prospectus, our Company has the following subsidiaries:

1. Satin Housing Finance Limited ("**SHFL**") was incorporated on April 17, 2017, under provisions of Companies Act, 2013, having CIN U65929DL2017PLC316143 with the RoC, Delhi and Haryana, as a wholly owned subsidiary company of the Company. SHFL has its registered office in New Delhi and has started its operations after receiving a formal approval from National Housing Bank (NHB). SHFL serves people belonging to low- to middle income groups by offering affordable housing finance solutions. SHFL is also listed on Wholesale Debt Market segment of the BSE Limited. 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.

2. Satin Finserv Limited ("**SFL**") was incorporated as a limited company on August 10, 2018 under the provisions of the Companies Act, 2013 having CIN U65999HR2018PLC099128, as a wholly owned subsidiary of the Company. SFL is an NBFC engaged in the business of providing various financial services to small entrepreneurs, MSMEs, Indian consumers and other eligible consumers as permissible under applicable laws. SFL aim is to "serve the small business owners (MSMEs) in a manner that is mutually beneficial" by providing them loans for their business needs.

   The Hon'ble NCLT vide its order dated January 31, 2023 has allowed merger of Taraashna Financial Services Limited (Business Correspondent) with Satin Finserv Limited, effective from March 01, 2023.

   SFL's product offerings include MSME – LAP (Loan Against Property). Loans are offered to customers falling under the category defined and against an "immovable property". Eligibility is measured across multiple parameters, with loan amount depending on the type, quality and market value of the collateral security a customer is able to offer. Non-individuals, self-employed non-professionals / professionals, businesses (registered or otherwise), lower- and middle-income groups are the key SFL targets.

Associates

As on the date of this Draft Prospectus, our Company has no associates.

Joint Venture

As on the date of this Draft Prospectus, our Company has no joint ventures.

Enterprises over which control is exercised by the Company

As on the date of this Draft Prospectus, our Company does not exercise control over any of the enterprises, other than on its subsidiaries.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations. It is governed by the Articles of Association of our Company and the relevant directions issued by the RBI.

The Articles of Association of our Company require us to have minimum 3 (three) but not more than 20 (twenty) directors. As of the date of this Draft Prospectus, we have 8 (eight) Directors on the Board, out of which one Director is Chairman cum Managing Director, one Director is Non-Executive Director and five Directors are Independent Directors, including one independent woman director on the Board and one Additional Director (Independent Director).

***Details of Board of Directors as on the date of this Draft Prospectus*:**

Name, designation and DIN	Age (in years)	Address	Date of Appointment/ Re-appointment	Details of Other directorships
Harvinder Pal Singh *Designation*: Chairman – cum - Managing Director *DIN*: 00333754	63	MGE-2-TW-04-03 A, 3rd Floor, Fairway East, M3M Golf Estate, Sector-65, DLF QE, Gurugram -122002, Haryana	October 1, 2020	**Indian:** 1. Riwaaz Investments Private Limited 2. Parishek Finance Private Limited 3. Satin Creditcare Foundation 4. Trishashna Holdings & Investments Private Limited 5. Satin Housing Finance Limited 6. Satin Finserv Limited **Foreign:** 7. Tomorrow's One Capital Pte. Limited 8. Prestellar Ventures Fund I Pte. Ltd
Satvinder Singh *Designation*: Non-Executive Director *DIN*: 00332521	57	Building 1, Apartment 5B, The Hibiscus, Sector-50, Gurugram, Haryana-122017, India	August 5, 2020	**Indian:** 1. Satin Neo Dimensions Private Limited 2. Wisteria Holdings & Investments Private Limited
Sangeeta Khorana *Designation*: Independent Director *DIN*: 06674198	60	59 Pottle Walk, Wimbrone BH21, 2Fd, Wimbrone 263601, United Kingdom	September 5, 2019	**Foreign:** 1. The Institute of Exports and International Trade, London 2. World Commerce and Contracting, London 3. World Commerce and Contracting Foundation
Goh Colin *Designation*: Independent Director *DIN*: 06963178	56	173, Ceylon Road, Ceylone 429739, Singapore	September 5, 2019	**Foreign:** 1. The Rice Co. Ltd. 2. Millet Holdings Pte Ltd. 3. Millet World Pte Ltd 4. Millet World Sdn Bhd 5. Think Through Consulting 6. Life Lab Resources Pte Ltd 7. Nutritious Farm

Name, designation and DIN	Age (in years)	Address	Date of Appointment/ Re-appointment	Details of Other directorships
Sanjay Kumar Bhatia *Designation*: Independent Director *DIN*: 07033027	59	1414, Mukerjee Nagar, North West Delhi, Delhi-110009	September 5, 2019	**Indian:** 1. Contend Builders Private Limited
Anil Kumar Kalra *Designation*: Independent Director *DIN*: 07361739	68	Flat No. C-601, Tower C, Prateek Stylome, Sector-45, Gautam Buddha Nagar, Uttar Pradesh-201301	December 8, 2020	**Indian:** 1. Satin Housing Finance Limited 2. Satin Finserv Limited
Sundeep Kumar Mehta *Designation*: Independent Director *DIN*: 00840544	62	1629, Sector-29, Gautam Buddha Nagar, Noida, Uttar Pradesh-201303	September 5, 2019	**Indian:** 1. Satin Housing Finance Limited 2. Satin Finserv Limited
Anil Kaul *Designation:* Additional Director (Independent Director) *DIN:* 00644761	58	B-305, Ashok Tower, Dr. Babasaheb Ambedkar Road, Parel, Mumbai – 400012	January 15, 2024	**Indian:** 1. 360 One Asset Management Limited 2. Hiranandani Financial Services Private Limited 3. LICHFL Asset Management Company Limited

Brief profile of the Directors of our Company

Harvinder Pal Singh

A fellow of the Institute of Chartered Accountants of India since 1990 and has over three decades of experience in the microfinance industry. He also participated in Harvard Business School's Accion Program on Strategic Leadership for Microfinance in 2009, as well as the leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011.

Satvinder Singh

Satvinder Singh holds a post-graduate diploma in business management from Institute of Management Technology, Ghaziabad. Satvinder Singh has over 30 years of extensive consumer marketing and finance experience. He has been associated with the Company since its inception in 1990, he has also acted as Managing Director between September 1995 and February 2011.

Sangeeta Khorana

Sangeeta Khorana holds a doctorate in International Economics from the University of St. Gallen in Switzerland and summa cum laude Masters' degrees from Universities of Berne, Switzerland and Allahabad, India. She joined the board in August 2013. She is currently a professor of economics at Bournemouth University, United Kingdom.

Goh Colin

Goh Colin holds a Bachelor of Business in Finance Management and Economics and a Masters in Business Administration (MBA) from the University of Technology, Sydney, Australia. He is the chief executive officer of The RICE Co. Ltd

Sanjay Kumar Bhatia

Sanjay Kumar Bhatia is a Chartered Accountant, and a Commerce graduate from Delhi University At present, he is

Director – Community Development at Antara Senior Living Limited and is responsible for the development of the upcoming communities for progressive seniors, the formulation of long term strategy and tactical execution and general management. In his past career, he has served as Vice President Strategic Initiatives at Max Life Insurance and worked at companies such as Max New York Life, Vikas Motors Limited.

Anil Kumar Kalra

Anil Kumar Kalra holds a degree in Bachelor of Commerce (Honours) degree and a Masters in Business Administration from Delhi University. He has noteworthy experience in areas of banking, financial services, investment banking and infrastructure financing. He also serves as an independent director on the board of our subsidiary companies.

Sundeep Kumar Mehta

Sundeep Kumar Mehta is a science graduate from the University of Rajasthan and holds a PG Diploma in Business Administration from Annamalai University. He joined our Company board in 2013.

Anil Kaul

Anil Kaul has completed his masters in business administration from the University of Lucknow. He joined our Company on January 15, 2024. In the past he has been associated with Tata Capital Group and was the managing director of Tata Capital Housing Finance.

Relationship between Directors

Except our Chairman – cum - Managing Director, Harvinder Pal Singh and the Non-Executive Director, Satvinder Singh, who are siblings, none of the directors of the Company are related to each other.

Remuneration of Directors

The terms of remuneration of the Chairman cum Managing Director and the Non-Executive Director are as below:

1. Harvinder Pal Singh

The following table sets forth terms of remuneration to Harvinder Pal Singh, Chairman cum Managing Director, with effect from October 1, 2020, as approved by the Shareholders in the extra-ordinary general meeting of the Company held on August 5, 2020.

For appointment as Chairman cum Managing Director:

Particulars	Terms of remuneration
Period	5 years
Remuneration	₹ 9,99,450 per month along with perquisites

Note:

<u>Perquisites:</u> *The value of perquisites under Category 'B' and Category 'C' shall be computed/treated in terms of the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, as amended from time to time.*

Category A

1. Medical Benefits for Self & family Reimbursement of expenses actually incurred for self and family, the total cost of which should not exceed one month's salary per year.*

2. Leave travel concession for self, wife and dependent children once in a year as per the rules of the Company. This is further subject to maximum of one month salary which shall be payable for every year.

3. Club fees club subscription fees for membership of maximum two clubs. This will, however, not include admission fees and life membership fees. This will be further subject to a ceiling of ₹5,000 per year.

4. Provident fund participation in a recognized provident fund as per rules of the Company and to the extent not taxable under the Income Tax Act, 1961.

**"Family" means spouse, dependent children and dependent parents.*

Category B

1. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per rules of the Company and in terms of applicable laws as amended from time to time.

2. Encashment of leave as per rules of the Company and in terms of applicable laws as amended from time to time.

Category C

1. Car with driver and telephone facilities at residence for official purpose.

The following table sets forth all compensation paid by our Company to the Chairman cum Managing Director during the current financial year and Fiscals 2023, 2022 and 2021:

(₹ in lakh)

Name of Director	Current financial year (till December 31, 2023)		For Fiscal 2023		For Fiscal 2022		For Fiscal 2021	
	Salary	Perquisites	Salary	Perquisites	Salary	Perquisites	Salary	Perquisites
Harvinder Pal Singh	101.12	15.29	154.71	Nil	154.71	Nil	154.71	Nil

Remuneration of Non-Executive Directors

Except as stated below, no remuneration is paid to the Non-Executive Directors of the Company for attending the meetings of the Board and Committees.

The following table sets forth all compensation paid by our Company to the Non-Executive Director during the current financial year and Fiscals 2023, 2022 and 2021:

(₹ in lakh)

Name of Director	Current financial year (till December 31, 2023)		For Fiscal 2023		For Fiscal 2022		For Fiscal 2021	
	Sitting Fees	Perquisites	Sitting Fees	Perquisites	Sitting Fees	Perquisites	Sitting Fees	Perquisites
Satvinder Singh	3.60	Nil	4.25	Nil	6.00	Nil	5.75	Nil

Remuneration of Independent Directors

The Independent Directors are paid remuneration by way of sitting fees.

Our Company pays sitting fees per meeting to the Independent Directors for attending the meetings of the Board and Committees thereof, as under:

Particulars	Board		Committees	
	Chairman	Members	Chairman	Members
Full Board Meetings/ Shorter Notice/Special Purpose Meetings				
Physical / Electronic Participation	Nil	₹ 30,000	₹25000 for both Chairman & members of the Audit Committee & Risk Management Committee ; ₹20,000 for both Chairman & members for rest committees.	

The following table sets forth all compensation paid by our Company to the Independent Directors during the current financial year and Fiscals 2023, 2022 and 2021:

(₹ in lakh)

Name of Director	For current financial year (till December 31, 2023)		For Fiscal 2023		For Fiscal 2022		For Fiscal 2021	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Sundeep Kumar Mehta	Nil	5.05	Nil	5.95	Nil	7.60	Nil	7.70
Sangeeta Khorana	Nil	2.90	Nil	2.50	Nil	3.70	Nil	4.40
Goh Colin	Nil	4.15	Nil	4.55	Nil	5.80	Nil	3.90
Sanjay Kumar Bhatia	Nil	4.75	Nil	4.55	Nil	6.10	Nil	5.50
Anil Kumar Kalra	Nil	3.00	Nil	3.90	Nil	5.00	Nil	4.15
Rakesh Sachdeva**	NA	NA	NA	NA	NA	NA	Nil	4.05

*** Resigned with effect from November 4, 2020.*

Remuneration payable to the directors by Subsidiaries:

The following directors of our Company receive a sitting fees from our subsidiaries as provided hereinbelow:

(₹ in lakhs)

Name of Director	For current financial year (till December 31, 2023)	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Anil Kumar Kalra*	2.57	2.90	3.20	3.10
Sundeep Kumar Mehta*	2.84	3.10	3.40	3.20

**remuneration payable in their capacity as the director of SHFL and SFL*

Other understandings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority and/or bank or financial institutions.

None of our Directors is, or was, a director or person in control of any company which has been or was delisted from any recognised stock exchange within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021.

None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI. Further, none of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI or, RBI are pending against any of our Directors.

No Director of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations. Further, none of our Directors have been identified as a 'Wilful Defaulter', as defined under SEBI NCS Regulations.

We confirm that the PAN of the Directors of the Company has been submitted to the Stock Exchange at the time of filing the Draft Prospectus.

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 ₹ 15,00,000 lakh, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

The aggregate value of the NCDs offered under this Draft Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as mentioned above.

Interest of the Directors:

As on the date of this Draft Prospectus, except Harvinder Pal Singh and Satvinder Singh, no other Directors of our Company are interested in the promotion of the Company.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any. All the Independent Directors and Non-Executive Directors of our Company are entitled to sitting fees for attending every meeting of the Board of Directors or a Committee of the Board of Directors thereof. The Chairman cum Managing Director is interested to the extent of remuneration paid for services rendered, reimbursement of expenses payable to them as an officer or employee of our Company.

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 the Directors of our Company, including Independent Directors, may also be deemed to be interested to the extent of Equity Shares and also to the extent of any dividends payable to them in accordance with Companies Act, 2013 and other distributions, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The 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 as declared in their respective declarations. Except as otherwise stated in this Draft Prospectus, statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them. None of our Company's Directors have taken any loan from our Company.

As of the date of this Draft Prospectus, except as disclosed in the Section "*Related Party Transactions*" on page 186 none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body-corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

No contribution has been made by the directors as part of the Issue or separately in furtherance of the Objects of the Issue.

Except as mentioned under section "*Our Management – Relationship between Directors*" on page 168, none of our Directors' relatives have been appointed to an office or place of profit of our Company, its subsidiaries and associates.

Except as stated in the sections titled "*Related Party Transactions*" on page 186 and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Draft Prospectus with BSE nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

No benefit/interest will accrue to our Promoters/Directors out of the objects of the Issue.

Our Directors have no financial or other material interest in the Issue and no benefit / interest will accrue to our Directors out of the objects of the Issue.

***Debenture / Subordinated Debt holding of Directors*:**

As on the date of the Draft Prospectus, none of the Directors of our Company hold any debentures / subordinated debt issued by our Company.

Details of change in Directors of our Company during the current financial year and last three financial years preceding the date of this Draft Prospectus

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation (if applicable)	Remarks
Christian Bernhard Ramm	Nominee Director	08096655	May 30, 2020	Not Applicable	March 1, 2023	Nil
Rajeev Kakar	Nominee Director	01888608	June 6, 2019	Not Applicable	April 30, 2020	Nil
Arthur Sletteberg	Nominee Director	07123647	May 25, 2015	Not Applicable	May 30, 2020	Nil
Rakesh Sachdeva	Independent Director	00333715	April 30, 1999	Not Applicable	November 4, 2020	Nil
Anil Kaul	Additional Director (Independent Director)	00644761	January 15, 2024	Not Applicable	Not Applicable	Nil

Shareholding of Directors as on the date of this Draft Prospectus:

As on the date of this Draft Prospectus, other than disclosed below, none of the Directors have shareholding in our Company.

Sr. No.	Name of Directors	Number of Shares	Percentage of Shareholding (in %)*
1.	Harvinder Pal Singh	Nil	Nil
2.	Sundeep Kumar Mehta	Nil	Nil
3.	Satvinder Singh	3,85,703	0.35
4.	Sangeeta Khorana	Nil	Nil
5.	Goh Colin	Nil	Nil
6.	Sanjay Kumar Bhatia	1,000	Negligible
7.	Anil Kumar Kalra	Nil	Nil
8.	Anil Kaul	Nil	Nil

**on fully diluted basis*

***Shareholding of Directors in Subsidiaries, including details of qualification shares held by Directors as on the date of this Draft Prospectus*:**

Other than disclosed in "*Capital Structure- Details of shareholding of our Directors in our Subsidiaries, Associate or Joint Ventures as of date of this Draft Prospectus*" on page 71, none of the Directors have shareholding in any of the Subsidiaries.

Key Managerial Personnel of our Company:

Apart from Harvinder Pal Singh, Chairman cum Managing Director, following are the Key Managerial Personnel of our Company as on the date of this Draft Prospectus:

Sr. No.	Name	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

Brief profile of the KMPs of our Company

Jugal Kataria

Jugal Kataria is a graduate from Shree Ram College of Commerce and is a Cost Accountant, Chartered Accountant and Company Secretary with approx. 32 years of relevant experience. He has participated in an 'Internal Auditors Training Course' for ISO 9000 and 'Harvard Business School Accion Program on Strategic Leadership for Microfinance'. He attended leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011. He worked with Apollo Tyres Limited and Berger Paints (India) Limited before joining our Company in 2000.

Rakesh Sachdeva

Rakesh Sachdeva is a B.Com (Hons.) graduate from the Delhi University and a member of the Instittue of Chartered Accountant of India. He is serving on various committees of the Board of the Company as member. He is holding the position of CFO in the Company since December 13, 2020.

Manoj Agrawal

Manoj Agrawal is a rank holder chartered accountant with an impressive 24-year journey in financial operations management, client service, risk and controls, regulatory compliance, and strategic transformation. Prior to joining Satin in August 2023, he has worked with organizations like J.P. Morgan Chase for about 13 years, where his last position was as Head – Operations and Client Experience, ICICI Bank Limited for about 8 years, and other reputed companies.

Vikas Gupta

Vikas Gupta is a law graduate from Chaudhary Charan Singh University, Meerut. He has completed Strategy & Innovation programme from Imperial College, London. He has more than 14 years of experience as a company secretary and is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, he worked with Hero Housing Finance Limited. He has extensive experience in secretarial and compliance functions, including private equity, rights issues, mergers, and acquisitions. He has worked with brands like Havells India Limited

Relationship with other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Interests of Key Managerial Personnel

Except Harvinder Pal Singh, Chairman cum Managing Director, who is also the Promoter of our Company, none of our KMPs, except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment reimbursement of expenses incurred by them during the ordinary course of business and equity shares held by them along with ESOPs granted or vested, if any, and otherwise disclosed in this Draft Prospectus, have any interest in the Company.

Our Key Managerial Personnel has no financial or other material interest in the Issue and no benefit / interest will accrue to our Key Managerial Personnel out of the objects of the Issue.

Compensation to Key Managerial Personnel

(₹ in lakh)

Name of KMP	As on December 31, 2023	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Harvinder Pal Singh	116.41	154.71	154.71	154.71
Jugal Kataria	114.98	140.29	132.89	95.75
Rakesh Sachdeva	59.94	77.53	74.18	30.88
Manoj Agrawal*	39.41	NIL	NIL	NIL
Vikas Gupta**	27.39	16.14	NIL	NIL

**Manoj Agrawal was appointed as the Deputy Chief Financial Officer w.e.f August 11, 2023.*
***Vikas Gupta was appointed as the Company Secretary and Compliance Officer w.e.f. October 8, 2022 and was further designated as the Company Secretary and Chief Compliance Officer w.e.f. July 11, 2023.*

Equity Shares held by Key Managerial Personnel

Except as disclosed below as on date of this Draft Prospectus, none of the Key Managerial Personnel have shareholding in our Company.

Sr. No.	Name of Key Managerial Personnel	Number of Shares	Percentage of Shareholding (in %)
1.	Harvinder Pal Singh	Nil	Nil
2.	Jugal Kataria	1,06,504	0.10
3.	Rakesh Sachdeva*	9.288	0.01
4.	Manoj Agrawal	Nil	Nil
5.	Vikas Gupta	Nil	Nil

**Equity Shares held jointly with his spouse, Amita Sachdeva*

Senior Management Personnel of our Company

Other than Rakesh Sachdeva, Chief Financial Officer and Vikas Gupta, Company Secretary and Chief Compliance Officer, who are also the KMPs of the Company, the details of the Senior Management Personnel, as on the date of this Draft Prospectus, are set out below:

Sr. No.	Name of SMPs	Designation
1.	Aditi Singh	Head – Strategy
2.	Amarjeet Singh	Chief Audit Officer
3.	Anil Gupta	Business Head – Products
4.	Anil Kwatra	Head – Operational Excellence & Innovation
5.	Dhiraj Jha	Chief Risk Officer
6.	Sunil Yadav	Head – Information Technology

Interest of Senior Management Personnel

Except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment reimbursement of expenses incurred by them during the ordinary course of business and equity shares held by them, if any, and otherwise disclosed in this Draft Prospectus, the Senior Management Personnel of the Company do not have any interest in the Company.

Except as disclosed below as on December 31, 2023, none of the Senior Management Personnel have shareholding in our Company.

Sr. No.	Name of Senior Managerial Personnel	Number of Shares	Percentage of Shareholding (in %)
1.	Aditi Singh	2030	0.002

No benefit/interest will accrue to our Senior Management Personnel out of the objects of the issue.

Our Senior Managerial Personnel have no financial or other material interest in the Issue and no benefit / interest will accrue to our Senior Managerial Personnel out of the objects of the Issue.

Relationship with other Senior Management Personnel

None of our Senior Management Personnel are related to each other.

Corporate Governance

We are in compliance with the applicable requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee as mandated under the Companies Act, 2013 and the SEBI Listing Regulations, to the extent applicable as on date.

Details of various Committees of the Board:

Audit Committee:

The Audit Committee was last reconstituted vide a resolution passed by the Board on November 13, 2020. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Sanjay Kumar Bhatia	Chairperson	Independent Director
Satvinder Singh	Member	Non-Executive Director
Sundeep Kumar Mehta	Member	Independent Director
Goh Colin	Member	Independent Director

The broad terms of reference of the Audit Committee are:

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   (a) matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of subsection (3) of section 134 of the Companies Act, 2013;
   (b) changes, if any, in accounting policies and practices and reasons for the same;
   (c) major accounting entries involving estimates based on the exercise of judgment by management;
   (d) significant adjustments made in the financial statements arising out of audit findings;
   (e) compliance with listing and other legal requirements relating to financial statements;
   (f) disclosure of any related party transaction;
   (g) modified opinion(s) in the draft audit report;

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties; o Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems; o Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors of any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
16. To review the functioning of the whistle blower mechanism;
17. Approval of appointment of chief financial officer after assessing the qualifications, experience and background etc., of the candidate;
18. To carry out any other function as is mentioned in the terms of reference of the audit committee, in terms of any other applicable guidelines or any other applicable law, as amended from time to time;
19. Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
20. Any other matters as delegated by the Board of Directors from time to time in terms of the applicable guidelines or any other applicable law, as amended from time to time.

Asset Liability Management Committee:

The Asset Liability Management Committee was last reconstituted vide a resolution passed by the Board on October 27, 2023. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Harvinder Pal Singh	Chairperson	Chairman cum Managing Director
Amit Kumar Gupta	Member	VP, Accounts and Finance
Jugal Kataria	Member	Group Controller
Rakesh Sachdeva	Member	Chief Financial Officer
Manish Kumar Mittal	Member	Head – Finance
Dhiraj Jha	Member	Chief Risk Officer
Manoj Agarwal	Member	Deputy Chief Financial Officer

The functions of the ALM Committee include:

1. To establish asset/liability management procedures.
2. To communicate Board’s policies regarding limits and concerns.
3. Coordinate and control asset/liability management functions.
4. To manage the Company’s assets and liabilities and to achieve performance consistent with the Company’s liquidity, capital adequacy, growth, risk and profitability goals.

5. The committee is responsible for managing interest rate risk, liquidity and investment portfolio.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on October 29, 2021. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Sundeep Kumar Mehta	Chairperson	Independent Director
Harvinder Pal Singh	Member	Chairman cum Managing Director
Sangeeta Khorana	Member	Independent Director
Sanjay Kumar Bhatia	Member	Independent Director
Goh Colin	Member	Independent Director

The broad terms of reference of the Nomination and Remuneration Committee are:

1. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
3. Ensure and determine that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors and size of the Board and its diversity;
4. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability and ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and other employees of the Company and reviewing its effectiveness;
5. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision and formulating detailed terms and conditions in accordance with SEBI Guidelines;
6. Decide/approve details of fixed components and performance linked incentives (if any) along with the performance criteria;
7. Identifying and recommending Directors who are to be put forward for retirement by rotation;
8. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
9. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their Service contract;
10. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
11. Recommend any necessary changes to the Board;
12. Considering any other matters as may be requested by the Board and to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
13. To approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
14. To evaluate case by case before finalizing issue of Equity Shares to employees under ESOP, formulate and evaluate policies and procedures of ESOP and other related activities;
15. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
16. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
17. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievements relating to the Company's operations;

18. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; To devise a policy on Board diversity;
19. To develop a succession plan for the Board and to regularly review the plan;
20. Formulation of criteria for evaluation of Independent Director and the Board;
21. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
22. To implement and monitor policies and processes regarding principles of corporate governance; and o To recommend to the Board, all remuneration, in whatever form, payable to senior management.

Stakeholder's Relationship Committee:

The Stakeholders' Relationship Committee was last reconstituted vide a resolution passed by the Board on November 14, 2018. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Sundeep Kumar Mehta	Chairperson	Independent Director
Sanjay Kumar Bhatia	Member	Independent Director
Anil Kumar Kalra	Member	Independent Director

The broad terms of reference of the Stakeholder's Relationship Committee are:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Risk Management Committee:

The Risk Management Committee was last reconstituted vide a resolution passed by the Board on March 30, 2023. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Anil Kumar Kalra	Chairperson	Independent Director
Satvinder Singh	Member	Non-Executive Director
Sundeep Kumar Mehta	Member	Independent Director

The scope of the Risk Management Committee includes the references made under the SEBI Listing Regulations, and the RBI Regulations.

The terms of reference of the Risk Management Committee are:

1. Approve/ recommend to the Board for its approval/ review of the policies, strategies and associated frameworks for the management of risk;
2. Approve the risk appetite and any revisions to it; o Sub-delegate its powers and discretions to executives of the Company;
3. Ensure appropriate risk organisation structure with authority and responsibility clearly defined, adequate staffing, and the independence of Risk Management functions;
4. Provide appropriate and prompt reporting to the Board of Directors in order to fulfil the oversight responsibilities of the Board of Directors;
5. Review reports from management concerning the Company's risk management framework (i.e. principles, policies, strategies, process and controls) and also discretions conferred on executive management, in order to oversee the

effectiveness of them;
6. Review reports from management concerning changes in the factors relevant to the Company’s projected strategy, business performance or capital adequacy;
7. Review reports from management concerning implications of new and emerging risks, legislative or regulatory initiatives and changes, organizational change and major initiatives, in order to monitor them;
8. Ensure adherence of the extant internal risk policy guidelines and also regulatory guidelines;
9. Review performance and set objectives for the Company’s CRO and ensure he has unfettered access to the Board;
10. Oversee statutory/regulatory reporting requirements related to risk management;
11. Monitor and review capital adequacy computation with an understanding of methodology, systems and data;
12. Approve the stress testing results/analysis and monitor the action plans and corrective measures periodically; and
13. Monitor and review of non-compliance, limit breaches, audit/regulatory findings, and policy exceptions with respect to risk management

Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee was last reconstituted vide a resolution passed by the Board on November 14, 2018. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Harvinder Pal Singh	Chairperson	Chairman cum Managing Director
Goh Colin	Member	Independent Director
Sangeeta Khorana	Member	Independent Director

The functions of the Committee include:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII; To recommend CSR activities and expenditure on the same.
2. To recommend the amount of expenditure to be incurred on the activities referred to in above clause.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

IT Strategy Committee:

The IT Strategy Committee was last reconstituted vide a resolution passed by the Board on November 13, 2020. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Anil Kumar Kalra	Chairperson	Independent Director
Jugal Kataria	Member	Group Controller
Harvinder Pal Singh	Member	Chairman cum Managing Director
Rakesh Sachdeva	Member	Chief Financial Officer
Sunil Yadav	Member	Head – IT

The functions of the IT Strategy Committee include:

1. To carry out review and amend the IT strategies in link with the corporate strategics, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance;
2. To approve and recommending to Board of Directors of the Company, "IT strategy and policy documents" and ensuring that the management has put an effective strategic planning process in place;
3. To ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business;
4. To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable,
5. To monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
6. To ensure proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

7. To carry out any other function in terms of any other applicable guidelines or in any other applicable law (within the ambit of IT Governance system).

To undertake and ensure other function and responsibilities as stipulated under Master Direction -Information Technology Framework (RBIDNBS/2016-17/53 Master Direction DNBS PPD.No.04/66.15.001/2016-17) for the NBFC Sector, as amended from time to time.

Working Committee:

The Working Committee was constituted vide a resolution passed by the Board on October 27, 2023. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Harvinder Pal Singh	Chairperson	Chairman cum Managing Director
Satvinder Singh	Member	Non-Executive Director
Jugal Kataria	Member	Group Controller
Amit Kumar Gupta	Member	Head - Accounts
Rakesh Sachdeva	Member	Chief Financial Officer
Manish Kumar Mittal	Member	Head – Finance
Manoj Agarwal	Member	Deputy Chief Financial Officer

The functions of the Working Committee include:

1. Accepting Loan from various banks/financial institutions/entity both domestic and foreign;
2. Transaction related to securitization/ assignment and external commercial borrowings/ issuance of non-convertible debentures and through any other way as stipulated and permissible under laws;
3. Raising of funds through issuance of debentures upto ₹5,000 crore (within overall borrowing limit as approved by members of the Company from time to time in terms of Section 180 (1)(c) of the Companies Act, 2013;
4. To invest the funds of the Company to the extent permissible under applicable laws;
5. To open/apply for placing fixed deposit with any bank/financial institutions/non-banking financial companies, to the extent permissible under applicable laws;
6. To grant loans or give guarantee or provide security in respect of loans to the extent permissible under applicable laws;
7. To open demat/trading account with any depository participant(s) and to do all necessary needful in this regard;
8. Pledge, mortgage and/or charge in all or any part of the movable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever;
9. Allotment of securities to the extent permissible under the Companies Act, 2013 and other applicable laws;
10. Opening of current accounts at different places in India;
11. Affixation of common seal in terms of Articles of Association of the Company, wherever required to transactions;
12. Any changes in authorised signatories who operate such accounts;
13. Apply for net banking and consequent changes in their authority to operate;
14. Any closure of existing current account of the Company;
15. Any other matter relating to the operations of various bank accounts and other general purposes of the Company:
16. To invest funds of the Company by way purchase of portfolio from other NBFC-MEL in compliance with applicable laws and Board approved policy in this regard;
17. To undertake hedges (including and not limited to interest rate swaps, currency swaps, options (vanilla & cost reduction, forward contracts) in relation to external commercial borrowings or other foreign currency borrowings;
18. Adoption implementation of Company's policies, business/ operations/ administrative/ compliance requirement to run the business smoothly on the day to day basis; and
19. Any other general purpose related to grant authorization to perform day to day affairs of the Company.

NCD Public Issuance Committee:

The NCD Public Issuance Committee was constituted vide a resolution passed by the Board on January 15, 2024. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Harvinder Pal Singh	Chairperson	Chairman cum Managing Director
Sanjay Kumar Bhatia	Member	Independent Director
Sundeep Kumar Mehta	Member	Independent Director

The functions of the NCD Public Issuance Committee include:

1. approve, modify, finalise and adopt the Offering Documents (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead manager(s), in accordance with all applicable laws, rules, regulations and guidelines prior to the filing of the relevant Offering Documents with the Stock Exchange(s) where the NCDs are intended to be listed, the Registrar of Companies ("**Registrar**") and/or any other statutory or regulatory authority, as may be necessary, and any advertisements, corrigendum, amendments supplements thereto and to approve any corrections or alterations therein on behalf of the Board;
2. approving/ adopting the financial statements along with the examination reports, notes, schedules, annexures, special purpose unaudited financial statements/limited review financial statements/ condensed financial statements or such other format of Financial Statements of the Company for the purpose of incorporating in the Offering Documents;
3. finalization of the date of allotment and finalization of the basis of allotment of the NCDs on the basis of the applications received and to approve and to issue and allot the NCDs and to approve all other matters relating to the Issue including acceptance and appropriation of the proceeds of the Issue, issuing debenture certificates/ allotment advice cum intimation, credit the NCDs to the beneficiary accounts and do all such acts, deeds, matters and things in relation to the allotment of the NCDs;
4. to approve, negotiate, sign, execute, amend, supplement and/ or, issue, the Offering Documents, agreements, undertakings, certificates, or other writings required by the stock exchange(s) as may be necessary for the purpose of the Issue.
5. to authorise any director or directors of the Company or other officer or officers of the Company (including by way of grant of power of attorneys), to issue declarations, affidavits, certificates, consents and authorities as may be required from time to time;
6. appointing any lead manager(s), legal counsel, credit rating agencies, Registrar and Transfer Agents, Debenture Trustee, bankers to the issue, refund bank, sponsor bank, consortium members/ lead brokers, independent auditor, printers, advertising agency, professionals and other intermediaries to the issue or any replacement thereof in accordance with the provisions of the Debt Regulations and to remunerate them by way of commission, brokerage, fees or the like and to negotiate, modify, enter into, execute, deliver and register all deeds, contracts, agreements, memorandum of understanding, arrangements, or documents with such intermediaries or agencies as may be required or desirable in connection with the Issue including the listing of the NCDs on the Stock Exchange(s) and creation of security for the Debentures and to do all such acts, deeds and things and execute or ratify such documents, papers and writings as may be necessary for that purpose;
7. seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the NCDs and creation of security;
8. negotiate, modify and approve the terms of the Issue including the actual size, timing, pricing and all other terms and conditions of the Issue coupon rate, yield, retention of over subscription, if any, etc., and to accept any amendments, modifications, variations or alterations thereto and all other related matters, including the determination of the size of the Issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue;
9. approve, modify, finalise and adopt the offering documents (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead manager(s), in accordance with all applicable laws, rules, regulations and guidelines prior to the filing of the relevant Offer Documents with the Stock Exchange(s) where the NCDs are intended to be listed, Registrar and/or any other statutory or regulatory authority, as may be necessary, and any advertisements, corrigendum, amendments supplements thereto and to approve any corrections or alterations therein on behalf of the Board;
10. seeking the listing of the NCDs on any Indian stock exchange, submitting the listing application to such stock exchange and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned Stock Exchange(s); and taking all actions that may be necessary in connection with

obtaining such listing;

11. approving the materiality threshold for the litigations to be disclosed in the Offering Documents;
12. granting of powers of attorney / authority, if required, to such officers / employees of the Company or of subsidiaries or any other concerned persons, as it may deem necessary, to do such acts, deeds and things as such attorney in his / her / its absolute discretion may deem necessary or desirable in connection with the Issue of the NCDs;
13. to get the NCDs admitted to National Securities Depository Limited and Central Depository Services (India) Limited, and to execute or ratify the necessary or requisite agreement(s) with those depositories and the registrar and transfer agent and to negotiate, finalise and execute or ratify the agreements, undertakings or other writings required, with these authorities / agencies for the Issue in the dematerialised form;
14. appointing the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the Debt Regulations;
15. authorization of the maintenance of a register of holders of the NCDs;
16. approving various agreements to be entered for the purpose of the Issue, negotiate, modify, sign, execute, register and deliver on behalf of the Company all the necessary contracts, including finalizing, execution and delivery of the issue agreement with lead managers, agreement with registrar to the Issue, agreement with debenture trustee, consortium/lead broker agreement, public issue and sponsor bank agreement, other deeds, agreements, memorandum of understanding, arrangements, engagement letters, general undertaking/ indemnity, affidavits, declarations, certificates and consents required in connection with the Issue including without limitation any security documents in relation to creation of security for the proposed Issue as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of Issue and/or early closure of the Issue and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue;
17. open such banks accounts, demat accounts, escrow accounts with scheduled commercial banks, institutions or agencies as may be required for the Issue;
18. acceptance and appropriation of the proceeds of the Issue, in terms of the issue documents and applicable law;
19. make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
20. to appoint independent Chartered Accountant(s), Statutory Auditors (both current and previous), Secretarial Auditors, Practicing Company Secretaries to issue such reports/ certificates including financial reports/statements for the purpose of Issue;
21. to do such acts, deeds and things as is necessary or desirable in connection with the Issue, including, without limitation, authorise any director or directors of the Company or other officer or officers of the Company (including by the grant of power of attorneys), as such authorised person in his/ her/ its absolute discretion may deem necessary or desirable in connection with the Issue;
22. to generally do any other act and/or deed, to negotiate and execute any document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue.

Fund Raising Committee:

The Fund Raising Committee was constituted vide a resolution passed by the Board on October 19, 2023. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation
Harvinder Pal Singh	Chairperson	Chairman cum Managing Director
Sanjay Kumar Bhatia	Member	Independent Director
Sundeep Kumar Mehta	Member	Independent Director

1. to decide on the timing, pricing (including discount), quantum and all the terms & conditions of the issue and allotment of the Securities and to approve any amendments, modifications, variations or alterations thereto, in accordance with applicable law;
2. approval and finalisation of the basis of allotment in the event of over-subscription;
3. finalization of the materiality policy with respect to disclosures to be made in the preliminary and final placement document, or other offer documents as applicable in accordance with applicable laws;

4. entering into any arrangement for managing and marketing the issue with the book running lead manager(s), escrow bank(s), registrar, legal advisor(s), and any other agencies or persons or intermediaries, including the monitoring agency, and to negotiate & finalise the terms of their appointment, including but not limited to negotiation, finalisation and execution of engagement letters, placement agreement, escrow agreement and other agreements with such entities;
5. to seek by making requisite applications as may be required, any approval, consent or waiver from the Company's lenders and/ or any third parties (including industry data providers, customers, suppliers) with whom the Company has entered into various commercial and other agreements, and/ or any/ all concerned government, statutory & regulatory authorities, and/ or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Securities;
6. determining the form, terms, and timing of the issue, the quantum of Securities to be issued, including selection of investors to whom the Equity Shares are proposed to be offered, issued & allotted and matters related thereto, as it may, in its sole and absolute discretion, deem fit and appropriate subject to the applicable laws;
7. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, in relation to the creation, issuance, allotment and listing of the Securities, from any statutory, regulatory or governmental authority or the Stock Exchanges, the Securities and Exchange Board of India, the Reserve Bank of India, Registrar of Companies or any other parties (including, without limitation, any experts or persons with whom the Company has entered into commercial or other agreements), as may be required or expedient and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required;
8. to finalise, approve and settle and to execute and deliver or arrange the filing of the preliminary placement document, placement document (along with the application form) (in draft or final form) or other offer documents or circulars as applicable with the Stock Exchanges, Registrar of Companies, and any other appropriate regulatory authorities, and negotiation, modification, signing, execution, registering and delivering of any other documents, deeds, agreements and instruments as may be required or desirable in relation to the issue;
9. to open such accounts, including escrow account(s), as are required for purposes of the issue, in accordance with applicable law, and to give such instructions including closure thereof as may be required and deemed appropriate;
10. to make applications to the Stock Exchanges for in-principle and final approvals for listing and trading of Securities, and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges in relation thereto;
11. offer or allotment of Securities & utilisation of the issue proceeds and to accept & to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the Registrar of Companies, or other authorities or agencies involved in or concerned with the issue of Securities.
12. to settle all questions, remove any difficulties or doubts that may arise from time to time in regard to the issue, offer or allotment of the Securities, terms of the issue, utilisation of the issue proceeds, appointment of intermediaries for the issue and such other issues as it may, in its absolute discretion deem fit;
13. to take such actions, give such directions, as may be necessary or desirable in regard to the issue and to do all such acts, matters, deeds and things, including but not limited to approval of confirmation of allocation notes (CAN), the allotment of the Securities against the valid applications received from QIBs in the issue, as are in the best interests of the Company and in accordance with applicable law;
14. to authorise and approve the incurring of expenditure, payment of fees, commission, remuneration, and reimbursement of any authorized expenses in connection with the issue;
15. to prepare and authorize filing of foreign exchange reporting with the RBI or any other filings required to be made with regulatory or statutory authorities, as may be necessary;
16. to authorise any director(s), officer(s) or authorized representatives of the Company, including by the grant of powers of attorney and/or on joint and/or several basis and to do all such acts, deeds, matters and things as the authorized persons in his or their sole and absolute discretion may deem necessary or expedient in connection with the offer, issue and allotment of the Securities; and
17. to do all such acts, deeds, matters and things and negotiate and execute all such documents, agreements, etc., including certificates, undertakings, authorities, consents, communications, declarations and affidavits necessary or desirable for the issue in accordance with applicable law.

OUR PROMOTERS

The Promoters of our Company are:

1. Harvinder Pal Singh; and

2. Satvinder Singh

Details of our Promoters are set out below:

Harvinder Pal Singh
PAN: AATPS4070P
Date of Birth: December 24, 1960
Age: 63 years
Address: MGE-2-TW-04-03 A, 3rd Floor, Fairway East, M3M Golf Estate, Sector-65, DLF QE, Gurugram – 122 002, Haryana, India
Education qualifications: Fellow Chartered Accountant

Satvinder Singh
PAN: ANVPS8312B
Date of Birth: March 13, 1966
Age: 57 years
Address: Building 1, Apartment 5B, The Hibiscus, Sector-50, Gurugram – 122 017, Haryana, India
Education qualifications: Post-graduate Diploma in Business Management

As on date of this Draft Prospectus, the shareholding of the Promoters is as follows:

Promoter Name	No. of equity shares held by the Promoter	Percentage of shareholding
Harvinder Pal Singh	Nil	Nil
Satvinder Singh	3,85,703	0.35%

For the profiles and other directorships of the Promoters please refer to '*Our Management*' on page 166. Further, as mentioned in this section and the section '*Our Management*' on page 166, our Promoters do not have interest in any other ventures.

Our Company confirms that the PAN nos, Aadhar numbers, driving license numbers, bank account numbers and passport numbers of the Promoters shall be submitted to BSE at the time of filing this Draft Prospectus.

Promoter Group

Other than our Promoters, following entities/individuals form part of our Promoter Group:

Corporate Entities:

1. Trishashna Holdings & Investments Private Limited;
2. Satin Creditcare Foundation;
3. Wisteria Holdings & Investments Private Limited;
4. Anushna Estates Private Limited;
5. Tomorrows One Global Network Private Limited;
6. Global Social (India) Foundation;
7. Parishek Finance Private Limited;
8. Satin Neo Dimensions Private Limited;
9. Kartar Feeds Private Limited;
10. Hollyhaus 97 Private Limited;
11. Elite Marbles Private Limited;
12. Riwaz Investments Private Limited;
13. Tomorrows One Capital Pte Limited.

Individuals:

1. Anureet HP Singh;
2. Neeti Singh;
3. Harprit Singh;
4. Pritika Singh
5. Jiya Singh;
6. Mohinder Singh Madan;
7. Rajinder Kaur;
8. Jitender Singh;
9. Neelu Singh;
10. Mohini Singh;
11. Trisha Shankar Das;
12. Pruthi Shankar Das; and
13. Ashna Pruthi.

Other understanding and confirmations

Company confirms that:

1. the Permanent Account Number, Aadhar Number, Driving License Number, Passport and bank account number of each of the individual Promoters have been submitted to the Stock Exchange at the time of filing of the Draft Prospectus;

2. Permanent Account Number of Directors have been submitted to the Stock Exchange at the time of filing the Draft Prospectus

Our Promoters and the relatives of our Promoters as per the Companies Act, have not been identified as Wilful Defaulters.

No violation of securities laws have been committed by our Promoters in the past or is currently pending against them except as disclosed in section titled "*Outstanding Litigations*" on page 224.

None of our Promoters were promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

None of our Promoters are promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

Our Promoters, Harvinder Pal Singh and Satvinder Singh, have not been declared as fugitive economic offender.

Our Promoters have confirmed that neither of them, have been identified as Wilful Defaulters by the RBI or any other governmental authority and are not a Promoter of any such company which has been identified as a Wilful Defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months. Further, no members of our Promoter Group have been identified as Wilful Defaulters.

Our Promoter and Promoter Group are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

No benefit or interest will accrue to our Promoters out of the objects of the Issue.

Common pursuits of our Promoters

Except our Subsidiaries, our Promoters are not engaged in businesses similar to ours.

Interest of Promoters in our Company

Except as stated under the chapter titled "*Related Party Transactions*" and "*Our Management*" beginning on page 186 and page 166, respectively, and to the extent of their shareholding in our Company, our Promoters do not have any other interest in our Company's business.

Further as on December 31, 2023, except for the personal guarantee given by our Promoters in the loan granted by our Company to Satin Neo Dimensions Private Limited, our Promoters have not guaranteed/secured any bank facilities sanctioned by our Company.

Our Promoters do not intend to subscribe to this Issue.

Our Promoters have no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoters or Promoter Group out of the objects of the Issue.

Payment of benefit to our Promoters in last three fiscal years

Other than as disclosed under the *"Related Party Transactions"*, available at page 186, our Company has not made any payments of any benefits to the Promoters during the last three fiscals preceding the date of this Draft Prospectus.

Interest of our Promoters in property, land and construction

Our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of filing of the Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

RELATED PARTY TRANSACTIONS

For details of the related party transactions on a standalone basis for the half year ended September 30, 2023 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Note 19*" on page F 559.

For details of the related party transactions on a standalone basis for the Fiscal 2023 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Note 49*" on page F 434.

For details of the related party transactions on a standalone basis for the Fiscal 2022 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Note 48*" on page F 254.

For details of the related party transactions on a standalone basis for the Fiscal 2021 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Note 48*" on page F 69.

For details of the related party transactions on a consolidated basis for the half year ended September 30, 2023 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Note 19*" on page F 583.

For details of the related party transactions on a consolidated basis for the Fiscal 2023 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Note 48*" on page F 528.

For details of the related party transactions on a consolidated basis for the Fiscal 2022 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Note 49*" on page F 352.

For details of the related party transactions on a consolidated basis for the Fiscal 2021 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Note 48*" on page F 163.

Related party transactions entered during the Fiscal 2023, Fiscal 2022 and Fiscal 2021and the current financial year by our Company with regard to loans made or, guarantees given or securities provided

A) The following are the outstanding balances of the loans and advances granted by the Company to its related parties during the last three financial years and half year ended September 30, 2023, on a standalone basis:

(₹ in lakhs)

Name of Related Party	Amount as on September 30, 2023	Amount as of March 31,		
		2023	2022	2021
Taraashna Financial Services Limited	Nil	Nil	3,550.00	2,100.00
Satin Finserv Limited	1,000.00	3,350.00	Nil	Nil
Satin Housing Finance Limited	Nil	Nil	500.00	2,000.00
Satin Neo Dimensions Private Limited *	39.13	59.12	92.29	119.23

* *During the financial year 2020-21, Inter corporate loan includes interest capitalization on moratorium*

B) The following are the outstanding balances of the guarantees given by the Company on behalf of related parties during the last three financial years and half year ended September 30, 2023 on a standalone basis:

(₹ in lakhs)

Name of Related Party	Amount as on September 30, 2023	Amount as of March 31,		
		2023	2022	2021
Satin Housing Finance Limited	16,500.00	12,500.00	7,000.00	1,500.00
Satin Finserv Limited	Nil	500.00	500.00	500.00

C) The following are the outstanding balances of the securities by the Company on behalf of related parties during the last three financial years and half year ended September 30, 2023 on a standalone basis:

(₹ in lakhs)

Name of Related Party	Amount as on September 30, 2023	Amount as of March 31,		
		2023	2022	2021
Not Applicable	Nil	Nil	Nil	Nil

D) Related party transactions entered during the current financial year for the period from October 1, 2023 to January 18, 2024 with regard to loans made or, guarantees given or securities provided

(₹ in lakh)

Name of the Related Party	Loans made	Guarantees given	Securities Provided
Satin Neo Dimensions Private Limited	25.29	Nil	Nil
Satin Housing Finance Limited	Nil	16,500.00	Nil

REGULATIONS AND POLICIES

The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions, Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company and its subsidiary. The information detailed in this chapter has been obtained from publications available in the public domain. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Principal business criteria and NBFC classification

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute; however, RBI has clarified through a press release (*Ref. No. 1998-99/1269*) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate in the form DNBS 10, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017, Master Direction– Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016, Reserve Bank Commercial Paper Directions, 2017 and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard, unless they have received an Authorised Dealer Category II licence from the RBI.

The major regulations governing our Company are detailed below:

On October 19, 2023 RBI issued Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 ("SBR Directions"). A Revised Regulatory Framework for NBFCs whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFC- Base Layer (“NBFC-BL”);
ii) NBFC- Middle Layer (“NBFC-ML”);
iii) NBFC- Upper layer (“NBFC-UL”); and
iv) NBFC- Top Layer (“NBFC-TL”)

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹ 1,000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs (“NBFC-Ds”), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs)– (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in annexure 1 to SBR Directions. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-Upper Layer. Such NBFC shall move to the NBFC-Top Layer. Pursuant the SBR Direction the criteria of asset size of non-deposit NBFCs for classification as non-systemically important for the purpose of regulatory structure of NBFCs have been increased from ₹ 5,00 crore to ₹ 1,000 crore (“NBFC-ND”).

Therefore, NBFCs with asset size of over ₹ 1,000 crore have been considered risky and will fall under middle layer (“NBFC-ML” / “NBFC-ND-SI"). SBR Directions provide that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be. SBR Framework clarified that existing NBFC-ND-SIs having asset size of ₹ 500 crore and above but below ₹ 1,000 crore (except those necessarily featuring in NBFC-Middle Layer) will be known as NBFC-BL.

As on date of filing of this Draft Prospectus the Company falls under the category of NBFC-ML, as its assets size is above ₹ 1,000 crore, as per the last audited balance sheet. SBR Directions provide that NBFC-ML shall be subject to regulations as specified in section III, In addition, regulatory instructions applicable to NBFC-BL as specified in section II shall also be applicable to NBFC-ML, unless stated otherwise.

As of date of this Draft Prospectus, the NBFC-ML are governed by updated SBR Directions and other applicable laws.

I. *Types of NBFCs*

NBFCs have been classified on the basis of the types of liabilities they access, types of activities they pursue and their perceived systemic importance.

Liabilities-based classification

NBFCs are classified on the basis of liabilities into two broad categories – a) deposit taking and b) non-deposit taking. Deposit taking NBFCs (NBFC – D) are subject to requirements of stricter capital adequacy, liquid assets maintenance, and exposure norms etc.

Further, in 2015, non-deposit taking NBFCs with asset size of ₹500 crore and above were labelled as ‘systemically important non-deposit taking NBFCs’ (NBFC – ND – SI) and separate prudential regulations were made applicable to them.

Activity-based classification

As per the RBI notification dated February 22, 2019, the RBI merged the three categories of NBFCs viz. Asset Finance Companies (AFCs), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC – Investment and Credit Company (NBFC- ICC) with the below definition: “Investment and Credit Company – (NBFC-ICC)” means any company which is a financial institution carrying on as its principal business – asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities; and is not any other category of NBFC.

Within this broad categorization the different types of NBFCs are (a) investment and credit companies, (b) infrastructure finance companies, (c) infrastructure debt fund, (d) NBFC – micro finance institutions, (e) NBFC – factors, (f) NBFC – non-operative financial holding company, (g) systemically important core investment companies and (h) mortgage guarantee companies.

Our Company is a Non-Banking Financial Company–Micro Finance Institution ("NBFC-MFI"). NBFCs MFIs have to fulfil the following conditions: (a) Minimum Net Owned Funds of ₹ 5 crore. (For NBFC-MFIs registered in the North-Eastern Region of the country, the minimum NOF requirement shall stand at ₹2 crore); (b) Not less than 75 per cent of its total assets are in the nature of "microfinance loans" as defined under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022.

II. *Types of Activities that NBFCs are permitted to carry out*

Although, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

(a) an NBFC cannot accept deposits repayable on demand;
(b) NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
(c) deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

III. *Regulatory requirements of an NBFC under the RBI Act*

Net Owned Fund

The current net owned fund requirement for NBFC-MFI is ₹ 5 crore (₹ 2 crore in North-Eastern Region). SBR Directions has incrementally revised the net owned fund requirement for the NBFC-MFI for achieving the net owned fund: (i) that minimum net owned fund requirement of ₹ 7 crore (₹5 crore in North-Eastern Region) by March 31, 2025; and (ii) ₹ 10 crore by March 31, 2027. For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

a. investment by such companies in shares of (i) its subsidiary, (ii) companies in the same group, (iii) other NBFCs; and

b. the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiary of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10 per cent of (a) above.

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

IV. *SBR Master Directions*

The SBR Master Directions contains specific directions on prudential regulations for Non-Banking Finance Company-Micro Finance Institutions having an asset size of ₹ 500 crores or more ("NBFC-MFIs") under section VI. The SBR Master Directions, amongst other requirements prescribe guidelines for income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements and concentration of credit/investment and pricing of credit, transparency in interest rates for applicable NBFCs, including NBFC-MFIs.

Capital Requirement as applicable to NBFC-MFIs

NBFC-MFIs shall maintain a capital adequacy ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15 percent 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 percent of Tier 1 capital. The treatment to on-balance and off-balance sheet assets for capital adequacy shall be as provided in paragraph 84 and 85 of the SBR Directions respectively.

Standard asset provisioning (Not applicable for NBFC-UL): NBFC-MFIs shall make provisions for standard assets at 0.40 percent of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Provisioning Norms as applicable to NBFC-MFIs

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of:

a. 1 percent of the outstanding loan portfolio; or

b. 50 percent of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100 percent of the aggregate loan instalments which are overdue for 180 days or more.

In cases where the advance covered by Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) guarantee becomes non-performing, no provision need be made towards the guaranteed portion. The amount outstanding in excess of the guaranteed portion shall be provided for as per provisioning norms applicable on other NBFCs and as mentioned in paragraph 15 of the SBR Master Directions.

Provisioning for standard assets are at 0.40 percent of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Asset Classification as applicable to NBFC-MFIs

The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business are classified as standard assets. Assets for which, interest/principal payment have remained overdue for a period of more than 90 days are classified as non-performing asset.

Geographical Diversification

NBFC-MFIs are required to approach their boards for fixing internal exposure limits to avoid an undesirable concentration in specific geographical locations.

Formation of SRO

All NBFC-MFIs shall become member of at least one Self-Regulatory Organization (SRO) which is recognized by RBI and shall also comply with the Code of Conduct prescribed by the SRO.

Directions for Microfinance Loans

Microfinance loans of NBFCs are guided by the Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, as amended from time to time. An NBFC, which does not qualify as an NBFC-MFI shall extend microfinance loans, which in aggregate does not exceed 25 percent of its total assets.

Asset Liability Management

Under the terms of SBR Master Directions, NBFCs having an asset base of ₹ 100 crore or more as per their last audited balance sheet are required to comply with the '*RBI Guidelines on liquidity Risk Management Framework*' ("LRM Framework"). The RBI has prescribed the Guidelines for asset liability management ("ALM") system in relation to NBFCs through LRM Framework. The LRM Framework provide that the applicable NBFCs should ensure sound and robust liquidity risk management system, the board of directors of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The liquidity risk management policy should spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc.

The NBFC shall appoint risk management committee ("RMC") consisting of chief executive officer ("CEO")/ managing director ("MD") and heads of various risk verticals, who shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk. Further, applicable NBFCs have to constitute asset liability management committee ("ALCO") consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The CEO/ MD or the Executive Director (ED) should head the ALCO. The role of the ALCO with respect to liquidity risk should include, *inter alia*, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches.

In addition to RMC and ALCO, applicable NBFCs shall constitute asset liability management support group ("ALM Support Group"). ALM Support Group consist of the operating staff responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO. The maturity profile should be used for measuring the future cash flows of NBFCs in different time buckets. Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches in the statement of structural liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10 percent, 10 percent and 20 per cent of the cumulative cash outflows in the respective time buckets. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets upto 1 year by establishing internal prudential limits with the approval of the board of directors. NBFCs shall also adopt the above cumulative mismatch limits for their structural liquidity statement for consolidated operations. Other than liquidity risk the applicable NBFC has to currency risk and interest rate risk under the terms of LRM Framework.

Instructions on Managing Risks and Code of Conduct in Outsourcing

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the SBR Directions under Annex VIII provides directions on managing risks and code of conduct in outsourcing of financial services by NBFCs. These directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, outsourcing of functions shall not limit its obligations to its customers.

V. *Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")*

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. All NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India.

The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC

Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video-based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

VI. *Accounting Standards & Accounting policies*

NBFCs that are required to implement Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 ("Accounting Standard Rules") shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in the SBR Master Directions. Disclosure requirements for notes to accounts specified in the SBR Master Directions shall continue to apply. Other NBFCs shall comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with SBR Master Directions. The Ministry of Corporate Affairs ("MCA"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The Accounting Standard Rules were subsequently amended by MCA press release dated March 30, 2016. The Accounting Standard Rules stipulates that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹500 crore, shall comply with Ind AS for accounting periods beginning on or after the 1st April, 2019, with comparatives for the periods ending on March 31, 2019, or thereafter.

Implementation of Indian Accounting Standards: RBI Notification

The Reserve bank of India vide notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The circular puts in place ownership-neutral regulations, ensuring independence of auditors, avoiding conflict of interest in auditor's appointments and to improve the quality and standards of audit in RBI Regulated Entities. These guidelines shall streamline the procedure for appointment of Statutory Auditors across all the Regulated Entities and ensure that appointments are made in a timely, transparent and effective manner.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ML, the auditor shall make a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on 31st March of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the RBI in DNBS-10-Statutory Auditor Certificate (SAC) return, has been correctly arrived at and whether such ratio is in compliance with the minimum

CRAR prescribed by RBI, whether the company has furnished to RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio within the stipulated period.

Risk-Based Internal Audit (RBIA)

An independent and effective internal audit function in a financial entity provides vital assurance to the board of directors and its senior management of NBFC regarding the quality and effectiveness of the entity's internal control, risk management and governance framework. The essential requirements for a robust internal audit function include, inter alia, sufficient authority, proper stature, independence, adequate resources and professional competence. RBI *vide* its circular dated February 03, 2021, mandated all non-deposit taking NBFCs (including Core Investment Companies) with asset size of ₹ 5,000 crore and above; and all UCBs having asset size of ₹ 500 crore and above to implement the RBIA framework by March 31, 2022.

Supervisory Framework

In addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return DNBS-10 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

VII. *Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016*

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. NBFC-ML are required to file at various intervals on asset-liability management: (a) Statement of Short Ter– Dynamic Liquidity - DNBS-04A – Quarterly; (b) Statement of Structural Liquidity and Interest Rate Sensitivity- DNBS-4B – Monthly. In addition to above NBFCs are required to submit Central Repository of Information on Large Credits ("CRILC") on a monthly basis as well as all Special Mention Accounts-2 ("SMA-2") status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

VIII. *Master Direction on Information Technology Framework for the NBFC Sector, 2017*

All NBFCs shall have a board approved Information Technology policy/Information system policy. The above mentioned master direction has been repealed by the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, which will come into effect from April 1, 2024.

IX. *Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.*

RBI has issued Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 ("Fraud Directions, 2016"). As per Fraud Directions, 2016, NBFCs are required to put in place a reporting system for recording frauds to RBI and should fix staff accountability in respect of delays in reporting of fraud cases to the RBI. For this purpose, an official of the rank of general manager or equivalent should be nominated who will be responsible for submitting all the returns to the Bank and reporting referred to in these directions. If NBFCs do not adhere to the applicable time-frame for reporting fraud, they shall become liable for penal action. The Fraud Directions, 2016 classify frauds into the following categories:

i. Misappropriation and criminal breach of trust;
ii. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;
iii. Unauthorised credit facilities extended for reward or for illegal gratification;
iv. Negligence and cash shortages;
v. Cheating and forgery;
vi. Irregularities in foreign exchange transactions; and
vii. Any other type of fraud.

X. *Ombudsman scheme for customers of NBFCs*

The RBI in public interest and to make the alternate dispute redress mechanism simpler and more responsive enforced the Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions 2023 ("**Ombudsman Directions**") integrating the erstwhile ombudsman schemes by RBI. Every NBFC shall appoint principal nodal officer in accordance with Ombudsman Directions. Further, NBFCs fulfilling the criteria laid down under the Ombudsman Directions and shall appoint the internal ombudsman and adhere to the corresponding guidelines.

Any customer aggrieved by an act or omission of a regulated entity resulting in deficiency in service may file a complaint under the Ombudsman Directions personally or through an authorised representative as defined under the Scheme.

XI. *Guidelines on Digital Lending*

RBI on September 2, 2022 issued guidelines on Digital Lending in lines with recommendations of the Working Group Committee on Digital Lending vide RBI/2022-23/111DOR.CRE.REC.66/21.07.001/2022-23. The Reserve Bank of India (RBI) has issued guidelines to all lenders including banks and NBFCs to protect the data of borrowers using digital lending apps from being misused.

XII. *Recovery of debts by NBFCs*

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non - Performing Asset ("**NPA**"). Securitisation Companies and Reconstruction Companies ("**SCs/RCs**") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60 per cent of the amount outstanding to a borrower as against 75 per cent. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issued by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only. The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.
Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹ 100 crore and above) has been reduced from ₹ 1 crore to ₹ 0.50 crore.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

Prudential Framework for Resolution of Stressed Assets

RBI *vide* its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets interalia by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria. MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("FSP Rules") interalia governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

XIII. *Other applicable laws*

Companies Act, 2013

The Companies Act, 2013 ("Companies Act") has been notified by the Government of India on August 30, 2013 (the "Notification"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. The Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trademarks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL INFORMATION

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Draft Prospectus, since October 1, 2023 till the date of filing this Draft Prospectus, there have been no event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Company/ Promoters/ Directors, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

FINANCIAL INDEBTEDNESS

As on December 31, 2023, our Company had outstanding Total Borrowings, on a standalone basis, of ₹ 7,42,752.53 lakhs (including Vehicle loans and IndAS adjustments).

Sr. No.	Nature of Borrowings	Amount Outstanding (₹ in lakhs)	%
1.	Secured borrowings	6,80,114.23	91.57
2.	Unsecured borrowings	62,638.31	8.43
Total Borrowings		**7,42,752.53**	**100.00%**

Note: The details in the above table include vehicle loans and IndAS adjustments.

Set forth below, is a summary of the borrowings by our Company outstanding as on December 31, 2023, together with a brief description of certain significant terms of such financing arrangements.

Details of borrowing as listed below exclude vehicle loans of ₹ 136.25 lakhs and IndAS adjustment of ₹7,900.83 lakhs outstanding as on December 31, 2023.

A. Details of secured borrowings:

Our Company's secured outstanding borrowings, as on December 31, 2023 amounts to ₹ 6,80,114.23 lakh (including vehicle loans and IndAS adjustments). The details of the secured borrowings are set out below:

Term Loans from Banks/ Financial Institutions:

Name Of Lender	Type of Facility and Documentation	Amount Sanctioned (₹ in lakhs)	Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Repayment Date / Schedule	Security	Credit Rating, if Applicable	Asset Classification
Axis Bank Limited	Term Loan	2,500.00	1,818.18	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Axis Bank Limited	Term Loan	2,500.00	1,931.82	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Bajaj Finance Limited	Term Loan	4,500.00	4,013.59	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	Unrated	Standard
Bandhan Bank	Term Loan	12,500.00	8,928.57	Quarterly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Bandhan Bank	Term Loan	15,000.00	15,000.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Bank of Baroda	Term Loan	10,000.00	2,494.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Bank of Baroda	Term Loan	25,000.00	24,300.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard

Name Of Lender	Type of Facility and Documentation	Amount Sanctioned (₹ in lakhs)	Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Repayment Date / Schedule	Security	Credit Rating, if Applicable	Asset Classification
Bank of Baroda	Term Loan	15,000.00	7,500.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Bank of Maharashtra	Term Loan	10,000.00	8,635.00	Monthly	Hypothecation of book debts arising out of bank's assistance @120%	[ICRA]A (Stable)	Standard
Canara Bank	Term Loan	15,000.00	4,090.91	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Capri Global Capital Limited	Term Loan	2,500.00	1,979.17	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Cholamandalam Investment and Finance Company Limited	Term Loan	1,000.00	62.57	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	Unrated	Standard
City Union Bank Limited	Term Loan	1,500.00	1,500.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
CTBC Bank Co Ltd	Term Loan	2,500.00	2,500.00	Bullet	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
CTBC Bank Co Ltd	Term Loan	2,500.00	2,500.00	Bullet	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
DBS Bank	Term Loan	10,000.00	10,000.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Equitas Small Finance Bank	Term Loan	2,500.00	1,874.50	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
HDFC Bank Limited	Term Loan	4,000.00	2,888.89	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
IDBI Bank	Term Loan	5,000.00	1,875.00	Monthly	Hypothecation of book debts arising out of the loan amount (120%)	[ICRA]A (Stable)	Standard
IDBI Bank	Term Loan	5,000.00	4,375.00	Monthly	Hypothecation of book debts arising out of the loan amount (120%)	[ICRA]A (Stable)	Standard

Name Of Lender	Type of Facility and Documentation	Amount Sanctioned (₹ in lakhs)	Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Repayment Date / Schedule	Security	Credit Rating, if Applicable	Asset Classification
Indian Bank	Term Loan	20,000.00	5,000.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Indian Overseas Bank	Term Loan	3,000.00	2,250.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Indusind Bank	Term Loan	5,000.00	2,954.55	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Indusind Bank	Term Loan	10,000.00	9,523.81	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Industrial and Commercial Bank of China	Term Loan	8,000.00	7,333.33	Quarterly	Hypothecation of book debts arising out of bank's assistance @120%	[ICRA]A (Stable)	Standard
JM Financials Credit Solutions Limited	Term Loan	5,000.00	3,380.03	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Karnataka Bank	Term Loan	5,000.00	1,250.00	Quarterly	Hypothecation of book debts arising out of the loan amount (100%)	[ICRA]A (Stable)	Standard
Kissandhan Agri Financial Services	Term Loan	1,000.00	654.94	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	Unrated	Standard
Kookmin Bank	Term Loan	2,500.00	500.00	Quarterly	Hypothecation of book debts arising out of the loan amount(100%)	[ICRA]A (Stable)	Standard
Kookmin Bank	Term Loan	2,000.00	2,000.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Kotak Mahindra Bank	Term Loan	5,000.00	625.00	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Kotak Mahindra Bank	Term Loan	5,000.00	2,370.04	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Kotak Mahindra Bank	Term Loan	10,000.00	8,275.58	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard

Name Of Lender	Type of Facility and Documentation	Amount Sanctioned (₹ in lakhs)	Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Repayment Date / Schedule	Security	Credit Rating, if Applicable	Asset Classification
Maanaveeya Development & Finance Private Limited	Term Loan	3,000.00	1,750.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @105%	Unrated	Standard
Maanaveeya Development & Finance Private Limited	Term Loan	2,400.00	2,200.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @105%	Unrated	Standard
Mahindra & Mahindra Financial Services Ltd	Term Loan	5,000.00	1,361.57	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Manappuram Finance Ltd	Term Loan	3,000.00	2,538.63	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Mas Financial Services Limited	Term Loan	1,500.00	937.50	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Mas Financial Services Limited	Term Loan	1,500.00	1,125.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Mas Financial Services Limited	Term Loan	1,500.00	1,250.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Micro Units Development & Refinance Agency Limited	Term Loan	10,000.00	9,697.00	Monthly	Hypothecation of book debts arising out of bank's assistance @100%	[ICRA]A (Stable)	Standard
NABARD	Term Loan	20,000.00	400.00	Half Yearly	Hypothecation of book debts arising out of the loan amount (111%)	[ICRA]A (Stable)	Standard
NABARD	Term Loan	5,000.00	200.00	Half Yearly	Hypothecation of book debts arising out of the loan amount (111.20%)	[ICRA]A (Stable)	Standard
NABARD	Term Loan	25,000.00	1,000.00	Half Yearly	Hypothecation of book debts arising out of the loan amount (111.20%)	[ICRA]A (Stable)	Standard
NABARD	Term Loan	25,000.00	18,000.00	Quarterly	Hypothecation of book debts arising out of the loan amount (110%)	[ICRA]A (Stable)	Standard
NABARD Financial Services Limited	Term Loan	2,000.00	818.01	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard

Name Of Lender	Type of Facility and Documentation	Amount Sanctioned (₹ in lakhs)	Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Repayment Date / Schedule	Security	Credit Rating, if Applicable	Asset Classification
Nabkisan Finance Limited	Term Loan	3,500.00	291.67	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Nabkisan Finance Limited	Term Loan	3,000.00	1,500.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Nabkisan Finance Limited	Term Loan	3,500.00	2,916.67	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
National Scheduled Castes Finance and Development Corporation (NSFDC)	Term Loan	750.00	468.75	Quarterly	Hypothecation of book debts arising out of the loan amount (100%)	Unrated	Standard
Northern Arc Capital	Term Loan	2,000.00	698.79	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Northern Arc Capital	Term Loan	5,000.00	4,500.84	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Oxyzo Financial Services Pvt Ltd	Term Loan	5,000.00	1,000.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Piramal Enterprises Ltd	Term Loan	5,000.00	4,722.22	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Poonawalla Fincorp Limited	Term Loan	5,000.00	4,622.09	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Protium Finance Limited	Term Loan	1,500.00	1,347.65	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
RBL Bank Limited	Term Loan	7,500.00	7,023.81	Monthly	Hypothecation of book debts arising out of bank's assistance @115%	[ICRA]A (Stable)	Standard
SBM Bank (India) Limited	Term Loan	2,200.00	1,925.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
SBM Bank (India) Limited	Term Loan	4,100.00	1,000.00	Quarterly	Hypothecation of book debts arising	[ICRA]A (Stable)	Standard

Name Of Lender	**Type of Facility and Documentation**	**Amount Sanctioned (₹ in lakhs)**	**Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)**	**Repayment Date / Schedule**	**Security**	**Credit Rating, if Applicable**	**Asset Classification**
					out of bank's assistance @110%		
Shriram Finance Limited	Term Loan	2,500.00	2,288.01	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Small Industries Development Bank of India	Term Loan	15,000.00	7,000.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Small Industries Development Bank of India	Term Loan	35,000.00	33,833.34	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Small Industries Development Bank of India	Term Loan	30,000.00	15,000.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Standard Chartered Bank	Term Loan	30,000.00	14,000.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
State Bank of India	Term Loan	20,000.00	9,090.91	Monthly	Hypothecation of book debts arising out of the loan amount @115%	[ICRA]A (Stable)	Standard
State Bank of India	Term Loan	34,000.00	29,277.78	Monthly	Hypothecation of book debts arising out of the loan amount @125%	[ICRA]A (Stable)	Standard
State Bank of India	Term Loan	40,000.00	20,000.00	Monthly	Hypothecation of book debts arising out of the loan amount @125%	[ICRA]A (Stable)	Standard
Suryoday Small Finance Bank	Term Loan	2,500.00	2,407.24	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Tata Capital Financial Services Private Limited	Term Loan	1,000.00	375.00	Quarterly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Tata Capital Financial Services Private Limited	Term Loan	2,000.00	1,921.80	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	Term Loan	10,000.00	625.00	Monthly	Hypothecation of book debts arising out of the loan amount (100%)	[ICRA]A (Stable)	Standard
The Hongkong & Shanghai	Term Loan	12,500.00	3125.00	Monthly	Hypothecation of book debts arising	[ICRA]A (Stable)	Standard

Name Of Lender	Type of Facility and Documentation	Amount Sanctioned (₹ in lakhs)	Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Repayment Date / Schedule	Security	Credit Rating, if Applicable	Asset Classification
Banking Corporation Limited (HSBC)					out of the loan amount (100%)		
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	Term Loan	5,000.00	1458.33	Monthly	Hypothecation of book debts arising out of the loan amount (100%)	[ICRA]A (Stable)	Standard
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	Term Loan	10,000.00	5,000.00	Monthly	Hypothecation of book debts arising out of the loan amount (100%)	[ICRA]A (Stable)	Standard
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	Term Loan	8,000.00	4,333.33	Monthly	Hypothecation of book debts arising out of the loan amount (100%)	[ICRA]A (Stable)	Standard
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	Term Loan	15,000.00	13,125.00	Monthly	Hypothecation of book debts arising out of the loan amount (100%)	[ICRA]A (Stable)	Standard
The South Indian Bank Limited	Term Loan	1,500.00	230.09	Monthly	Hypothecation of book debts arising out of the loan amount (120%)	[ICRA]A (Stable)	Standard
Union Bank of India	Term Loan	5,000.00	3,636.36	Monthly	Hypothecation of book debts arising out of the loan amount@111%	[ICRA]A (Stable)	Standard
Union Bank of India	Term Loan	5,000.00	5,000.00	Monthly	Hypothecation of book debts arising out of the loan amount@111%	[ICRA]A (Stable)	Standard
Utkarsh Small Finance Bank	Term Loan	3,000.00	2,500.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Vivriti Capital Private Limited	Term Loan	4,000.00	2,666.67	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	Unrated	Standard
Woori Bank	Term Loan	3,000.00	1,125.00	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Woori Bank	Term Loan	3,000.00	1,875.00	Monthly	Hypothecation of book debts arising	[ICRA]A (Stable)	Standard

Name Of Lender	Type of Facility and Documentation	Amount Sanctioned (₹ in lakhs)	Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Repayment Date / Schedule	Security	Credit Rating, if Applicable	Asset Classification
					out of bank's assistance @105%		
Woori Bank	Term Loan	3,000.00	2,750.00	Monthly	Hypothecation of book debts arising out of bank's assistance @110%	[ICRA]A (Stable)	Standard
Yes Bank Limited	Term Loan	5,000.00	3,125.00	Monthly	Hypothecation of book debts arising out of bank's assistance @105%	[ICRA]A (Stable)	Standard
Total		**6,87,950.00**	**4,13,448.54**				

Note: The numbers in the table do not include vehicle loans and IndAS adjustments

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Any interest/ principle being over-due will attract penal interest of 2% (two per cent) p.m. (per month) over and above the regular interest rate on the amount due for the period of delay.

(b) In case the delay extends beyond 60 (sixty) days then the penal interest shall be levied at 2% (two per cent) p.m. over and above the regular interest rate in facility amount outstanding for the period of delay.

(c) In case the Company is in breach of any covenant or delays in any reporting compliances, after cure period of 30 (thirty) days from the lender's intimation, the penal charges shall be levied at ₹2,000 (Indian Rupees Two Thousand) per day till date of breach and/or non-compliance.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) The Company shall fail to promptly pay any amount now or hereafter owing to the lender as and when the same shall become due and payable,

(b) Any representation made by the Company to the lender shall be found by the lender to have been false at any time or misleading as of the date on which the same was made or deemed to be made;

(c) Company entering into any arrangement or composition with his/her/its/their creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of the Company;

(d) Execution or distress or other process being enforced or levied upon or against the whole or any part of the Company property whether secured to the lender or not;

(e) any order being made or a resolution being passed for the winding up of the Company (except for the purpose of amalgamation or reconstruction with the prior approval of the lender);

(f) a receiver being appointed in respect of the whole or any part of the property of the Company;

(g) the Company or any of the partners of the Company (if a firm) being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors;

(h) the Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so;

(i) if the Company shall stop payment or threaten to do so;

(j) Inability to pay debts, proceedings of winding up under any law, statute, rule, ordinance etc. which would have the effect of suspending or waiving all or any right against the Company or in respect of any contract or agreement concerning the Company;

(k) The passing of any order of a court ordering, restraining or otherwise preventing the Company from conducting all or any material part of its business; or

(l) The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Company.

Cash Credit / Overdraft against Fixed Deposit ("ODFD") facility availed by our Company:

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding as on December 31, 2023	Repayment Date /	Security	Credit Rating (if applicable)	Asset Classification
			(₹ in lakh)	*(₹ in lakh)*	Schedule			
1	Bandhan Bank	ODFD	45.00	Nil	On demand	FD	N.A.	Standard
2	Bank of India	ODFD	63.00	Nil	On demand	FD	N.A.	Standard
3	Federal Bank	ODFD	4.50	Nil	On demand	FD	N.A.	Standard
4	HSBC Bank	ODFD	400.00	Nil	On demand	FD	N.A.	Standard
5	IDFC First Bank	ODFD	2,000.00	Nil	On demand	FD	N.A.	Standard
6	Punjab National Bank	ODFD	378.10	Nil	On demand	FD	N.A.	Standard
7	Ratnakar Bank	ODFD	504.50	Nil	On demand	FD	N.A.	Standard
8	Bank of Baroda	ODFD	10,070.52	Nil	On demand	FD	N.A.	Standard
9	Indian Bank	ODFD	5,225.00	Nil	On demand	FD	N.A.	Standard
10	State Bank Of India	ODFD	10,045.00	Nil	On demand	FD	N.A.	Standard
	Total		**28,735.62**					

Note: The numbers in the table do not include IndAS adjustments

Working Capital Demand Loans availed by our Company

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned *(₹ in lakh)*	Principal Amount Outstanding as on December 31, 2023 *(₹ in lakh)*	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
1.	Qatar National Bank	WCDL	3,000.00	2,500.00	Bullet	Hypothecation of book debts arising out of bank's assistance @105%	ICRA A1	Standard
	Total		**3,000.00**	**2,500.00**				

Note: The numbers in the table do not include IndAS adjustments

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

If:

(a) the Company fails to pay any outstanding amount on its due date; or

(b) any default occurs or is outstanding or continuing, or

(c) there is a delay in submission of the Company's stock statement, or

(d) the Company does not submit its balance sheets within 8 (eight) months of closure of the financial year then the Company shall be liable and agrees to pay to the bank default interest at the default rate over and above the rate of interest applicable for on the facility. Default interest will accrue daily on the entire overdue amount from the due date up to the date of actual payment (both before and after judgment) and will be immediately payable on demand to the bank.

Rescheduling: *There is no clause for rescheduling in the facility documents.*

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Any representation, warranty, declaration provided by the Company under any of the finance document and/or in relation to the facility becomes false, misleading or otherwise incorrect.

(b) The Company fails to observe or comply with any of the terms and conditions of the facility/any finance document.

(c) Any event of default however described occurs under any finance document.

(d) The Company fails to make payment of any amount due under in relation to the facility as and when it becomes due.

(e) The Company commits any act of bankruptcy, insolvency, dissolution, suspends payment to any of its creditors, or if any petition of bankruptcy or winding up or insolvency or dissolution is filed by or against the Company.

(f) If any corporate insolvency proceedings are admitted and initiated by an adjudicating authority or any creditor under Insolvency and Bankruptcy Code, 2016.

(g) A receiver is appointed over or any distress of execution or seizure is levied or enforced upon or threatened against the whole or any part of the property of the Company.

(h) The Company ceases or threatens to cease carrying on its business.

(i) Any order of attachment, distress, execution or other similar process is enforced against the Company and/or upon any assets/properties provided as security for the facility.

(j) The Company enters into any scheme of arrangement or compromise with its creditors or such a scheme of arrangement or compromise is proposed.

(k) All or any part of the facility is not utilized for the purpose for which it is sanctioned/granted.

(l) If any litigation, arbitration, investigative, regulatory or administrative proceeding/action is current, pending or threatened against the Company or any other event occurs, which the bank determines in its absolute discretion has (or might, it adversely determined, have) an adverse effect.

(m) If any government (including any political or administrative sub-division thereof) governmental authority, agency, official or entity takes or threatens any action:

    (i) for the dissolution of the Company, or any action which deprives or threatens to deprive the Company: (1) from conducting any of its businesses or carrying out its operations in the manner it is being conducted or carried out, or (2) of the use of any of its assets;

(n) If the Company is unable or has admitted in writing its inability to pay any of its debts as they mature or when due.

(o) If any consent authorization, approval or license of or registration with or declaration to government or public bodies of authorities required to authorize or required by the Company in connection with the execution, delivery, validity, enforceability or admissibility in evidence of the agreements or performance by the Company of its obligations thereunder is modified in a manner unacceptable to the bank or is not granted or revoked or terminated or expires and is not renewed or otherwise ceases to be in full force and effect.

(p) If the Company is included in the willful defaulter list issued by the Transunion Credit Information Bureau (India)

Limited or any other similar agency.

(q) Change in the constitution of the Company.

(r) Change in the control of the Company.

(s) If the Company changes its practice with regard to remuneration of director by means of ordinary remuneration/ commission/ scale of sitting fees etc. except where mandated by any law or regulation.

(t) If a cross default occurs as specified in the agreement.

(u) If any event occurs or circumstances arise which in the opinion of the bank would cause adverse effect.

External Commercial Borrowings

	Name Of Lender	**Type of Facility**	**Amount Sanctioned (₹ in lakhs)**	**Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)**	**Repayment Date / Schedule**	**Security**	**Credit Rating, If Applicable**	**Asset Classification**
1.	World Business Capital External Commercial Borrowings ("**ECB**") I	ECB	12,432.00	12,467.46	Quarterly	Hypothecation of book debts arising out of the loan amount @110%	Unrated	Standard
2.	Agents for Impact - IIV Mikrofinanzfonds	ECB	8,915.00	9,200.49	Bullet	Hypothecation of book debts arising out of the loan amount @100%	Unrated	Standard
3.	Agents for Impact - DKM Mikrofinanzfonds -FCP-RAIF	ECB	1,778.00	1,840.10	Bullet	Hypothecation of book debts arising out of the loan amount @100%	Unrated	Standard
4.	Responsibility FII ECB I	ECB	7,335.90	7,480.48	Bullet	Hypothecation of book debts arising out of the loan amount @110%	Unrated	Standard
5.	Responsibility FII ECB II	ECB	4,091.50	4,155.82	Bullet	Hypothecation of book debts arising out of the loan amount @110%	Unrated	Standard
6.	RESPONSIBILITY FII ECB III	ECB	6,239.25	6,233.73	Bullet	Hypothecation of book debts arising out of the loan amount @110%	Unrated	Standard
7.	Blue Orchard Ecb	ECB	12,315.00	12,467.46	Bullet	Hypothecation of book debts arising out of the loan amount @105%	Unrated	Standard
8.	Oesterreichische Entwicklungsbank AG ("**OEEB**")	ECB	10,685.85	2,671.50	Half Yearly	Hypothecation of book debts arising out of the	Unrated	Standard

	Name Of Lender	Type of Facility	Amount Sanctioned (₹ in lakhs)	Principal Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Repayment Date / Schedule	Security	Credit Rating, If Applicable	Asset Classification
	ECB					loan amount @100%		
9.	OEEB ECB - 2	ECB	3,707.13	4,155.82	Bullet	Hypothecation of book debts arising out of the loan amount @100%	Unrated	Standard
	Total			**60,672.85**				

Note: The numbers in the table do not include IndAS adjustments

Penalty: *None of the facilities mentioned above has penalty clause.*

Rescheduling: *None of the facilities mentioned above has rescheduling clause.*

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Non-payment

The Company does not pay on the due date any amount payable pursuant to a finance document at the place at and in the currency in which it is expressed to be payable.

(b) Financial covenants and Security

Any requirement of financial covenants and security coverage ratios is not satisfied or the Company does not comply with any provision of the security documents or any other finance document dealing with transaction security.

(c) Misrepresentation

Any representation or statement made or deemed to be made by the Company in the finance documents or any other document delivered by or on behalf of the Company under or in connection with any finance document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(d) Cross default

a. Any financial indebtedness of the Company is not paid when due nor within any originally applicable grace period.

b. Any financial indebtedness of the Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

c. Any commitment for any financial indebtedness of the Company is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

d. Any creditor of the Company becomes entitled to declare any financial indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) Insolvency

a. The Company or any of its Subsidiaries is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

b. A moratorium is declared in respect of any indebtedness of the Company or any of its Subsidiaries.

(f) Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

a. the suspension of payments, a moratorium of any indebtedness, initiation of corporate insolvency resolution process, winding-up. dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or any of its Subsidiaries;

b. a composition, compromise, assignment or arrangement with any creditor of the Company or any of its Subsidiaries;

c. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its Subsidiaries or any of its assets; or

d. enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.

(g) Creditors process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Company or a member of the Group.

(h) Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the finance documents and/or any obligation or obligations of the Company under any finance document are not or cease to be valid, binding and enforceable.

(i) Repudiation

The Company repudiates a finance document or evidences an intention to repudiate a finance document.

(j) Material adverse change

Any event or circumstance occurs which the Lender reasonably believes might have a material adverse effect (as defined in the respective agreements).

(k) Enforceability of Security

Any security document is not or ceases to be legal, valid, binding enforceable or effective or is alleged by a party to it (other than the Lender) to be ineffective or the value of the transaction security has been or is threatened to be decreased.

(l) Security Documents

Any security document or other finance document dealing with the transaction security or any of its provisions:

a. is revoked, terminated or ceases to be in full force and effect as a first priority security or ceases to provide the security intended, without, in each case, the prior consent of the lender, or

b. becomes unlawful or is declared void;

(m) Anti-money laundering diligences

a. Existence of business relations between the Company and a person, a group or an entity which is on the Financial Sanctions List (including in particular, the financing of terrorism);

b. Financing by the Company of materials or sectors or performance of any activity in any sector subject to embargo by the United Nations or the European Union;
c. any investment by the Company in any eligible sub-company gives rise to a corrupt practice.

(n) Non-banking license and other Authorisations

Any authorisation of the Company is revoked, suspended or is modified in a manner which is reasonably likely to affect the Company's ability to perform its obligations under the agreements.

Secured Redeemable Non-Convertible Debentures

i. Private Placement of secured redeemable non-convertible debentures as on December 31, 2023

ISIN	Tenor / Period of maturity	Coupon	Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Date of allotment	Redemption date / schedule	Credit Rating	Secured / Unsecured	Security
INE836B07550	42 Months	12.16%	3,000.00	October 23, 2020	April 23, 2024	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07584	40 Months	10.50%	0.49	December 16, 2020	May 6, 2024	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07626	36 Months	12.16%	3,730.00	September 2, 2021	September 2, 2026	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07717	18 Months	11.2% (XIRR)	5,000.00	April 6, 2023	October 6, 2024	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount(110%)
INE836B07741	18 Months	10.90%	1,500.00	July 28, 2023	January 28, 2025	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount(110%)
INE836B07808	17 Months	10.90%	2,000.00	November 7, 2023	March 28, 2025	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount(110%)
INE836B07774	21 Months	10.95%	2,000.00	August 21, 2023	May 21, 2025	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount(110%)
INE836B07816	18 Months	10.90%	3,500.00	November 24, 2023	May 23, 2025	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount(110%)
INE836B07592	60 Months	11.10%	1.88	December 22, 2020	June 5, 2025	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07659	72 Months	12.00%	6,800.00	June 15, 2019	June 15, 2025	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @ 100%

ISIN	Tenor / Period of maturity	Coupon	Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Date of allotment	Redemption date / schedule	Credit Rating	Secured / Unsecured	Security
INE836B07725	24 Months	11.00%	2,000.00	June 22, 2023	June 20, 2025	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount(110%)
INE836B07675	36 Months	12.85%	6,500.00	December 12, 2022	December 12, 2027	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @105%
INE836B07782	27 Months	11.00%	5,000.00	October 13, 2023	January 13, 2026	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount(110%)
INE836B07691	36 Months	12.58% FIXED (Including WHT - Net 11.688 %)	2,060.00	February 24, 2023	February 24, 2026	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07634	48 Months	12.45%	7,500.00	March 7, 2022	March 7, 2026	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @105%
INE836B07642	48 Months	12.45%	3,000.00	March 30, 2022	March 30, 2026	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @105%
INE836B07790	36 Months	13.00%	10,000.00	November 1, 2023	September 11, 2026	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount(120%)
INE836B07683	48 Months	12.30%	2,500.00	January 16, 2023	January 16, 2027	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @105%
INE836B07709	48 Months	11.72%	7,840.00	March 13, 2023	March 12, 2027	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07733	48 Months	10.90%	5,382.00	June 28, 2023	May 8, 2027	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07667	60 Months	11.15%	9,625.00	June 24, 2022	June 24, 2027	CARE BBB+; Stable	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07758	48 Months	10.85%	2,683.00	August 9, 2023	August 9, 2027	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount @ 100%
INE836B07766	48 Months	10.85%	1,417.00	August 14, 2023	August 14, 2027	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising

ISIN	Tenor / Period of maturity	Coupon	Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Date of allotment	Redemption date / schedule	Credit Rating	Secured / Unsecured	Security
								out of the loan amount @ 100%
INE836B07824	48 Months	11.70%	4,565.00	December 1, 2023	December 1, 2028	[ICRA]A (Stable)	Secured	Hypothecation of book debts arising out of the loan amount (100%)
Total			**97,604.36**					

Note: The numbers in the table do not include IndAS adjustments

Penalty Clause

i. The Company shall pay additional interest at the rate of 2% (two per cent) per annum, in case of default, computed from the date of occurrence of default until such payment default is cured.

ii. In case of any delay in execution of the debenture trust deed or any breach of any of the covenants under the debenture trust deed by the Company, the Company shall be liable to pay additional interest at the rate of 2% (two per cent) per annum.

iii. If the Company fails to request to the debenture holder for the disbursement / subscription of the debentures on the last day of the availability period, the Company shall pay to the debenture holder, the cancellation fee, within 5 (Five) calendar days from the expiry of the availability period.

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the secured Debentures:

(a) Business

The Company without obtaining the prior consent of the majority debenture holders ceases to carry on its business or gives notice of its intention to do so.

(b) Misrepresentation

Any representation or statement made or deemed to be made by the Company in the finance documents or any other document delivered by or on behalf of the Company under or in connection with any finance document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(c) Material Adverse Effect

The occurrence of a material adverse effect, in sole determination of the debenture trustee.

(d) Any financial indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

(e) Liquidation, Insolvency or Dissolution of the Company/Appointment of Receiver, Resolution Professional or Liquidator

Any corporate action, declaration of, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any financial indebtedness, winding-up, insolvency, liquidation, dissolution, administration or re- organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;

(ii) a composition, compromise, assignment or arrangement with any credits the Company,

(iii) the appointment of a liquidator, provisional liquidator, supervisor, receiver, resolution professional, administrative receiver, administrator, compulsory manager, trustee, or other similar officer in respect of the Company or any of the Company's assets or any part of the undertaking of the Company:

(iv) the Company, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets;

(v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Company;

(vi) enforcement of any security over any Assets of the Company or any analogous procedure or steps taken in any jurisdiction; or

(vii) any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in (i) to (vi) above.

(f) Transaction Documents

This Deed or any other transaction document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Company.

(g) Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the transaction documents and/or any obligation or obligations of the Company under any transaction document are not or cease to be valid, binding or enforceable.

(h) Repudiation

The Company repudiates any of the transaction documents, or evidences an intention to repudiate any of the transaction documents.

(i) Security in Jeopardy

In the opinion of the debenture trustee any hypothecated asset(s) are in jeopardy.

(j) Security

(i) The Company fails to create and perfect security within the timelines prescribed in the transaction documents and/or in the manner prescribed in the transaction documents; or

(ii) The value of the hypothecated assets is insufficient to maintain the security.

Securitisation by way of Pass Through Certificate (PTC) Transactions as on December 31, 2023

Sr. No	Name of Lender	Type of Facility	Amount Outstanding as on December 31, 2023 (₹ in lakhs)
1	Aditya Birla Finance Limited	Securitisation	1,230.05
2	Axis Bank Limited		17,662.80
3	Federal Bank		8,875.97
4	Hinduja Leyland Finance Limited		3,016.62
5	ICICI Bank Limited		3,158.39
6	IDBI Bank		6,965.38
7	IDFC Bank Limited		16,720.70
8	Kotak Mahindra Bank Limited		18,292.41

Sr. No	Name of Lender	Type of Facility	Amount Outstanding as on December 31, 2023 (₹ in lakhs)
9	Mas Financial Services Limited		8,831.26
10	Micro Unit Development & Refinance Agency Limited		2,844.63
11	Nabsamruddhi Finance Limited		2,713.20
12	SBM Bank India Ltd		2,100.94
13	Tata Capital Financial Services Private Limited		2,059.60
14	Vivriti Capital		4,573.86
GRAND TOTAL			99,045.79

Note: The numbers in the table do not include IndAS adjustments

Collateralised borrowing and lending obligation

Nil

iv. Secured Redeemable non-convertible debentures (public issue):

Our Company has not issued non-convertible debentures by way of public issue.

B. Details of unsecured borrowings:

Commercial Papers

Our Company has issued the following commercial papers as on December 31, 2023:

	ISIN	Tenor / Period of Maturity	Coupon	Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Date Of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security	Other Details Viz. Details of Issuing and Paying Agent, Details of Credit Rating Agencies
1.	INE836B14291	148 Days	9.10%	4,978.36	August 24, 2023	January 19, 2024	[ICRA] A1	Unsecured	NA	Axis Bank Limited, ICRA Ratings
2.	INE836B14309	204 Days	9.50%	5,196.52	August 29, 2023	March 20, 2024	[ICRA] A1	Unsecured	NA	Axis Bank Limited, ICRA Ratings
3.	INE836B14317	365 Days	9.40%	5,096.58	October 18, 2023	October 17, 2024	[ICRA] A1	Unsecured	NA	Axis Bank Limited, ICRA Ratings
	Total			**15,271.45**						

Note: The numbers in the table do not include IndAS adjustments

Private Placement of non-convertible debentures

Our Company has issued on private placement basis, unsecured, non-convertible debentures of which ₹ 5,700 lakh (not including IndAS adjustments) is outstanding as on December 31, 2023, the details of which are set forth below:

Sr. No.	ISIN	Tenor / Period of Maturity	Coupon	Amount Outstanding as on December 31, 2023 (₹ in lakhs)	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
1.	INE836B08236	72 Months	11.50%	5,700.00	February 28, 2022	February 28, 2028	ICRA A / Stable	Unsecured	NA
Total				**5,700.00**					

Note: The numbers in this table do not include IndAS adjustments

Subordinated Debts

i. Private Placement

Our Company has issued on private placement basis, unsecured, subordinated, non-convertible debentures under various series of which ₹ 8,005.00 lakh (not including IndAS adjustments) is cumulatively outstanding as on December 31, 2023, the details of which are set forth below:

Sr. No.	ISIN	Tenor / Period of Maturity	Coupon	Amount Outstanding as on December 31 2023 (₹ in lakhs)	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
1.	INE836B08202	84 Months	15.50%	3,000.00	December 17, 2019	December 31, 2026	CARE BBB+; Stable	Unsecured	NA
2.	INE836B08210	84 Months	13.14%	5,005.00	March 24, 2020	April 24, 2027	CARE BBB+; Stable	Unsecured	NA
				8,005.00					

Note: The numbers in the table do not include IndAS adjustments

Penalty Clause- The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) The Company shall pay additional interest at the rate of 2% (two per cent) per annum, in case of default, computed from the date of occurrence of default until such payment default is cured.

(b) In case of any delay in execution of the debenture trust deed or any breach of any of the covenants under the debenture trust deed by the Company, the Company shall be liable to pay additional interest at the rate of 2% (two per cent) per annum.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Business

The Company without obtaining the prior consent of the majority debenture holders ceases to carry on its business or gives notice of its intention to do so.

(b) Misrepresentation

Any representation or statement made or deemed to be made by the Company in the finance documents or any other document delivered by or on behalf of the Company under or in connection with any finance document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(c) Material Adverse Effect

The occurrence of a material adverse effect, in sole determination of the debenture trustee.

(d) Any financial indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

(e) Liquidation, Insolvency or Dissolution of the Company/Appointment of Receiver, Resolution Professional or Liquidator

Any corporate action, declaration of, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any financial indebtedness, winding-up, insolvency, liquidation, dissolution, administration or re- organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;

(ii) a composition, compromise, assignment or arrangement with any credits the Company;

(iii) the appointment of a liquidator, provisional liquidator, supervisor, receiver, resolution professional, administrative receiver, administrator, compulsory manager, trustee, or other similar officer in respect of the Company or any of the Company's assets or any part of the undertaking of the Company;

(iv) the Company, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets;

(v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Company; or

(vi) any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in (i) to (vi) above.

(f) Judgment Defaults

One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent Insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the total assets of the Company provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) calendar days.

(g) Transaction Documents

This Deed or any other transaction document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Company.

(h) Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the transaction documents and/or any obligation or obligations of the Company under any transaction document are not or cease to be valid, binding or enforceable.

(i) Repudiation

The Company repudiates any of the transaction documents, or evidences an intention to repudiate any of the transaction documents.

Details of Unsecured Loans

(₹ in lakhs)

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding as on December 31, 2023	Repayment Date / Schedule	Credit Rating, if Applicable
1.	IDFC First Bank	Subordinated – Term Loan	20,000.00	20,000.00	Bullet	[ICRA]A (Stable)
2.	Swed Fund	ECB	11,029.50	12,467.46	Bullet	Unrated
	Total		**31,029.50**	**32,467.46**		

Note: The numbers in the table do not include IndAS adjustments

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) If the Company fails to pay any amount payable by it under the agreement on its due date, the overdue amount shall bear default interest from the date when it should have been paid until the date it is actually paid at a rate of 2% (two per cent) per annum in addition to the interest due and payable as per the respective facility documents.

Rescheduling: *There is no clause for rescheduling in the facility documents.*

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) **Non-Payment**

The Company fails to pay on its due date and in the currency and manner provided in this Agreement any amount payable by it under this Agreement.

(b) **Financial Covenants**

Any requirement of financial covenants is not satisfied.

(c) **Objectionable Practice**

Any requirement of origin of funds and objectionable practice is not satisfied.

(d) **Other Obligations**

The Company fails to comply with any provision of the agreements and if such failure is not remedied (if capable of remedy) on or before the thirtieth calendar day after the earlier of (i) the Company becoming aware of such failure, or (ii) notice of such failure is given by bank.

(e) **Cross Default**

Any financial indebtedness of the Company becomes due and payable or capable of being declared due and payable prior to the specified maturity thereof resulting from a default thereunder or if such financial indebtedness is not paid or fulfilled on its due date or within any originally applicable grace period provided that no Event of Default shall occur if the aggregate amount of financial indebtedness or commitment for financial indebtedness is less than USD 3,000,000 (USD three million) (or its equivalent in another currency or currencies).

(f) **Insolvency**

The Company or any member of the Group becomes unable to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law or any action or proceeding shall be taken by the Company or any member of the Group or by others whereby the purpose of which is that any of the assets of the Company or any member of the Group will or may be distributed among its creditors.

(g) **Insolvency Proceedings**

A corporate action, legal proceeding or other procedure or step is commenced (including filing of an application for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016), with or without the application or consent of the Company, in any court of competent jurisdiction, seeking in respect of the Company liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, or declaration of a moratorium in respect of the indebtedness of the Company, or the appointment of a receiver, custodian, trustee, liquidator, insolvency resolution professional or other similar officer in respect of the Company or of all or a substantial part of its property or assets, or similar relief in respect of the Company under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts is sought in the jurisdiction with respect to the Company.

(h) **Unlawfulness and Invalidity**

It is or becomes unlawful for the Company to perform any of its obligations under the agreement and/or any obligations of the Company under the agreement are not or cease to be valid, binding or enforceable.

(i) **Misrepresentation**

Any representation or warranty made or deemed to be made by the Company under the agreement shall prove to be incorrect in any material adverse respect.

(j) **Creditors' Process or Expropriation**

Any person or entity takes possession of any property or assets of the Company for example through expropriation, attachment or sequestration or commences any legal or other proceeding to effect the same, or appoints a receiver or an insolvency resolution professional for all or any material part of the Company's assets, property or revenues.

(k) **Repudiation**

The Company repudiates the agreement or evidences an intention to repudiate the agreement.

(l) **Change of Ownership**

There is a Change of Control.

(m) **Loss of License**

The Company loses its license and/or its authorisation to conduct financing operations.

(n) **Audit qualification**

The Auditors qualify the audited annual financial statements of the Company.

(o) **Material Adverse Change**

Any other event or circumstance occurs which, in the opinion of bank, is likely to have a material adverse effect.

Inter-Corporate Deposits

Nil

Inter-Corporate Loans

As on December 31, 2023, our Company has given a loan to Satin Neo Dimensions Private Limited, of which ₹ 29.31 lakhs is outstanding.

Loan from Directors and Relatives of Directors:

Nil

C. Corporate Guarantee or Letter of Comfort issued by the Issuer along with details of counterparty on behalf of whom it has been issued (off balance sheet items, not included in the total borrowings stated above)

Nature	Name of the Counterparty on behalf of whom it has been issued	Sanctioned Amt (₹ in lakhs)	O/s Amt (₹ in lakhs) as on December 31, 2023
Corporate Guarantee	Satin Housing Finance Limited (WOS of Satin Creditcare Network Limited)	16,500.00	12,173.07
Letter of Comfort	Satin Housing Finance Limited (WOS of Satin Creditcare Network Limited)	21,945.00	16,260.07
Letter of Comfort	Satin Finserv Limited (WOS of Satin Creditcare Network Limited)	18,150.00	11,143.77

Note: The numbers in the table do not include IndAS adjustments

D. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

Our Company has not defaulted/delayed in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness in the past three financial years and the current financial year.

E. List of top 10 debenture holders (secured and unsecured) as on December 31, 2023

(₹ in lakhs except percentages)

Sr. No.	Name of Holder	Category of Holder	Face Value of Holding (₹ in lakhs)	Principal Amount Outstanding (₹ in lakhs)	Holding as a % of Total Outstanding Non-Convertible securities of the issuer
1	Blueorchard Microfinance Fund	FPI	15,480.00	15,480.00	13.91%
2	UTI International Wealth Creator 4	FPI	12,500.00	12,500.00	11.23%
3	AAV S.A.R.L	FPI	24,101.00	12,289.68*	11.04%
4	Masala Investments S.A.R.L.	FPI	24,101.00	12,289.68*	11.04%
5	Global Access Fund LP	FPI	9,257.00	9,257.00	8.32%
6	Nomura Capital (India) Private Limited	Corporate	7,810.00	7,810.00	7.02%
7	Japan ASEAN Women Empowerment Fund	FPI	10,000.00	7,000.00*	6.29%
8	Microfinance Initiative for Asia (MIFA) Debt Fund	FPI	3,750.00	3,750.00	3.37%
9	Ajanta Pharma Limited	Corporate	3,500.00	3,500.00	3.14%
10	Vivriti Emerging Corporate Bond Fund	AIF	3,500.00	3,500.00	3.14%
	Grand Total		**1,13,999.00**	**87,376.36**	**78.50%**

**The face value of the non-convertible securities has been partly redeemed and the balance shall be redeemed at the expiry of tenure.*

F. List of top 10 holders of Commercial Paper in terms of value (in cumulative basis) as on December 31, 2023:

(₹ in lakhs)

Sr. No.	Name of Holder	Category of Holder	Face Value of Holding	Holding as a % of Total Outstanding Non-Convertible securities of the issuer
1	The Kangra Central Cooperative Bank Limited	Bank	5,470.00	34.69%
2	Ajanta Pharma Limited	Corporate	5,300.00	33.60%
3	SK Finance Limited	Corporate	5,000.00	31.71%
	Total		**15,770.00**	**100.00%**

G. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on December 31, 2023.

Nil

H. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on December 31, 2023

Nil

Restrictive covenants under the financing arrangements:

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

1. Permit any change in the management or constitution documents of the Company;

2. Create any further charge, lien or encumbrance over the assets and properties of the Company;

3. Effect any changes to the shareholding of the Company to the effect that it changes the management control of the Company;

4. Make any investments by way of deposits, loans, advances or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance other than in normal course of

business;

5. revalue its assets;

6. pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability m connection with any Financial Indebtedness incurred by the Company or in connection with any other obligation undertaken for or by the Company or undertake any guarantee obligations except in normal course of business;

7. induct on its Board a person whose name appears in the list of wilful defaulters (in accordance with the extant guidelines issued by the RBI) and if such a person is found on its Board. it shall take expeditious and effective steps for removal of the person from its Board;

8. buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever that may result in change in promoter or the promoter losing Control.

I. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Company, in the past three financial years and the current financial year.

As on the date of this Draft Prospectus, there has been no delay or default in payment of principal or interest on any existing term loan, debt security issued by the Issuer, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee and letter of comfort issued by the Issuer, in the past three financial years and current financial year.

J. Default and non-payment of statutory dues

As on the date of this Draft Prospectus, other than as disclosed below and the , there has been no default and non-payment of statutory dues.

Sr. No.	Particulars	Financial Year	Duration of Default	Present Status	Amount Paid (₹ in lakhs)
1.	Statutory Dues	2020-21	NA	NA	NIL
2.	Statutory Dues	2021-22	NA	NA	NIL
3.	Statutory Dues_Provident Fund - (technical Default)	2022-23	>6 months	Paid	0.54
4.	Statutory Dues	2023-24 (Upto January 18, 2024)	NA	NA	NIL

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Our Company and our Subsidiary are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of criminal cases, civil cases and tax proceedings.

Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with materiality threshold as approved by the NCD Public Issuance Committee pursuant to its resolution dated January 24, 2024. Further, as on the date of this Draft Prospectus, except as disclosed hereunder, our Company, Group Companies, Promoters, Subsidiaries and Directors are not involved in: (i) any outstanding action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities); (ii) any outstanding civil litigation or tax proceedings involving our Company, Promoter, Directors, Subsidiaries, Group companies where the amount is ₹ 65.82 lakhs (being 5% of average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company) or above; (iii) any outstanding criminal litigation; (iv) pending proceedings initiated against the issuer for economic offences and (v) any other pending litigation involving the Company, Promoter, Directors, Subsidiaries, Group companies, which may be considered material by our Company for the purposes of disclosure in this section of this Draft Prospectus, solely for the purpose of this Issue and whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and (vi) any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Company /Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

Except as disclosed in this section, there are no (i) 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 this Draft Prospectus involving our Company, its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Draft Prospectus involving our Company, its Subsidiaries; (ii) material fraud committed against our Company and/ or its Subsidiary in the last three years, and if so, the action taken by our Company and our Subsidiary; (iii) significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year; (v) default in annual filing of our Company under the Companies Act, 2013; and (vi) litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority or regulatory authority against the Promoters of our Company during the last three years immediately preceding the year of this Draft Prospectus, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiaries, our Promoter, our Group Companies or our Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities are not impleaded as a defendant in litigation proceedings before any judicial forum.

I. *Litigation involving our Company*

Material Civil Litigation against our Company

There are no outstanding material civil proceedings against our Company.

Material Civil Litigation by our Company

There are no outstanding material civil proceedings by our Company.

Criminal Litigation against our Company

As on the date of this Draft Prospectus, the following are the outstanding criminal cases filed against our Company.

1. 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 CrPC 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.

2. 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 CrPC 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.

3. 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 CrPC 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.

4. 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 CrPC 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. The matter is currently pending.

Criminal Litigation by our Company

As on the date of this Draft Prospectus, the following are the outstanding criminal cases filed by our Company.

1. A FIR bearing no. 186 dated 19 October 2004, was filed by our Company against J.S. Mulatani, Anil Kumar, Hardeep Singh, Ram Sanjivan Mishra and Avdesh Mishra ("**Accused Persons**") under sections 408, 420 and 120-B of the IPC in relation to a criminal breach of trust and cheating committed by the Accused Persons against our Company. The Accused Persons fabricated loan cases in respect of false and fictitious person/addresses. The said cheating and forgery was detected when a new branch head and a complaint dated July 5, 2004 was given to the police. Pursuant to the police investigation the matter was listed before the Judicial Magistrate. The Trial Court found that on the basis of material on record a prima facie case was made out against the accused, however, after

conducting the trial, the court acquitted all the Accused Persons in all the 11 challans vide the judgment dated May 18, 2018 passed by the court of Sh. Jaswinder Singh JMIC, Chandigarh hence the Company filed 11 appeals against the said judgment before the Session Court which are pending.

2. There are 320 cases filed by our Company pending before various forums across the country for an alleged offence under section 138 of the Negotiable Instruments Act, 1881 by the customers/ debtors of our Company which involves an aggregate sum of ₹ 25,45,77,361.

Actions Taken by Regulatory and Statutory Authorities against our Company

Other than as disclosed under the section '*Risk Factors*' on page 18, there are no actions taken by regulatory and statutory authorities against our Company.

Tax Litigation involving our Company

Please see below the table setting out details of tax proceeding against our Company:

(₹ in lakhs)

Entity	No. of Cases		Amount Involved	
	Direct	Indirect Tax	Direct Tax	Indirect Tax
Satin Creditcare Network Limited	3	Nil	225.99	Nil

*II. Litigation involving our Subsidiary Satin Finserv Limited ("**SFL**")*

Material Civil Litigation against our Subsidiary SFL

There are no outstanding material civil proceedings against our Subsidiary SFL.

Material Civil Litigation by our Subsidiary SFL

There are no outstanding material civil proceedings by our Subsidiary SFL

Criminal Litigation against our Subsidiary SFL

There are no outstanding criminal proceedings against our Subsidiary SFL.

Criminal Litigation by our Subsidiary SFL

As on the date of this Draft Prospectus, the following are the outstanding criminal cases filed by our Subsidiary SFL.

1. There are 148 cases filed by our Subsidiary SFL pending before various forums across the country for an alleged offence under section 138 of the Negotiable Instruments Act, 1881 by the customers/ debtors of our Subsidiary SFL which involves an aggregate sum of ₹ 1,208.60 lakhs.

Actions Taken by Regulatory and Statutory Authorities against our Subsidiary SFL

There are no actions taken by regulatory and statutory authorities against our Subsidiary SFL.

Tax Litigation involving our Subsidiary SFL

Please see below the table setting out details of tax proceeding against our Subsidiary SFL:

(₹ in lakhs)

Entity	No. of Cases		Amount Involved	
	Direct	Indirect Tax	Direct Tax	Indirect Tax
Satin Finserv Limited	Nil			

*III. Litigation involving our Subsidiary Satin Housing Finance Limited ("**SHFL**")*

Material Civil Litigation against our Subsidiary SHFL

There are no outstanding material civil proceedings against our Subsidiary SHFL.

Material Civil Litigation by our Subsidiary SHFL

There are no outstanding material civil proceedings by our Subsidiary SHFL

Criminal Litigation against our Subsidiary SHFL

There are no outstanding criminal proceedings against our Subsidiary SHFL.

Criminal Litigation by our Subsidiary SHFL

As on the date of this Draft Prospectus, the following are the outstanding criminal cases filed by our Subsidiary SHFL.

1. There are 19 cases filed by our Subsidiary SHFL pending before various forums across the country for an alleged offence under section 138 of the Negotiable Instruments Act, 1881 by the customers/ debtors of our Subsidiary SHFL which involves an aggregate sum of ₹ 101.09 lakhs.

2. As on the date of this Draft Prospectus, SHFL has, in the ordinary course of its business, filed 65 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 ₹ 486.21 lakhs.

Actions Taken by Regulatory and Statutory Authorities against our Subsidiary SHFL

There are no actions taken by regulatory and statutory authorities against our Subsidiary SHFL.

Tax Litigation involving our Subsidiary SHFL

Please see below the table setting out details of tax proceeding against our Subsidiary SHFL:

(₹ in lakhs)

Entity	No. of Cases		Amount Involved	
	Direct	**Indirect Tax**	**Direct Tax**	**Indirect Tax**
Satin Housing Finance Limited	Nil			

IV. *Litigation involving our erstwhile Subsidiary Taraashna Financial Services Limited (now merged with Satin Finserv Limited) ("**TFSL**")*

Material Civil Litigation against our erstwhile Subsidiary TFSL

As on the date of this Draft Prospectus, the following are the outstanding material civil cases filed by our erstwhile Subsidiary TFSL.

Material Civil Litigation by our erstwhile Subsidiary TFSL

As on the date of this Draft Prospectus, the following are the outstanding material civil cases filed by our erstwhile Subsidiary TFSL.

1. 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.

Criminal Litigation against our erstwhile Subsidiary TFSL

There are no outstanding criminal proceedings against our erstwhile Subsidiary TFSL.

Criminal Litigation by our erstwhile Subsidiary TFSL

There are no outstanding criminal proceedings by our erstwhile Subsidiary TFSL.

Actions Taken by Regulatory and Statutory Authorities against our erstwhile Subsidiary TFSL

There are no actions taken by regulatory and statutory authorities against our erstwhile Subsidiary TFSL.

Tax Litigation involving our erstwhile Subsidiary TFSL

Please see below the table setting out details of tax proceeding against our erstwhile Subsidiary TFSL:

(₹ in lakhs)

Entity	No. of Cases		Amount Involved	
	Direct	Indirect Tax	Direct Tax	Indirect Tax
Taraashna Financial Services Limited	Nil			

V. ***Litigation*** **involving our Directors**

Nil

VI. ***Material litigation or legal or regulatory actions involving our Promoter***

Nil

VII. ***Litigation involving Group Companies***

Except the material civil litigation disclosed below involving Satin Neo Dimensions Private Limited, there are no other outstanding material civil litigations, criminal litigations, tax proceedings and regulatory and statutory proceedings involving our Group Companies.

1. Satin Neo Dimensions Private Limited ("**Claimant**") had supplied partial material at the locations specified by the Mypreferred Transformation and Hospitality Private Limited ("**Respondent**") as per agreed terms. Presently, articles worth an aggregate amount of ₹ 72.82 lakhs against the purchase order received from the Respondent are lying with the Claimant in its business premises/ warehouse ready for delivery for which Respondent has not issued any delivery advise and instructions despite persistent follow-up from the end of the Claimant. Upon failing to elicit any proper response from the Respondent, the Claimant approached Micro and Small Enterprises Facilitation Council ("**Council**") at Delhi in the month of May 2022 and tried to resolve its grievance through mediation by the Council, but Respondent did not attend the proceedings before the Council. The Respondent also did not respond to communications of the Claimant for participation in mediation. Upon failure of attempts and efforts of Council and the Claimant to resolve this dispute through mediation, now the matter has been referred for arbitration by the Council. Accordingly, the Claimant has filed a suit (Case Ref. No.: DIAC/5003D/08-22) in Delhi International Arbitration Centre, Delhi High Court, claiming an amount of ₹ 1.20 crore in relation to the payment of said amount and taking delivery of goods and articles which had already been fabricated and manufactured as per the purchase orders as well as claiming compensation for the amount of capital, labour and efforts of the Claimant on the said orders for more than two years and obstruction of other business activities of the Claimant resulting into blocked capital leading to significant loss in monetary terms and loss of opportunity. The matter is listed for hearing on January 31, 2024.

VIII. Details of acts of material frauds committed against our Company and our Subsidiary in the last three financial years and current financial year, if any, and if so, the action taken by our Company

In accordance with the Master Directions – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016, the Audit Committee of our Company monitors and reviews all frauds involving an amount of ₹1 crore or more.

The total amount involved in all acts of fraud committed against our Company in the last three financial years and current financial year is set forth below:

(₹ in lakhs, except stated otherwise)

Sr. No.	Period	Gross Amount	Total no. of cases	Recovery	Provisions	Amount written off	Nature of Fraud
1	As of H1 2024	13.83	109	0.67	Nil	13.16	Cash embezzlement by employee (₹ 13.83 lakhs)
2	FY 2023	126.04	66	6.12	Nil	119.92	Cash embezzlement by employee (₹ 126.04 lakhs)
3	FY 2022	155.96	115	53.19	Nil	102.77	Cash embezzlement by employee (₹ 155.96 lakhs)
4	FY 2021	238.44	223	15.97	Nil	222.47	Cash embezzlement by employee (₹ 117.47 lakhs) Borrower - ₹120.97 lakhs

The Company has terminated the services of such employees and also initiated legal action against them.

IX. Details of 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 this Draft Prospectus involving our Company, its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Draft Prospectus involving our Company, its Subsidiaries;

BSE and NSE have imposed penalties on our Company in the last three financials years and our Company has either paid the penalties or received a waiver on the penalty (partial or full waiver). For details, please see "*Risk Factors - 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*" on page 25.

X. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues, delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon, in the last three financial years and current financial year

Other than as disclosed in "Financial Indebtedness - J. Default and non-payment of statutory dues" on page 233, our Company confirms that there has been no default in repayment of statutory dues; delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon, in the last three financial years and current financial year.

XI. Summary of reservations or qualifications or adverse remarks of auditors in the last three financial years immediately preceding the year of issue of this Draft Prospectus and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.

Our Company confirms that there was no modification i.e., unmodified opinion given by Walker Chandiok & Co. LLP in their audit report for Fiscal 2021 and S.S. Kothari Mehta & Co. in the audit report for Fiscal 2022 and 2023, except that the auditors for the relevant years have included certain emphasis of matters (‘**EOM**’) in their respective reports on the audited standalone and consolidated financial statements issued for the Fiscal 2021, 2022 and 2023 and unaudited interim condensed standalone and consolidated financial statement for the six months ended September 30, 2023. However, the said EOM did not lead to any modification/qualification. For details, please see “*Risk Factor - Our auditors have referred to certain emphasis of matters in their reports on the Audited Financial Statements”.*

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility
"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."

Authority for the Issue

At the meeting of the Board of Directors of our Company held on January 15, 2024 the Directors approved the issue of NCDs amounting up to ₹ 20,000 lakh to the public which is within the approved borrowing limits of ₹ 15,00,000 lakh approved by the shareholder vide its resolution dated July 6, 2019 passed at the Annual General Meeting.

The Issue is within the borrowing limit approved by the shareholders.

Prohibition by SEBI/ Eligibility of our Company for the Issue

Our Company, and/or the Promoter and/or our Promoter Group and/or the Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter is a director or promoter of another company which has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Draft Prospectus.

Neither our Company nor any of its promoters or directors has been categorised as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI, Export Credit Guarantee Corporation of India or any government/regulatory authority.

None of the promoters or whole-time directors of our Company is a promoter or whole-time director of another company which is a wilful defaulter.

None of our Directors and/or our Promoters have been declared as fugitive economic offenders.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on date of this Draft Prospectus.

No regulatory action is pending against the issuer or its promoters or directors before SEBI or the Reserve Bank of India.

Other confirmations

None of our Company or our Directors or our Promoters was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

NAMES OF THE SIGNATORIES AT THE TIME OF SIGNING OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF SHARES SUBSCRIBED FOR BY THEM AT THE TIME OF SIGNING THE MEMORANDUM OF ASSOCIATION: Given are the names of the signatories of the Memorandum of Association of the Company and the number of equity shares subscribed of face value of ` 10/- each by them at the time of signing of Memorandum of Association: Kamal Inder Kaur (100 equity shares allotted), Harvinder Pal Singh (100 equity shares allotted) and Satvinder Singh (100 equity shares allotted) at the time of incorporation of the Company aggregating to 300 Equity Shares of face value of ₹ 10 each.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR

CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, JM FINANCIAL LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

[•]

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED [•] PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY 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 BSE ELECTRONIC PLATFORM

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE PERMISSION GIVEN BY THE BSE TO USE THEIR NETWORK AND SOFTWARE OF THE ONLINE SYSTEM SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED AS COMPLIANCE WITH VARIOUS STATUTORY REQUIREMENTS APPROVED BY THE STOCK EXCHANGE NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE COMPLIANCE WITH THE STATUTORY AND OTHER REQUIREMENTS; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.

DISCLAIMER CLAUSE OF RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED NOVEMBER 6, 2013 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45I-A OF THE RBI ACT, 1934. A COPY

OF THIS DRAFT PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS DRAFT PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.

DISCLAIMER STATEMENT OF ICRA LIMITED

ICRA RATINGS SHOULD NOT BE TREATED AS RECOMMENDATION TO BUY, SELL OR HOLD THE RATED DEBT INSTRUMENTS. ICRA RATINGS ARE SUBJECT TO A PROCESS OF SURVEILLANCE, WHICH MAY LEAD TO REVISION IN RATINGS. AN ICRA RATING IS A SYMBOLIC INDICATOR OF ICRA'S CURRENT OPINION ON THE RELATIVE CAPABILITY OF THE ISSUER CONCERNED TO TIMELY SERVICE DEBTS AND OBLIGATIONS, WITH REFERENCE TO THE INSTRUMENT RATED. PLEASE VISIT OUR WEBSITE WWW.ICRA.IN OR CONTACT ANY ICRA OFFICE FOR THE LATEST INFORMATION ON ICRA RATINGS OUTSTANDING. ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE, INCLUDING THE RATED ISSUER. ICRA HOWEVER HAS NOT CONDUCTED ANY AUDIT OF THE RATED ISSUER OR OF THE INFORMATION PROVIDED BY IT. WHILE REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION HEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND ICRA IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF ANY SUCH INFORMATION. ALSO, ICRA OR ANY OF ITS GROUP COMPANIES MAY HAVE PROVIDED SERVICES OTHER THAN RATING TO THE ISSUER RATED. ALL INFORMATION CONTAINED HEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION, AND ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS PUBLICATION OR ITS CONTENTS.

DISCLAIMER CLAUSE OF CRISIL

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 NONCOMPLIANCES 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.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS DRAFT PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

DISCLAIMER STATEMENT FROM THE LEAD MANAGER

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS DRAFT PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS DRAFT PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS DRAFT PROSPECTUS, THE DRAFT PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 18.

THE ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS DRAFT PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS DRAFT PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE ISSUER HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS DRAFT PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE'S WEBSITES WHERE THE NCDs ARE PROPOSED TO BE LISTED.

THE ISSUER UNDERTAKES THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

THE ISSUER DECLARES THAT NOTHING IN THIS DRAFT PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website:

Name of Lead Manager	Website
JM Financial Limited	www.jmfl.com

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE. BSE has been appointed as the Designated Stock Exchange. An application will be made to the Stock Exchange for permission to deal in and for an official quotation of our NCDs.

If permission to deal in and for an official quotation of our NCDs is not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of this Issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within five Working Days of the Issue Closing Date or date of refusal of the Stock Exchange, whichever is earlier. In case listing permission is not granted by the Stock Exchange to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) Our Directors, (b) Company Secretary and Chief Compliance Officer, (c) Chief Financial Officer, (d) Lead Manager, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue; (g) Bankers to Company; (h) ICRA Limited; (i) the Debenture Trustee for the Issue; (j) CRISIL Limited as the agency issuing the Report on Microfinance Industry in India, (k) Consortium Member*; (l) Public Issue Account Bank*, Refund Bank* and Sponsor Bank*; (m) Lenders, to act in their respective capacities, have been obtained from them and the same will be filed along with a copy of the Prospectus with the ROC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of the Draft Prospectus with the Stock Exchange.

**The consents will be procured at the Prospectus stage*

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with the Prospectus:

Our Company has received the written consent dated January 24, 2024 from Walker Chandiok & Co. LLP, our Previous Statutory Auditor, and January 24, 2024 from S.S. Kothari Mehta & Co., our Statutory Auditor, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our previous Statutory Auditors and Statutory Auditor, respectively, and in respect of (i) the limited review report dated December 14, 2023 on the Unaudited Interim Condensed Financial Statements for the half year ended September 30, 2023 provided by the current Statutory Auditor; (ii) reports dated April 29, 2023 and May 4, 2022 on the Audited Financial Statements for Fiscal 2023 and Fiscal 2022, respectively, by the current Statutory Auditor; (ii) reports dated June 14, 2021 on the Audited Financial Statements for Fiscal 2021 by the Previous Statutory Auditor; and (iii) reports dated January 24, 2024 on the statement of special tax benefits by the current Statutory Auditor included in this Draft Prospectus, and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

The above experts are not, and have not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Draft Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Filing of the Draft Prospectus

A copy of this Draft Prospectus has been filed with the Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue. The Draft Prospectus has also been displayed on the website of the Company and the Lead Manager.

The Draft Prospectus has also been submitted with SEBI for record purpose.

Filing of the Prospectus with the RoC

A copy of the Prospectus shall be filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

Debenture Redemption Reserve ("DRR")

In accordance with amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, an NBFC registered with RBI under section 45-IA of the Reserve Bank of India Act, 1934 is not required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and have informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued.

Settlement Guarantee Fund

Our Company will deposit amounts in the settlement guarantee fund, as applicable, in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

Reservation

No portion of the Issue has been reserved.

Underwriting

This Issue will not be underwritten.

Disclosures in accordance with the SEBI Debenture Trustee Master Circular

Appointment of Debenture Trustee

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fee of ₹ 1,25,000 and an annual trusteeship fees of ₹ 1,25,000 on an annual basis, plus applicable taxes in terms of the letter dated November 10, 2023.

Debenture Trustee Agreement provides for, *inter alia*, the following terms and conditions:

1. The Debenture Trustee, either through itself or its agents, advisors, consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents / Debenture Trust Deed, has been obtained. For the purpose of carrying out the due diligence as required under Applicable Law. The Debenture Trustee, either through itself or its agents, advisors, consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts or management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction.

2. The Company shall provide all assistance to the Debenture Trustee to enable verification from the ROC, sub-registrar of assurances (as applicable), Central Registry of Securitization Asset Reconstruction and Security Interest of India ("**CERSAI**"), depositories, information utility ("**IU**") registered with Insolvency and Bankruptcy Board of India ("**IBBI**") or any other authority, as may be required, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider for securing the Debentures, are registered / disclosed.

3. Further, in the event that existing charge holders of any trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

4. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations., confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with applicable law.

5. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, traveling and other costs shall be solely borne by the Company.

6. The Debenture Trustee shall make the disclosures on its website as specified under the Debenture Trustee Master Circular, as amended.

7. The Debenture Trustee shall take necessary steps to bring the investor charter, as provided in the SEBI Debenture Trustee Master Circular:

   i. Disseminating the investor charter on Debenture Trustee's website and through e-mail.
   ii. Displaying the investor charter at prominent places in offices etc.

8. The Debenture Trustee shall intimate stock exchange and depositories the status of payment of debt securities within 9 working days of the maturity / redemption date, in case the issuer fails to intimate the status of payment of the debt securities within stipulated timelines, then debenture trustee(s) shall seek status of payment from issuer and/ or conduct independent assessment banks, investors, rating agencies, etc. to determine the same.

Terms of carrying out due diligence

As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document and other applicable laws has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider are registered / disclosed.

(c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any, if Company is required to do so under the respective financing documents executed with the said existing charge holders.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

(e) The Debenture Trustee shall have the power to independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

(f) In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, *inter alia*, the following terms and conditions:

   i. The Company undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the Companies Act and the Debenture Trust Deed on a regular basis, including without limitation the following documents, as may be applicable;

   ii. The Debenture Trustee does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations, the SEBI Debenture Trustee Master Circular and circulars issued by SEBI from time to time.

While the NCDs are secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

CATALYST TRUSTEESHIP LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED JANUARY 24, 2024 AS PER THE FORMAT SPECIFIED IN THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.

(2) ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS:

WE CONFIRM THAT:

- **a) THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED AND LISTED.**
- **b) THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**
- **c) THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**
- **d) ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT OR PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**
- **e) ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**
- **f) ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT OR PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED WOULD BE EXECUTED BEFORE FILING OF LISTING APPLICATION.**
- **g) ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT OR PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in the SEBI Debenture Trustee Master Circular**.**

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Issue Related Expenses

The expenses of the Issue include, *inter alia*, lead management fees and selling commission to the Lead Manager, Consortium Member, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to the sponsor bank, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Issue shall be as specified in the Prospectus. Please see section titled "*Objects of the Issue*" on page 73.

Utilization of Issue Proceeds

Our Board of Directors certifies that:

(i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

(ii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iii) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance indicating the form of financial assets in which such unutilised monies have been invested;

(iv) we shall utilize the Issue proceeds only upon creation of security as stated in this Draft Prospectus in the section titled *"Terms of the Issue"* on page 262 and after (a) permissions or consents for creation of *pari passu* charge have been obtained from the creditors who have *pari passu* charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from Stock Exchange;

(v) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immoveable property or in the purchase of any business or in the purchase of an interest in any business property;

(vi) the allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

(vii) the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

(viii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Previous Issues

Public / Rights Issues of Equity Shares and non-convertible debentures in the last three years from this Draft Prospectus

Public Issue of non-convertible debentures by our Company.

Our Company has not undertaken any public issue of non-convertible debentures in the last three years.

Public issue of equity shares

Our Company has not undertaken any public issue of equity shares in the last three years.

Rights Issue by our Company

Other than as disclosed below, our Company has not undertaken any rights issue of equity shares in the last three years.

Date of allotment	No. of Equity Shares	Issue price (₹)	Consideration in cash/Other than cash	Details of Utilisation
September 1, 2020	19982283	60	Cash	(i) Augment our capital base to meet our future capital requirements and funding requirements for growth of the Company's business and operations. (ii) General corporate purposes

^^ *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.*

Private Placements by our Company

Other than as disclosed below and in the section titled "*Financial Indebtedness*" on page 200, our Company has not undertaken any private placements prior to December 31, 2023.

Utilisation of issue proceeds of previous issues

The proceeds from the previous issuance of non-convertible debentures by the Company have been and/or are being utilized in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued which include, *inter alia*, for onward-lending and for general corporate purposes in accordance with the object clause of the Memorandum of Association of the Company. The details of the private placements done by our Company in the last three financial years and current financial year are mentioned hereinbelow:

For FY 2020-21:

Particulars	Details
ISIN	INE836B07444
Date of opening	June 29, 2020
Date of closing	June 29, 2020
Total issue size (₹ in lakh)	2,500.00
Date of allotment	June 30, 2020
Date of listing	July 9, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07469
Date of opening	July 28, 2020
Date of closing	July 28, 2020
Total issue size (₹ in lakh)	2,500.00

Date of allotment	July 28, 2020
Date of listing	August 11, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07477
Date of opening	July 30, 2020
Date of closing	July 30, 2020
Total issue size (₹ in lakh)	2,500.00
Date of allotment	July 31, 2020
Date of listing	August 14, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B08228
Date of opening	August 7, 2020
Date of closing	August 7, 2020
Total issue size (₹ in lakh)	1,500.00
Date of allotment	August 7, 2020
Date of listing	August 24, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07485
Date of opening	August 17, 2020
Date of closing	August 17, 2020
Total issue size (₹ in lakh)	5,000.00
Date of allotment	August 18, 2020
Date of listing	September 2, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07493
Date of opening	August 21, 2020
Date of closing	August 21, 2020
Total issue size (₹ in lakh)	10,000.00
Date of allotment	August 24, 2020
Date of listing	September 30, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07501
Date of opening	August 28, 2020
Date of closing	August 28, 2020
Total issue size (₹ in lakh)	5,000.00
Date of allotment	August 31, 2020
Date of listing	September 17, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing

	indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07519
Date of opening	September 14, 2020
Date of closing	September 14, 2020
Total issue size (₹ in lakh)	5,000.00
Date of allotment	September 15, 2020
Date of listing	September 29, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07527
Date of opening	September 29, 2020
Date of closing	September 29, 2020
Total issue size (₹ in lakh)	17,500.00
Date of allotment	September 30, 2020
Date of listing	October 19, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07543
Date of opening	October 6, 2020
Date of closing	October 6, 2020
Total issue size (₹ in lakh)	2,500.00
Date of allotment	October 13, 2020
Date of listing	October 19, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07550
Date of opening	October 22, 2020
Date of closing	October 22, 2020
Total issue size (₹ in lakh)	6,000.00
Date of allotment	October 23, 2020
Date of listing	November 4, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07568
Date of opening	November 6, 2020
Date of closing	November 6, 2020
Total issue size (₹ in lakh)	2,500.00
Date of allotment	November 9, 2020
Date of listing	November 12, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07576
Date of opening	December 9, 2020
Date of closing	December 9, 2020
Total issue size (₹ in lakh)	5,000.00
Date of allotment	December 10, 2020
Date of listing	December 14, 2020
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07584
Date of opening	December 16, 2020
Date of closing	December 16, 2020
Total issue size (₹ in lakh)	4,875.00
Date of allotment	December 16, 2020
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07592
Date of opening	December 21, 2020
Date of closing	December 21, 2020
Total issue size (₹ in lakh)	18,750.00
Date of allotment	December 22, 2020
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07600
Date of opening	December 30, 2020
Date of closing	December 30, 2020
Total issue size (₹ in lakh)	15,000.00
Date of allotment	December 31, 2020
Date of listing	January 6, 2021
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

For FY 2021-22

Particulars	Details
ISIN	INE836B07626
Date of opening	August 25, 2021
Date of closing	September 2, 2021
Total issue size (₹ In lakh)	3,730.00
Date of allotment	September 2, 2021
Date of listing	September 7, 2021
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B08236
Date of opening	February 24, 2022
Date of closing	February 28, 2022
Total issue size (₹ In lakh)	5,700.000
Date of allotment	February 28, 2022
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07634
Date of opening	March 4, 2022
Date of closing	March 4, 2022
Total issue size (₹ In lakh)	7,500.00
Date of allotment	March 7, 2022
Date of listing	March 9, 2022
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07642
Date of opening	March 29, 2022
Date of closing	March 29, 2022
Total issue size (₹ In lakh)	3,000.00
Date of allotment	March 30, 2022
Date of listing	April 1, 2022
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

For FY 2022-23:

Particulars	Details
ISIN	INE836B07667
Date of opening	June 24, 2022
Date of closing	June 24, 2022
Total issue size (₹ In lakh)	9,625.00
Date of allotment	June 24, 2022
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07675
Date of opening	September 12, 2022
Date of closing	September 12, 2022
Total issue size (₹ In lakh)	6,500.00
Date of allotment	September 12, 2022
Date of listing	September 13, 2022
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details

ISIN	INE836B07683
Date of opening	January 13, 2023
Date of closing	January 13, 2023
Total issue size (₹ In lakh)	2,500.00
Date of allotment	January 16, 2023
Date of listing	January 17, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07691
Date of opening	February 24, 2023
Date of closing	February 24, 2023
Total issue size (₹ In lakh)	2,060.00
Date of allotment	February 24, 2023
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07709
Date of opening	March 13, 2023
Date of closing	March 13, 2023
Total issue size (₹ In lakh)	784000000
Date of allotment	March 13, 2023
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

For FY 2023-24

Particulars	Details
ISIN	INE836B07717
Date of opening	April 5, 2023
Date of closing	April 5, 2023
Total issue size (₹ In lakh)	5,000.00
Date of allotment	April 6, 2023
Date of listing	April 10, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07725
Date of opening	June 21, 2023
Date of closing	June 21, 2023
Total issue size (₹ In lakh)	2,000.00
Date of allotment	June 22, 2023
Date of listing	June 23, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07733

Date of opening	June 28, 2023
Date of closing	June 28, 2023
Total issue size (₹ In lakh)	5,382.00
Date of allotment	June 28, 2023
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07741
Date of opening	July 27, 2023
Date of closing	July 27, 2023
Total issue size (₹ In lakh)	1,500.00
Date of allotment	July 28, 2023
Date of listing	August 1, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07758
Date of opening	August 9, 2023
Date of closing	August 9, 2023
Total issue size (₹ In lakh)	2,683.00
Date of allotment	August 9, 2023
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07766
Date of opening	August 14, 2023
Date of closing	August 14, 2023
Total issue size (₹ In lakh)	1,417.00
Date of allotment	August 14, 2023
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07774
Date of opening	August 18, 2023
Date of closing	August 18, 2023
Total issue size (₹ In lakh)	2,000.00
Date of allotment	August 21, 2023
Date of listing	August 22, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07782
Date of opening	October 12, 2023
Date of closing	October 12, 2023
Total issue size (₹ In lakh)	5,000.00

Date of allotment	October 13, 2023
Date of listing	October 16, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07790
Date of opening	October 31, 2023
Date of closing	October 31, 2023
Total issue size (₹ In lakh)	10,000.00
Date of allotment	November 1, 2023
Date of listing	November 2, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07808
Date of opening	November 6, 2023
Date of closing	November 6, 2023
Total issue size (₹ In lakh)	2,000.00
Date of allotment	November 7, 2023
Date of listing	November 8, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07816
Date of opening	November 23, 2023
Date of closing	November 23, 2023
Total issue size (₹ In lakh)	3,500.00
Date of allotment	November 24, 2023
Date of listing	November 28, 2023
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Particulars	Details
ISIN	INE836B07824
Date of opening	December 1, 2023
Date of closing	December 1, 2023
Total issue size (₹ In lakh)	4,565.00
Date of allotment	December 1, 2023
Date of listing	Not applicable
Utilisation of proceeds	For onward lending, repayment and/or refinancing of the existing indebtedness and paying all fees, costs and expenses payable in relation to the issue

Our Company also undertook an issuance of equity shares on private placement basis. The details of the issuance are mentioned hereinbelow:

Particulars	Details
ISIN	INE836B01017
Date of opening	December 14, 2023
Date of closing	December 19, 2023
Total issue size (₹ In lakh)	₹ 25,000 lakhs

Date of allotment	December 19, 2023
Date of listing	December 22, 2023
Utilisation of 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 and general corporate purposes

Public Issue (to the public) by our Subsidiaries in the last three years from this Draft Prospectus

Nil

Private Placements by our Subsidiaries:

Our Subsidiaries have not undertaken any private placement three years prior to the date of this Draft Prospectus.

Public / Rights Issues (to public shareholders) by our Group Companies in the last three years from the date of this Draft Prospectus:

Other than as disclosed below, the Group Companies have not undertaken any public issues or rights issue of equity shares in the last three financial years and this financial year up to the cut-off date.

Name of the Company	Date of allotment	No. of Equity Shares	Issue price (₹)	Consideration in cash/Other than cash	Details of Utilisation
Satin Neo Dimensions Private Limited	February 26, 2021	87,143	32.70	Cash	(i) Augment our capital base to meet our future capital requirements and funding requirements for growth of the Company's business and operations.

The Group Companies have not undertaken any private placements in the last three financial years and this financial year up to the cut-off date.

Benefit/ interest accruing to Promoters/ Directors out of the Objects of the Issue

Neither the Promoters nor the Directors of our Company are interested in the Objects of the Issue.

Utilisation of proceeds of the Issue by our Group Companies

No proceeds of the Issue will be paid to our Group Companies.

Delay in allotment and listing of securities

There has been no delay in the allotment and listing of any non-convertible securities issued by our Company.

Refusal of listing of any security of the issuer during last three years by any of the Stock Exchange in India or abroad.

There has been no refusal of listing of any security of our Company during the last three years prior to the date of this Draft Prospectus by any Stock Exchange in India.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on December 31, 2023, our Company has outstanding non-convertible debentures. For further details see chapter titled "*Financial Indebtedness*" on page 200.

As of December 31 2023, our Company has no outstanding redeemable preference shares.

Further, save and except as mentioned in this Draft Prospectus, our Company has not issued any other outstanding debentures or bonds in the past three years.

Dividend

Except as disclosed below, our Company has not declared any dividend over the last three financial years and current financial year.

(₹ in lakhs)

Particulars	As on December 31, 2023	As at Fiscal		
		2023	2022	2021
On Equity Shares	NIL	NIL	NIL	NIL
On Preference Shares	NIL	NIL	319.90*	302.50**

**- Represents Dividend declared for FY 2020-21 and for FY 2021-22 till the date of maturity i.e. 22nd April 2021.*
*** - Represents Dividend declared for FY 2019-20.*

Revaluation of assets

Nil

Mechanism for redressal of investor grievances

KFin Technologies Limited (formerly known as KFin Technologies Private Limited) has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated January 19, 2024 between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of Stock Exchange or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

KFIN Technologies Limited (formerly known as KFIN Technologies Private Limited)
Selenium Tower B, Plot No – 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad– 500 032, Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 6716 1563
Email: scnl.ipo@kfintech.com
Investor Grievance mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
Compliance Officer: Manju Anand
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

The Registrar shall endeavour to redress complaints of the investors within seven (7) days of receipt of the complaint and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Company Secretary and Chief Compliance Officer for the purposes of the Issue are set out below:

Vikas Gupta
Address: Plot No. 492,
Udyog Vihar, Phase-III
Gurugram, Haryana-122016
Tel: +91 124-4715400
Email: secretarial@satincreditcare.com

Investors may contact the Registrar to the Issue or the Company Secretary & Chief Compliance Officer of the Company in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit or unblocking etc.

Details of Auditors to the Issuer

Names of the Statutory Auditor	Address	Date of Appointment
S.S. Kothari Mehta & Co.	Plot No. 68, First floor, Okhla, Phase-III, New Delhi-110020	August 11, 2021

Change in auditors of our Company during the last three financial years and current financial year

Name of the previous auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
Walker Chandiok & Co. LLP	16th Floor, Tower III, One International Center, S B Marg, Prabhadevi (W), Mumbai-400013, Maharashtra, India	July 6, 2017	-	August 11, 2021*

rotated out in terms of RBI requirement

Details of overall lending by our Company

Lending Policy

For lending policy in relation to each of the products of our Company, please see "*Our Business*" beginning at page 142.

A. Loans given by the Company

The Company has not provided any loans/advances to associates, entities/persons relating to Board, Key Managerial Personnel senior management or Promoters out of the proceeds of private placements or public issues of debentures.

B. Type of loans

Classification of loans/advances given (Net i.e. after impairment loss allowance)

The detailed breakup of the types of loans given by the Company as on March 31, 2023 is as follows:

(₹ in lakhs, unless otherwise stated)

No.	Type of Loans	Amount	Percentage of Loan Book (in %)
1.	Secured	4,044.90	0.71
2.	Unsecured	5,64,376.29	99.29
Total loans and advances (Loan Book)		**5,68,421.19**	**100.00**

C. *Denomination of secured loans outstanding by LTV as on March 31, 2023*

Sr. No.	LTV	Percentage of Loan Book
1.	Up to 40%	0.12%
2.	40%-50%	0.07%
3.	50%-60%	0.05%
4.	60%-70%	0.03%
5.	70%-80%	0.01%

6.	80%-90%	0.00%
7.	More than 90%	0.02%
	Total	**0.30%**

D. ***Sectoral Exposure as on March 31, 2023***

Sr. No	Segment-wise break-up of Loan Book	Percentage of Loan book
1	Retail	
A	Mortgages (home loans and loans against property)	Nil
B	Gold loans	Nil
C	Vehicle Finance	Nil
D	MFI	93.08%
E	MSME	6.92%
F	Capital market funding (loans against shares, margin funding)	Nil
G	Others	Nil
2	Wholesale	
A	Infrastructure	Nil
B	Real estate (including builder loans)	Nil
C	Promoter funding	Nil
D	Any other sector (as applicable)	Nil
E	Others	Nil
	Total	100.00%

**Loan book means principal outstanding of loans as at March 31, 2023*

E. ***Denomination of the loans outstanding by ticket size as on March 31, 2023***

Sr. No.	Ticket Size	Percentage of Loan Book
1	Upto ₹ 2 lakh	93.09%
2	₹ 2-5 lakh	0.04%
3	₹ 5-10 lakh	0.12%
4	₹ 10 – 25 lakh	0.12%
5	₹ 25 – 50 lakh	0.01%
6	₹ 50 lakhs- 100 lakh	0.17%
7	₹ 100 lakh - 500 lakh	4.45%
8	₹ 500 lakh - 2500 lakh	2.00%
9	₹ 2500 lakh - 10000 lakh	0.00%
10	> 10000 lakh	0.00%
	Total	**100.00%**

F. ***Geographical classification of the borrowers as on March 31, 2023***

Top 5 state wise borrowers

No.	Top 5 states	Percentage of Loan Book
1.	Uttar Pradesh	29.29%
2.	Bihar	15.10%
3.	Delhi	6.60%
4.	West Bengal	6.35%
5.	Madhya Pradesh	6.09%
6.	Others	36.56%
	Total	**100.00%**

G. ***Details of loans overdue and classified as non-performing assets as on March 31, 2023***

(₹ in lakh)

Movement of gross NPA#	Amount
Opening gross NPA	41,195.29
- Additions during the year	40,576.76
- Reductions during the year	63,230.32

(₹ in lakh)

Movement of gross NPA#	Amount
Closing balance of gross NPA	18,541.73
Movement of net NPA	
Opening net NPA	12,225.00
- Additions during the year	33,712.86
- Reductions during the year	37,482.62
Closing balance of net NPA	8,455.24
Movement of provisions for NPA	
Opening balance	28,970.29
- Provisions made during the year	6,863.90
- Write-off / write-back of excess provisions	25,747.70
Closing balance	10,086.49

Note: Interest due but not received on portfolio are not included in portfolio.

H. *Segment-wise gross NPA as on March 31, 2023*

Sr. No.	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	
A	Mortgages (home loans and loans against property)	Nil
B	Gold loans	Nil
C	Vehicle finance	Nil
D	Agriculture and allied activities	3.41%
E	MSME	4.96%
F	Capital market funding (loans against shares, margin funding)	Nil
G	Other Services	2.11%
2	**Wholesale**	
A	Infrastructure	Nil
B	Real estate (including builder loans)	Nil
C	Promoter funding	Nil
D	Any other sector (as applicable)	Nil
E	Others	Nil
Gross NPA		3.28%

** Gross NPA means percentage of NPAs to total advances in that sector*

I. *Residual Maturity Profile of Assets and Liabilities as on March 31, 2023*

(₹ in lakh)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advances* **	23,040.01	31,197.31	30,8807.61	82,560.29	1,55,019.11	2,38,191.20	7,159.68	445.98	5,68,421.19
Investments	0.00	0.00	0.00	0.00	0.00	6,064.19	0.00	68,087.62	74,151.81
Borrowings	17,678.58	14,437.09	55,743.12	94,818.83	1,36,334.37	1,72,292.41	11,859.71	65.48	5,03,229.59
Foreign Currency Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Currency Liabilities	0.00	1,335.75	0.00	0.00	1,335.75	17,265.00	17,265.55	4,316.39	41,518.44

**Total borrowings (excluding foreign currency liabilities)*
***includes foreign currency denominated external commercial borrowing*
****Advances means portfolio including securitization*

J. ***Details of aggregate advances to the top 20 borrowers with respect to concentration of advances as on March 31, 2023***

(₹ in lakhs, unless otherwise stated)

Particulars	Amount
Total advances to twenty largest borrowers	28,224.75
Percentage of Advances to twenty largest borrowers to Total Advances to the Company	4.87%

K. ***Details of aggregate exposure to the top 20 borrowers with respect to concentration of exposure as on March 31, 2023***

(₹ in Lakhs, unless otherwise stated)

Particulars	Amount
Total exposure to twenty largest borrowers	37,665.69
Percentage of exposure to twenty largest borrowers to Total exposure to the Company	6.41%

L. ***Classification of loans/advances given to associates, entities/ person relating to board, senior management, promoters, Key Managerial Personnel, others, etc.; as on March 31, 2023:***

Sr. No.	Name of Borrower	Amount of loans to such borrower (₹ in lakhs) (A)*	Percentage of A (A/ exposure)	Percentage of A (A/Exposure at default)
1.	Satin Neo Dimensions Private Limited	59.12	0.01%	0.01%
2.	Satin Finserv Limited	3350.00	0.57%	0.58%

**includes interest accrued on loans*

Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability

Standalone Contingent Liability as per IND AS 37 as at March 31, 2023

(₹ in lakh)

Sr. No.	Particulars	Nature of Liability	Amount as on March 31, 2023
1.	Income tax act 1961	Income tax demand for assessment year 2018-19	64.96
2.	Income tax act 1961	Income tax demand for assessment year 2020-21	67.35
3.	Income tax act 1961	Income tax demand for assessment year 2021-22	389.40
		Total	**521.71**

Consolidated Contingent Liability as per IND AS 37 as at March 31, 2023

(₹ in lakh)

Sr. No.	Particulars	Nature of Liability	Amount as on March 31, 2023
1.	Income tax act 1961	Income tax demand for assessment year 2018-19	64.96
2.	Income tax act 1961	Income tax demand for assessment year 2020-21	67.35
3.	Income tax act 1961	Income tax demand for assessment year 2021-22	389.40
		Total	**521.71**

In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

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	Increase in profit before tax and retained earnings for the financial year

	and loss (FVTPL) basis	2023 by ₹ 35,215.77 Lakhs
FY 2022	NIL	NIL
FY 2021	NIL	NIL

Promoters Shareholding

Please see "*Capital Structure*" beginning on page 57 for details with respect to Promoter shareholding in our Company as on the date of this Draft Prospectus.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Issue Opening Date of this Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of the Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*", on page 18, there are no reservations or qualifications or adverse remarks in the auditors' report on the financial statements of our Company in the last three Fiscals and in the auditor's report on financial results of our Company for the quarter and six months ended September 30, 2023.

Trading

The non-convertible debentures of our Company are currently listed on BSE. Further, the equity shares of our Company are listed on NSE and BSE.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:
(a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447."

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in New Delhi, India.

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than this Draft Prospectus, the Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement. None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the 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 NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" beginning on page 262.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Draft Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

Issuer	Satin Creditcare Network Limited
Type of instrument	Secured, rated, listed, redeemable, non-convertible debentures
Nature of the Instrument	Secured, rated, listed, redeemable, non-convertible debentures
Mode of the Issue	Public Issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Lead Manager	JM Financial Limited
Debenture Trustee	Catalyst Trusteeship Limited
Depositories	NSDL and CDSL
Registrar to the Issue	KFIN Technologies Limited (formerly known as KFIN Technologies Private Limited)
Issue	Public issue of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹1,000 each amounting to ₹ 10,000 lakh, with an option to retain oversubscription of up to ₹ 10,000 lakh aggregating up to ₹ 20,000 lakh, on the terms and in the manner set forth herein
Minimum Subscription	Minimum subscription is 75% of the Base Issue Size, i.e., ₹ 7,500 lakhs.
Seniority	Senior
Issue Size	₹ 20,000 lakh
Base Issue Size	₹ 10,000 lakh
Option to Retain Oversubscription (Amount)	₹ 10,000 lakh
Eligible Investors	Please see "*Issue Procedure – Who can apply?*" on page 284
Objects of the Issue / Purpose for which there is requirement of funds	Please see "*Object of the Issue*" on page 73
Details of Utilization of the Proceeds	Please see "*Objects of the Issue*" on page 73
Coupon rate	As specified in the Prospectus
Coupon Payment Date	As specified in the Prospectus
Coupon Type	As specified in the Prospectus
Coupon reset process	As specified in the Prospectus
Interest Rate on each category of investor	As specified in the Prospectus
Step up/ Step Down Coupon rates	As specified in the Prospectus
Coupon payment frequency	As specified in the Prospectus
Day count basis	Actual / Actual
Interest on application money	NA
Default Coupon rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. Our Company shall pay at least two percent per annum to the debenture holder, over and

	above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
Tenor	As specified in the Prospectus
Redemption Date	As specified in the Prospectus
Redemption Amount	As specified in the Prospectus
Redemption Premium/ Discount	As specified in the Prospectus
Face Value	₹ 1,000 per NCD
Issue Price	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	As specified in the Prospectus
Premium/Discount at which security is redeemed and effective yield as a result of such premium/discount	As specified in the Prospectus
Transaction Documents	Transaction Documents shall mean this Draft Prospectus, the Prospectus, Abridged Prospectus, Application Form read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Manager and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, "*Material Contracts and Document for Inspection*" on page 340.
Put option date	As specified in the Prospectus
Put option price	As specified in the Prospectus
Call option date	As specified in the Prospectus
Call option price	As specified in the Prospectus
Put notification time	As specified in the Prospectus
Call notification time	As specified in the Prospectus
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10 NCD) and in multiples of ₹1,000 (1 NCD) thereafter.
Market Lot / Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application
Credit Ratings / Rating of the instrument	The NCDs proposed to be issued under the Issue have been rated [ICRA]A (Stable) for an amount of ₹ 20,000 lakh by ICRA Limited *vide* their rating letter dated December 21, 2023 and revalidated vide its letter dated January 16, 2024.
Stock Exchange proposed for listing of the NCDs	BSE Limited
Listing and timeline for listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Issue Closure. BSE has been appointed as the Designated Stock Exchange. For more information see "*Other Regulatory and Statutory Disclosures*" on page 231
Modes of payment	Please see *"Issue Structure – Mode of payment of Interest to NCD Holders"* on page 273
Issue opening date	*As specified in the Prospectus*
Issue closing date**	*As specified in the Prospectus*
Date of earliest closing	As specified in the Prospectus
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date under this Draft Prospectus as may be determined by the Company. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.

	In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date
Settlement mode of instrument	Please refer to the chapter titled "*Terms of Issue – Payment on Redemption*" on page 277.
Disclosure of interest/ Dividend/ redemption dates	As specified in the Prospectus
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	**Financial Covenants:** Commencing from the Effective Date (to be defined in the Debenture Trust Deed) until the Redemption Date, the Company on standalone basis shall: (i) Maintain a Capital Adequacy Ratio which is 1% (one percent) higher than the Capital Adequacy Ratio as may be prescribed by the RBI from time to time; (ii) Ensure that its Net NPA does not exceed 5% (five percent) of the net advances at Loan Book as of the last day of the relevant period; (iii) The Company shall ensure that ratio of its Net Debt to Equity is not more than 4.5 times. For the purposes of this clause, 'Net Debt' shall mean aggregate financial indebtedness of the Company reduced to the extent of cash, bank balance and its equivalents available with the Company and 'Equity' shall mean paid up equity share capital of the Company along with securities premium and free reserves excluding revaluation reserve. The financial covenant shall be tested on a quarterly basis on each quarterly date, on the basis of the standalone financial statements of the Issuer.
Issue Schedule	*As specified in the Prospectus*
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed the Prospectus	The principal amount of the NCDs to be issued in terms of this Draft Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of first ranking exclusive and continuing charge to be created over certain identified receivables of the Company in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of at least 1.10 times of the principal amounts and interest outstanding in respect of the NCDs is maintained at all times until the Maturity Date. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Draft Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). For further details on date of creation of security/likely date of creation of security minimum security cover etc., please see "*Terms of the Issue – Security*" on page 262.
Security Cover	Our Company shall maintain a minimum 1.10 times security cover on the outstanding balance of the NCDs plus accrued interest thereon.
Condition precedent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions precedent to the Issue.
Condition subsequent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions subsequent to the Issue.
Events of default (including manner of voting/ conditions of joining Inter Creditor Agreement)	Please see "*Terms of the Issue – Events of Default*" on page 263.
Creation of recovery expense fund	Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and have informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.

Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in term sheet and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default. The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Please see "*Terms of the Issue – Events of default*" on page 263.
Deemed date of Allotment	The date on which the NCD Public Issuance Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the NCD Public Issuance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI Debenture Trustee Master Circular, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, Companies Act, the Listing Agreement, and the Debenture Trust Deed, each as amended from time to time. Please see section titled "*Terms of the Issue- Trustees for the NCD Holders*" on page 263.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 18.
Cross Default Clause	As per the Debenture Trust Deed to be executed in accordance with applicable law.
Governing law and Jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in New Delhi, India, respectively.
Working day convention / Day count convention / Effect of holidays on payment	Working Day means all days on which commercial banks in Mumbai are open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the dates of the future interest payments would continue to be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Notes:

**In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.*

*** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from the date of filing the Prospectus with RoC) as may be decided by the Board of Directors or NCD Public Issuance Committee of our Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 49.*

For the list of documents executed/ to be executed, please see "Material Contracts and Documents for Inspection" on page 340.

While the NCDs are secured to the tune of 1.10 times of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies *or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.*

Specific terms for NCDs

As specified in the Prospectus.

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in "*Terms of the Issue – Manner of Payment of Interest/ Refund"* on page 274.

Participation by any of the above-mentioned Investor classes in the Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (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 or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) 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. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the Working Days.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, see the section titled "*Issue Procedure*" on page 283.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on January 15, 2024 the Directors approved the issue of NCDs amounting up to ₹20,000 lakhs to the public which is within the approved borrowing limits of ₹ 15,00,000 lakh approved by the Shareholders' at the Annual General Meeting vide their resolution dated July 6, 2019. The NCDs pursuant to this Issue will be issued on terms and conditions as set out in this Draft Prospectus and the Prospectus.

Further, this Draft Prospectus has been approved by the NCD Public Issuance Committee vide resolution dated January 24, 2024.

Principal Terms & Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, the relevant provisions of the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of an exclusive first charge over certain identified receivables, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of at least 1.10 times of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating an exclusive charge in favour of the Debenture Trustee in relation to the NCDs.

Our Company is required to obtain permissions or consents from the prior creditors for proceeding with this Issue. Pursuant to SEBI Debenture Trustee Master Circular, our Company undertakes, *inter alia*, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the permissions or consent to create exclusive second or pari passu charge on the assets of the Issuer have been obtained from the earlier creditors. Our Company has applied to the prior creditors/charge holders for such permissions or consents and has received such permissions or consents from all prior creditors.

Security

The principal amount of the NCDs to be issued in terms of this Draft Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of first ranking exclusive and continuing charge to be created over certain identified receivables of the Company in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of at least 1.10 times of the principal amounts and interest outstanding in respect of the NCDs is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating an exclusive charge in favour of the Debenture Trustee in relation to the NCDs.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, (**"Debenture Trust Deed"**) terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed and documents for creation of Security within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset/receivables of the same or a higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the Prospectus, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

In accordance with the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

Our Company has appointed Catalyst Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of of an amount representing not less than 75% of the investors by value of the outstanding debt under each of the ISINs issued in accordance with the Debenture Trust Deed and 60% of the investors by number at the ISIN level or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

Each of the events or circumstances set out hereinbelow is an Event of Default:

(a) ***Payment Defaults***

The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 1 (one) calendar day of such Due Date and such default is not rectified/remedies within 30 (thirty) days of occurrence.

(b) ***Insolvency/Inability to Pay Debts***

(i) The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.

(ii) A petition for reorganization, arrangement, adjustment, winding up or composition of debts of the Issuer is filed by the Issuer (voluntary or otherwise).

(iii) A petition for reorganization, arrangement, adjustment, winding up or composition of debts of the Issuer in respect of the Issuer (voluntary or otherwise) have been admitted by any competent court or tribunal, and such proceedings are not contested by the Issuer for staying or such proceedings are not quashed and/or dismissed within 15 (fifteen) days.

(iv) Any proceedings for liquidating the Issuer have been admitted by any competent court or tribunal.

(v) A moratorium or other protection from creditors is declared or imposed on the Issuer in respect of any Financial Indebtedness of the Issuer.

(c) ***Business***

The Issuer without obtaining the prior consent of the majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

(d) ***Misrepresentation***

Any representation or warranty made by the Company in any Offer Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(e) ***Material Adverse Effect***

The occurrence of a material adverse effect, in the sole determination of the Debenture Trustee (acting on the instructions of the majority Debenture Holders) and such default/non-compliance is not rectified/remedies within 30 (thirty) days of occurrence.

(f) ***Liquidation, Insolvency or Dissolution of the Issuer / Appointment of Receiver, Resolution Professional or Liquidator***

Any corporate action, declaration of, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, insolvency, liquidation, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;
(ii) a composition, compromise, assignment or arrangement with any creditor of the Company;
(iii) the appointment of a liquidator, provisional liquidator, supervisor, receiver, resolution professional, administrative receiver, administrator, compulsory manager, trustee, or other similar officer in respect of the Issuer or any of the Issuer's assets or any part of the undertaking of the Company;
(iv) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework);

(v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other applicable law, in respect of the Company;

(vi) enforcement of any security over any Assets of the Company or any analogous procedure or step is taken in any jurisdiction; or

(vii) any other event occurs or proceeding instituted under any applicable law that would have an effect analogous to any of the events listed in (i) to (vi) above.

(g) ***Transaction Documents***

The Debenture Trust Deed or any other Offer Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer.

(h) ***Unlawfulness***

It is or becomes unlawful for the Issuer to perform any of its obligations under the Offer Documents and/or any obligation or obligations of the Issuer under any Offer Document are not or cease to be valid, binding or enforceable.

(i) ***Repudiation***

The Issuer repudiates any of the Offer Documents or evidences an intention to repudiate any of the Offer Documents.

(j) ***Security in Jeopardy***

In the opinion of the Debenture Trustee the Security is in jeopardy and the Company has not provided additional/alternate security to the satisfaction of the Debenture Trustee as agreed in the debenture trust deed.

(k) ***Security***

(i) The Company fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the timelines prescribed in the relevant Offer Documents, and such default/non-compliance is not rectified/remedies within 30 (thirty) days of occurrence.

(ii) The Company creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee.

(l) ***Fraud and Embezzlement***

Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds of the Issuer or by the Promoters of the Issuer or revenues of the Company or any other act having a similar effect being committed by the management or an officer of the Company.

(m) ***Breach of other Covenants***

Any breach of any covenant or undertaking of the Issuer in the Offer Documents, which, to the extent capable of remedy in the sole opinion of the Debenture Trustee (acting on the Instructions of the Debenture Holders), is not remedied within such time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders).

Except for any default relating to points (a) under the "Indicative list of Events of Default" given above, where no such consent/ resolution of NCD holders will be required for calling of event of default,any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of 75% (seventy five percent) of the outstanding nominal value of all NCDs at any point of time, as set out in the Debenture Trust Deed, in accordance with SEBI Debenture Trustee Master Circular.

Any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective ISIN level assigned to the respective option(s) of NCDs issued.

In accordance with the SEBI Debenture Trustee Master Circular, in case of 'Default' by Issuers of listed debt securities", post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Explanation 2 to Regulation 49 of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest/dividend or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the SEBI Debenture Trustee Master Circular.

The enforcement of security shall be done in accordance with the consequences of events of default as provided in the Debenture Trust Deed.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations and any other applicable law.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.

2. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to inspect a copy of the financial statements including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, and copy of the Debenture Trust Deed at the Registered Office of our Company during business hours on a specific request made to the Company.

3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

5. The NCDs are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Prospectus, the

Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

6. Subject to RTA Master Circular, for NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.
7. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, in case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
8. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of the Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 72 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014), any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in New Delhi, India.

Application in the Issue

Applicants shall apply in the Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only. However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

In respect of consolidated certificates, we will, only upon receipt of a request from the NCD Holder, split such consolidated certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

For details of allotment see "*Issue Procedure*" beginning on page 283.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

The seller should give delivery Instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure – Specific Terms of NCDs*" on page 260 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25, 2022.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

Procedure for rematerialisation of NCDs

Subject to RTA Master Circular, NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to the Issue. However, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

Period of subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	*As specified in the Prospectus*
ISSUE CLOSES ON**	*As specified in the Prospectus*
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the NCD Public Issuance Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the NCD Public Issuance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

*** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from the date of filing the Prospectus with RoC) as may be decided by the Board of Directors or NCD Public Issuance Committee of our Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 49.*

*Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(Indian Standard Time) ("**Bidding Period**"), during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications* *not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI Master Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Draft Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/ Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see "*Terms of the Issue – Manner of Payment of Interest / Refund*" at page 274.

Amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than ₹ 5,000 and interest is paid by way of account payee cheque). For further details, please see Section titled "*Statement of Possible Tax Benefits*" on page 76.

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, at least 7 days before the relevant record date for payment of debenture interest;

b. When the resident Debenture Holder with Permanent Account Number ("**PAN**") (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.

Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest

(i) copy of registration certificate issued by the regulatory authority under which the investor is registered,

(ii) self-declaration for non-deduction of tax at source, and

(iii) such other document a may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted atleast 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at www.satincredicare.com or the Registrar at www.kfintech.com from time to time.

Details of the Registrar are as below:

KFin Technologies Limited (formerly known as KFin Technologies Private Limited)
Address: Selenium Tower B, Plot No – 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032, Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 6716 1563
Email: scnl.ipo@kfintech.com
Investor Grievance mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
Compliance Officer: Manju Anand
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

Link for availability of formats of declaration/ certificates and online submission of tax exemption forms: https://incometaxindia.gov.in/Pages/downloads/most-used-forms.aspx

Details of the Company are as below:

Satin Creditcare Network Limited
5th Floor, Kundan Bhawan,
Azadpur Commercial Complex,
Azadpur, North West, Delhi-110033, India ;
Tel: +91 124 471 5400
Email: secretarial@satincreditcare.com

The investors need to submit Form 15H/ 15G/certificate in original from the Assessing Officer for each Fiscal during the currency of the NCD to claim non-deduction or lower deduction of tax at source from interest on the NCD. Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form, to the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, see the "*Terms of the Issue – Manner of Payment of Interest / Refund / Redemption*" beginning on page 274.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the Interest Payment Date falls on a day other than a Working Day (Sundays or holidays of commercial banks in Mumbai), the interest payment as due and payable on such day shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact as per the originally stipulated schedule and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the Working Days.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular will be disclosed in the Prospectus.

Maturity and Redemption

As specified in the Prospectus.

Put / Call Option

As specified in the Prospectus.

Deemed Date of Allotment

The date on which the NCD Public Issuance Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the NCD Public Issuance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Application in the Issue

NCDs being issued through this Draft Prospectus, can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act but subject to SEBI Listing Regulations and RTA Master Circular, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Application Size

Each Application should be for a minimum of 10 NCDs across all series collectively and multiples of one NCD thereof (for all series of NCDs taken individually or collectively). The minimum application size for each application for NCDs would be ₹10,000 across all series collectively and in multiples of ₹1,000 thereafter. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Draft Prospectus.

Record Date

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date under the Prospectus as may be determined by the Company.

Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.

In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant’s sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see “*Terms of the Issue – Procedure for Re-materialisation of NCDs*” on page 269.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

   National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (“**MICR**”) code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

   Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants’ banks have been assigned the Indian Financial System Code (“IFSC”), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

   For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

   Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

   Please note that our Company shall not be responsible to the holder of NCDs for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

   In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of Bank Particulars on Interest/redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post or registered post. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Right to recall or redeem prior to maturity

As specified in the Prospectus.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of NCDs

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this Issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled. As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**").

Procedure for redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in electronic form

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

NCDs held in physical form on account of rematerialisation

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the NCD.

Payment on redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013 and SEBI NCS Regulations, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/ Transmission of NCDs

For NCDs held in physical form on account of rematerialisation

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Draft Prospectus and all other applicable laws. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialize the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner by creating a charge on any other assets, provided stipulated security cover is maintained on the NCDs and the company is in compliance of all the terms of the Transaction Documents and no event of default has occurred and is continuing; and consents and approvals and other conditions, as may be required under Applicable Law or financing agreements, including intimations, if any, required thereunder are obtained or provided, as the case may be.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section(1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described in the Prospectus and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to rematerialisation, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the "*Issue Procedure*" beginning on page 283.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

(a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013 and the SEBI NCS Regulations and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) Our Company shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (ii) receipt of listing and trading approval from Stock Exchange and (iii) only upon execution of the documents for creation of security.

(e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

(f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

(g) The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

(h) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws;

(i) The Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other regulatory or statutory authority from time to time. Further the Issue proceeds shall be utilized only for the purpose and objects stated in the Offer Documents.

Filing of the Prospectus with the RoC

A copy of the Prospectus shall be filed with the RoC, in accordance with Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure – Rejection of Applications*" beginning on page 308.

Listing

The NCDs offered through this Draft Prospectus are proposed to be listed on BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* its letter bearing reference number [•] dated [•]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange. Final Application for listing of the NCDs will be made to the Stock Exchange in terms of SEBI NCS Regulations and the SEBI Master Circular.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Prospectus.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/ Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial results, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder or deposits held in the account of the NCD holders whether in single name or joint name, to the extent of all outstanding dues, if any by the NCD Holder to our Company, subject to the applicable law.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and have informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.

Settlement Guarantee Fund

Our Company will deposit amounts in the settlement guarantee fund, as applicable, in the manner as specified in the

SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

ISSUE PROCEDURE

This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Master Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Master Circular retail individual investor may use the Unified Payment Interface ("UPI") to participate in the public issue for an amount up to UPI Application Limit through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Please note that this section has been prepared based on the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism. Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value up to UPI Application Limit (to participate in the public issue for an amount up to UPI Application Limit for issue of debt securities pursuant to SEBI Master Circular, or any other investment limit, as applicable and prescribed by SEBI from time to time) submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate Members, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).

ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs, in the relevant ASBA accounts for the full Application Amount. Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Prospectus.

Specific attention is drawn to the SEBI Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Manager are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE CONSORTIUM MEMBER AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE

RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days on which the commercial banks in Mumbai are open for business, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business. Furthermore, for the purpose the time period between the bid/ issue closing date and the listing of the NCDs, Working Days shall mean all trading days of the Stock Exchange excluding Saturdays, Sundays and bank holidays as specified by SEBI.

The information below is given for the benefit of the Investors. Our Company and the Members of Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PROCEDURE FOR APPLICATION

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I (Institutional Investors)

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI or Non-Banking Financial Company registered with the RBI having total assets of more than ₹ 50,000 lakh as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II (Non-Institutional Investors)

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III (High Net-worth Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue

Category IV (Retail Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all Options/ Series of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit, i.e.₹5,00,000 or as may be specified by SEBI from time to time, in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Please note that it is clarified that persons resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Manager, Members of Consortium and its respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

a. Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian; It is further clarified that it is the responsibility of the Applicant to ensure that the guardians are competent to contract under applicable statutory/regulatory requirements);
b. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
c. Persons resident outside India and other foreign entities;
d. Foreign Institutional Investors;
e. Foreign Portfolio Investors;
f. Non Resident Indians;
g. Qualified Foreign Investors;
h. Overseas Corporate Bodies**;
i. Foreign Venture Capital Funds; and
j. Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*
The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

The information below is given for the benefit of Applicants. Our Company and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

How to apply?

Availability of this Draft Prospectus, the Prospectus, Abridged Prospectus and Application Forms

Physical copies of the Abridged Prospectus containing the salient features of the Prospectus together with Application Forms and copies of the Draft Prospectus / Prospectus may be obtained from:

a. Our Registered Office and Corporate Office,

b. Any other office of the Company,

c. Office of the Lead Manager,

d. Office of the Consortium Member,

e. Registrar to the Issue,

f. Designated RTA Locations for RTAs,

g. Designated CDP Locations for CDPs and

h. Designated Branches of the SCSBs.

Additionally, Electronic copies this Draft Prospectus, the Prospectus, along with the downloadable version of the Application Forms will be available.

a. for download on the website of BSE at www.bseindia.com and the website of the Lead Manager at www.jmfl.com.
b. at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic copies of this Draft Prospectus, the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and SCSBs

Electronic Application Forms will also be available on the website of the Stock Exchange Exchanges and on the websites of the SCSBs that permit the submission of Applications electronically. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Manager and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

Please note that there is a single Application Form for, persons resident in India.

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Method of Application

In terms of the SEBI Master Circular an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Master Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Master Circular

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe to the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e., to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Further, the Application may also be submitted through the app or web interface developed by Stock Exchange wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

   a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

   b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. *Through Stock Exchange*

a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

b. The Stock Exchange have extended their web-based platforms i.e. 'BSE Direct' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5 lakh. To place bid through 'BSEDirect' platform / mobile app the eligible investor is required to register himself/ herself with BSE Direct.

c. An investor may use the following links to access the web-based interface developed by the Stock Exchange to bid using the UPI Mechanism: BSE: https://www.bsedirect.com.

d. The BSE Direct application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' on Google Playstore for downloading mobile applications.

e. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 and May 19, 2022 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 ("**SEBI Mutual Funds Master Circular**"), mutual funds are required to ensure that the total exposure of debt schemes (excluding investments in Bank CDs, triparty repo on Government securities or treasury bills, G-Secs, TBills, short term deposits of Scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Further, the additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs), which are rated AA and above and are registered with the National Housing Bank. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

<u>Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks</u>

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Pursuant to SEBI Master Circular SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

<u>Applications by Systemically Important Non-Banking Financial Companies</u>

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

<u>Application by Insurance Companies</u>

Insurance companies registered with the IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) i) certificate registered with IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

<u>Applications by Indian Alternative Investments Funds</u>

Applications made by ‘alternative investment funds’ eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

<u>Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment</u>

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

<u>Applications by Trusts</u>

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.

<u>Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs</u>

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.

<u>Applications made by companies, bodies corporate and societies registered under the applicable laws in India</u>

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.

<u>Applications made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs</u>

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Applications made by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

<u>Applications under a power of attorney by limited companies, corporate bodies and registered societies</u>

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Manager, reserves the right to reject such Applications. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

<u>Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs</u>

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

<u>Applications by National Investment Funds</u>

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

The Lead Manager and the Consortium Member and their respective associates and affiliates are permitted to subscribe in the Issue.

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant (belonging to Category IV) may also submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 5 (five) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Manager or Consortium Member or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Manager or Trading Members of the Stock Exchange, as the case may be (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Manager or Consortium Member or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Payment mechanism for Direct Online Applicants

In case Direct Online Application facility is implemented by the Stock Exchange, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("**UAN**") and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the

Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and May 19, 2022 before investing through the through the app/ web interface of Stock Exchange.

Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchange or through their Trading Members.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

Applications must be made in the prescribed Application Form.

1. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
2. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.
3. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
4. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
   If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
5. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and

without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

6. Applicants must ensure that their Application Forms are made in a single name.
7. All Applicants should check if they are eligible to apply as per the terms of the Prospectus and applicable laws.
8. The minimum number of Applications and minimum application size shall be of 10 NCDs. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
9. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
10. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
11. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
12. It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.
13. Applications for all the series of the NCDs may be made in a single Application Form only.
14. The Applicants should ensure that they have been given a TRS and an acknowledgment as proof of having accepted the Application Form.
15. Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.
16. ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch/ UPI ID in case of applying through UPI Mechanism.
17. ASBA Application should ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder.
18. ASBA Applicants should ensure that they receive an acknowledgement from the Designated Branch or the concerned Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, for the submission of the Application Form.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, the Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.
8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on

his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.
11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm.
14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.
15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
18. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
19. The allotment of debt securities shall be done as per SEBI Master Circular.
20. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
21. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
22. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
23. Thereafter, Stock Exchange will issue the listing and trading approval.
24. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:

    i. Investor shall check the Issue details before placing desired bids;
    ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
    iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/integration of UPI on Debt Public Issue System;
    iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
    v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
    vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
    vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID, PAN and UPI ID (in case applying through UPI Mechanism) provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID, UPI ID (in case applying through UPI Mechanism) and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID, UPI ID (in case applying through UPI Mechanism) and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus and the Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Master Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.

(b) Physically through the Consortium Member, Lead Manager, or Trading Members of the Stock Exchange only at the Specified Cities i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Member, Lead Manager or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Member, Lead Manager or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹ 5 lakh, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange' bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Manager and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Draft Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Manager or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please see section titled "*Issue Related Information*" on page 256.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Manager or Consortium Member or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

1. Applications must be made in prescribed Application Form only;
2. Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.
3. Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes)
4. Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Prospectus, the Prospectus the Abridged Prospectus and the Application Form.
5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
6. Applicants applying for allotment in dematerialized form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such accounts is classified as invalid or suspended may not be considered for allotment of the NCDs. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
7. The minimum number of Applications and minimum application size shall be ₹10,000. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
8. Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
9. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
10. Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
11. Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8^{th} Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
12. No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Manager, Consortium Member, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the Lead Manager, Consortium Member, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
13. The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip.

This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.

14. Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount.
15. All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
16. ASBA will be the default "Mode of Application" as per the SEBI Master Circular.
17. Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.
18. Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
19. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account.
20. For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
21. Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
22. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the Lead Manager, Consortium Member, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the NCDs, as specified in the Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

Applicants applying for Allotment in dematerialized form must mention their DP ID, Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID, Client ID, UPI ID (as applicable) and PAN provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Manager, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

Applicants should note that in case the DP ID, Client ID, UPI ID (as applicable) and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Manager, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor

Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

F. Unified Payments Interface (UPI)

Pursuant to the SEBI Master Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

Electronic registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. The Lead Manager, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms. In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, Designated Intermediaries and Designated Branches of SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*Issue Structure*" on page 256.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(f) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location
- Application amount

(g) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(h) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(i) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(j) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form.

Do's

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;
8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is

attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
14. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
15. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
16. Ensure that the Applications are submitted to the Lead Manager, Consortium Member, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "*Issue Related Information*" on page 256;
17. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
18. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
19. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
20. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
21. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
22. Tick the series of NCDs in the Application Form that you wish to apply for.
23. Check if you are eligible to Apply under ASBA;
24. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹ 500,000 of upto the UPI Application Limit as applicable and as prescribed by SEBI from time to time;
25. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
26. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange' App/ Web interface
27. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;
28. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
29. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.
30. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

In terms of SEBI Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Master Circular stipulates the time between closure of the Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Consortium Member, sub-consortium member, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company;
5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be;
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not submit incorrect details of the DP ID, Client ID, UPI ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter*-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
18. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Manager or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities;
19. Do not submit more than five Application Forms per ASBA Account.
20. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
21. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI; and
22. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 5,00,000 of upto the UPI application limit as applicable and as prescribed by SEBI from time to time.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please see "*Rejection of Applications*" on page 308 for information on rejection of Applications.

Submission of completed Application Forms

For details in relation to the manner of submission of Application Forms, see "*Issue Procedure*" beginning on page 283.

OTHER INSTRUCTIONS

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreements dated April 2, 2012 between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreements dated March 22, 2011 between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.
3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
5. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
6. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
7. It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
8. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
9. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 283.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Chief Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by our Company

a. All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
b. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
c. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an

appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

d. the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
e. we shall utilize the Issue proceeds only upon creation of security as stated in the section titled "*Terms of the Issue*" on page 262 and after (a) permissions or consents for creation of exclusive charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue Size; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchange;
f. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
g. The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
h. The Experts named in this Draft Prospectus are not, and has not been, engaged or interested in the formation or promotion or management, of the Company.

Other Undertakings by our Company

Our Company undertakes that:

a. Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by our Company expeditiously and satisfactorily;
b. Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
c. Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Issue Closing Date;
d. Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
e. Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the current statutory auditor, to the Debenture Trustee as per applicable law;
f. Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Draft Prospectus.
g. We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.
h. We undertake that the assets / receivables on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor, wherever applicable.
i. Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications submitted without blocking of the entire Application Amount. However, the Company may allot bonds up to the value of Application monies paid, if such Application monies exceed the minimum Application size as prescribed hereunder;
- In case of partnership firms, the Application Forms submitted in the name of individual partners and/or accompanied by the individual's PAN rather than the PAN of the partnership firm;
- Applications by persons not competent to contract under the Indian Contract Act, 1872;
- GIR number furnished instead of PAN;
- Applications by OCBs;

- Applications for an amount below the minimum Application size;
- Applications providing details of an inoperative demat account;
- Applications of more than five ASBA forms per ASBA Account;
- In case of ASBA Applicants, payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
- UPI Mandate request is not approved by the investor within the prescribed timelines;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/postal order/cash;
- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- With respect to ASBA Applications including UPI applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications not uploaded on the terminals of the stock exchange(s);
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the stock exchange(s), as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form;
- Applications by Applicants whose demat accounts have been ‘suspended for credit’ pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/ MRD/DP/22/2010;
- Applications tendered to the Trading Members of the stock exchange(s) at centers other than the centers mentioned in the Application Form;
- SCSB making an ASBA Application(a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilized for the purpose of applying in public issue.
- Application Amount paid being higher than the value of Bonds applied for. However, the Company may allot Bonds up to the number of Bonds applied for, if the value of such Bonds applied for, exceeds the Minimum Application Size;
- Application Amounts paid not tallying with the number of Bonds applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- In case of ASBA Applicants, payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process.

Kindly note that ASBA Applications submitted to the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see below "*Issue Procedure-Information for Applicants*".

Information for Applicants

Unblocking of funds

In case of ASBA Applications submitted to the SCSBs, in terms of the RTA Master Circular, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Manager, Consortium Member and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar‘s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant’s sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

a. Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;

b. Credit to dematerialized accounts will be given within one Working Day from the Date of Allotment;

c. Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Issue Closing Date, for the delay beyond five Working days; and

d. Our Company will provide adequate funds to the Registrar to the Issue for this purpose.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to ₹ 10,000 lakh.

Basis of Allotment

As specified in the Prospectus.

Unblocking of funds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. Per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Issue Closing Date or early closure date, as applicable.

Pre-closure/ Early Closure: Our Company, in consultation with the Lead Manager, reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue Size before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this issue have been given.

Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue Size before the Issue Closing Date.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Issue Closing Date, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock

Exchange(s), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

SECTION VIII – SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

Interpretation	1.	Unless the context otherwise requires, words or expressions contained in these Articles shall bear the meaning as in the Act or any statutory modification thereof. The marginal notes hereto shall not effect the construction hereto in these present unless there be something in the subject to context inconsistent therewith. In the interpretation of these Articles, the following words and expressions shall have meaning as herein given unless repugnant to the context hereof. "Accounting Principles" means Indian generally accepted accounting principles (Indian GAAP) promulgated by the Institute of Chartered Accountants of India (ICAI), together with its pronouncements thereon from time to time and shall include any alternate accounting principles adopted /promulgated from time to time by the ICAI or a Governmental Authority in place of and in lieu of the Indian GAAP and which are applicable to the Company. "Act" means the (Indian) Companies Act, 2013 (as may be notified, amended or replaced from time to time) and any rules prescribed thereunder. "Applicable Law" includes all statutes, enactments, and acts of legislature, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives, protocols, codes, judgments, decrees, orders and/or other requirements of any Governmental Authority, or Person acting under the authority of any Governmental Authority, statutory authority including Ministry of Corporate Affairs, Securities and Exchange Board of India, Reserve Bank of India, Foreign Intelligence Unit, Tribunal, Board, Court or Recognized Stock Exchange in India. "Articles" means these Articles of Association of the Company as amended from time to time. "Assets" mean all properties and assets belonging to the Company (of every kind nature, character and description, whether movable or immovable, tangible or intangible, absolute, accrued, fixed or otherwise including intellectual property) operated, hired, rented, owned, used or leased by the Company from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, real estate, inventory, furniture, fixtures and insurance. "Auditors" means and includes those appointed as such for the time being by the Company in accordance with the provisions of the Act, guidelines/circulars issued by Reserve Bank of India, these Articles and any other applicable laws. "Board' or "Board of Directors" means the board of directors of the Company from time to time. "Business" shall mean *inter-alia* the Micro-Finance Business. "Company" means Satin Creditcare Network Limited. "Director" means a Director on the Board from time to time. "D&O Policy" has the meaning assigned to it in Article 108. "Debenture Trustee Nominee Director" has the meaning assigned to it in Article 106.

		"Dividend" includes bonus. "Equity Securities" means the Equity Shares and any other convertible instrument, option, warrants, convertible shares, convertible debentures, convertible bonds or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for Equity Shares (whether or not by their terms then currently convertible, exercisable or exchangeable or at a later point in time). "Equity Shares" means equity shares of the Company of par value ₹10 each. "Equity Share Capital" means, as of any date of determination, the total issued and (fully) paid up equity share capital of the Company, on a Fully Diluted Basis. "Equity Share Capital of the Company" means the paid up equity share capital of the Company. "Fully Diluted Basis" means that the calculation of the Equity Share Capital assuming that all outstanding notes, options, warrants and any other convertible instruments (that are directly or indirectly convertible into, or exercisable or exchangeable for Equity Share Capital (whether or not by their terms then currently convertible, exercisable or exchangeable)) have been converted, exercised or exchanged into Equity Shares, and assuming that all partly paid Equity Shares (if any) have been fully paid up. "Governmental Authority" includes the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department/Secretariat of the same, any board established for any specific purposes, governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity and any local or other authority exercising powers conferred by Applicable Law. "HP" means Mr. Harvinder Pal Singh s/o Late Mr. Harbans Singh, a promoter of the Company. "Managing Director" means the managing director of the Company for the time being. "Memorandum" means the Memorandum of Association of the Company as amended from time to time. "Micro-Finance Business" means the business of granting microfinance loans in terms of the Reserve Bank of India Act, 1934 and the rules, regulations, directions made/ issued thereunder including the Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 as amended from time to time. "Month" means English Calendar month. "Person" and words denoting "persons" includes any individual, partnership, corporation, limited liability partnership, company, unincorporated organisation or association, trust or other entity. "Preference Shares" means preference shares of the Company of ₹ 10 each. "Promoters" shall mean Mr. Harvinder Pal Singh, Chairman cum Managing Director, and Mr. Satvinder Singh. "Promoter Group shall mean such persons or entities as may be determined in

		accordance with the applicable laws. "Proxy" includes Attorney duly constituted under a power of attorney. "RBI" means the Reserve Bank of India. "Register" means the Register of members to be kept pursuant to the applicable provisions of the Act including register maintained under the applicable provisions of the Depositories Act. "Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is situated. "Relative" means relative as defined in the Act. "Seal" means the common seal of the Company.
Table 'F' to apply	2.	Save as provided herein, the Regulations contained in Table "F" (in the Schedule I to the Act) shall apply to the Company.
		CAPITAL
	3.	The Authorised Share Capital of the Company shall be the same as standing in Clause V of the Memorandum of Association of the Company.
		SHARES
Redeemable Preference Shares	4.	Subject to the applicable provisions of the Act and these Articles, the Company shall have the power to issue Preference Shares, from time to time, whether cumulative and/or non-cumulative, participative and/or non-participative, redeemable, optionally and/or compulsorily convertible and/or non-convertible on such terms and in such manner as the Company may deem fit.
Allotment of Shares Further Issue of capital	5.	Subject to the provisions of these Articles, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions by Directors and at such times either at par or at a premium and for such consideration as the Directors think fit, and with power to issue any Shares as fully paid up in consideration for any property sold or transferred, goods or machinery supplied for services rendered to the Company in its formation or otherwise. Provided that where the Directors decide to increase the issued capital of the Company or to issue further shares, the applicable provisions of the Act will be complied with. The Directors with the sanction of the Company in the General Meeting shall have full power to give to any person or obtain or have right to call for shares either at par or at a premium and for such period, and for such consideration as the Board of Directors think fit.
Employee Stock Option Scheme	6.	Subject to the applicable provisions of the Act and other Applicable Laws, the Company may issue options to the whole time directors, officers or employees of the Company, its subsidiaries or its parent, which would give such directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a pre-determined price, in term of schemes of employee stock options or employee share purchase or both.
Return of Allotment	7.	As regards all allotments made from time to time, the Board of Directors shall duly comply with the applicable provisions of the Act.
Commission of Shares Placing	8.	The Company may subject to compliance with the provision of rules made under Section 40(6) of the Act, exercise the power of paying commission on the issue of shares and debentures.
	9.	The Commission may be paid or satisfied in cash or in shares, debenture or debentures stock of the Company.
Buy-Back of shares	10.	Subject to the provisions of Sections 68 to 70 of the Act, and any statutory amendments or re-enactments thereof and compliance of the provisions thereof by the Company, the Company is authorized to purchase its own shares or other specified securities.
Shares at a Discount and	11.	With the provisions of authority of the Company in the General Meeting and

Premium		the sanction of the court and upon otherwise complying with applicable provisions of the Act, the Board of Directors may issue at a discount, shares of a class already issued. Also subject to the applicable provisions of the Act, the Company may issue shares at a premium.
Issue of Sweat equity shares	12.	The Company, subject to the applicable provisions of the Act, may issue sweat equity shares of a class of shares already issued. All the limitations, restrictions and provisions relating to Equity Shares shall apply to such sweat equity shares.
Installments of Shares to be duly paid	13.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the nominal amount of the share or by way of premium, every such amount or installment shall be payable as if it were call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls or otherwise shall relate to such amount or installment accordingly.
Trusts not recognised	14.	Except as required by law, no person shall be recognised by the Company as holding any shares upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof), any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
Certificate	15.	The certificate of title to shares and duplicate certificate thereof when necessary, shall be issued under the Seal of the Company in accordance with the applicable provisions of the Act and the rules prescribed thereunder and any other Applicable Law.
Member's right	16.	Every member shall be entitled free of charge to one or more certificates for all the shares of each class registered in his name in marketable lots, for if the Board so approves to several certificates each for one or more of such shares, but in respect of additional certificates, the Company, if the Board so determined shall be entitled to charge a fee of not exceeding ₹ 20 (Rupees Twenty only).
As to Issue of new certificate in place of one defaced lost or destroyed etc.	17.	If any certificate be worn out or defaced, then upon production thereof to the Company, subject to Applicable Law the Board may order the same to be cancelled, and may issue a new certificate in lieu thereof and if any certificate be lost or destroyed upon proof thereof to the satisfaction of the Board and on such indemnity as the Board deems adequate being given, a new certificate in lieu thereof may be given. The Company shall not charge any fee for registration of transfer of shares and debentures, for sub- division and consolidation of shares and debenture certificates and for sub-division of Letters of allotment and split, consolidation. Renewal and Pucca Transfer Receipts into denominations corresponding to the market units of trading, for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized. For registration of any power of attorney, probate, letter of administration or similar other documents the Company will not charge any fees exceeding those which may be agreed upon with the exchange.
		JOINT HOLDERS OF SHARES
Joint Holders	18.	Where two or more persons are registered as the holders of any share they hold the same as joint tenants with benefit of survivor-ship subject to the following provisions and to the other provisions of these Articles relating to joint holders:–
Maximum number	(a)	The Company shall not be bound to register more than three persons as the joint holders of any share.
Liability several as well as joint	(b)	The joint holders of a share shall be liable severally as well as jointly in respect of all payments due in respect of such shares.
Survivors of Joint holders only recognized	(c)	On the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to or

		interest in such shares but the Board may require such evidence of death as it may deem fit.
Delivery of certificate	(d)	Only the person whose name stands first in the Register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share.
		CALLS
Calls	19.	The Board of Directors may, from time to time, subject to the terms on which any share may have been issued and subject to the applicable provisions of the Act, make such calls as they think fit upon the members in respect to all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times. Such calls need not to be of uniform amount. Each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Directors. A call may be made payable by installments and shall be deemed to have been made at time when the resolution of the Directors authorising such call was passed at a meeting of Board.
Restriction on make	20.	No call shall be made within one Month of the date when the last power to preceding call was made payable, not less than fourteen days calls notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid. Provided that, before the time for payment of such call the Board, may, by notice in writing to the members, revoke the same or extend the time for payment thereof.
When Interest on call or installment	21.	If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being, of the shares in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at such rate determined by the Board but not exceeding 10% (Ten per cent) per annum from the day appointed for the payment thereof upto the time of the actual payment. The Directors shall be at liberty to waive payment of any such interest wholly or in part.
Amount payable at fixed time payable by installments calls	22.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the shares or by way or premium, every such amount or installment shall be payable as if it was a call duly made by the Directors and of which due notice has been given, and all the provisions herein contained in respect of calls shall relate to such amount of installments accordingly.
Evidence in actions by the Company against shareholders	23.	On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his share(s), it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, not entered on the Register or the Company as a holder, or one of the holders, of the shares in respect of which such claim is made, that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call or that a quorum of Directors was present at the meeting at which any call was made or that meeting at which any call was made was duly convened or constituted, or any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment of calls in advance	24.	The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sums actually called for and upon the money so paid in advance, or so much thereof as, from, time to time exceeds the amount of the calls then made upon the shares in respect to which such advance has been made: the Company may pay interest at such rate as the members paying such sum in advances and the Directors agree upon but not exceeding, unless the Company in a General Meeting shall otherwise direct, 12% (twelve per cent) and the Directors may at any time repay the amount so advanced upon giving to such member three Months' notice in writing. Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits or the Company.

Revocation of calls	25.	A call may be revoked or postponed at the direction of the Board of Directors.
If call or installment not paid notice may be given	26.	If any member fails to pay any call or installment on or before the day appointed for the payment of same the Directors may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may have accrued along with any expenses that may have been incurred by the Company by reasons of such non- payment.
Form of notice	27.	The notice aforesaid shall name a further day (not being less than thirty days from the day of notice) and place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The Notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
If notice not complied with shares may be forfeited	28.	If such notice as aforesaid be not complied with; any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principle or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the forfeiture of such shares as herein provided.
Notice after forfeiture	29.	When any share(s) have been so forfeited, notice of forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner be invalidated by any omission or failure to give such notice or to make such entry as aforesaid.
Forfeited shares to become property of the Company	30.	Any share(s) so forfeited shall be deemed to be the property of the Company and the Directors may sell, re- allot or otherwise dispose of the same in such manner as they think fit.
Power to annul forfeiture	31.	The Directors may, at any time before any share so forfeited shall have been sold, re-allot or otherwise disposed off, annul forfeiture thereof upon such manner as they think fit. The forfeited shares shall be disposed off in accordance with the provisions of the Applicable Laws.
Liability on forfeiture	32.	Any member whose share(s) have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding anything be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares, at the time of the forfeiture together with interest thereon, from the time of forfeiture until payment at the rate of 12% (Twelve per cent) per annum and the Directors may enforce payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
Effect of forfeiture	33.	The forfeiture of share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture	34.	A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares of the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share and such declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchases money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
Company’s lien on	35.	The Company shall have a first and paramount lien upon all the shares (other

forfeiture		than fully paid shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the condition that such lien shall extend to all dividends and bonuses, from time to time declared in respect of such shares. Unless otherwise agreed to, registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
As to enforcing lien by sale	36.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:
	(a)	Unless a sum in respect of which the lien exists in presently payable, or
	(b)	Until the expiry of thirty days, after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as a presently payable, has been given to the registered holder for the time being of the share or the persons entitled thereto by reason of his death or insolvency.
	37(1)	To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
	(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.
	(3)	The purchaser shall not be entitled to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the utilization of the proceeds of the sale.
Application of sale proceeds	38(1)	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists, as is presently payable.
	(2)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
Directors may issue new certificates	39	Where any shares under the powers in that behalf, herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holder of the said shares, subject to Applicable Law the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered. Where in any such case the certificate in respect of the share forfeited and/or sold is not delivered and a new certificate for such share has been issued, the original certificate shall be treated as cancelled and no claim or title based on such certificate shall be binding on the Company.
TRANSFER AND TRANSMISSION		
Execution of transfer of shares	40(i)	Request for effecting transfer of shares, shall be processed in accordance with the Section 56 of the Act, the rules and such other conditions as may be prescribed under Applicable Law including the provisions of the Depositories Act. The transferor shall be deemed to remain a member in respect of such share until the name of the transferee is entered in the Register in respect thereof.
	(ii)	Every instrument of transfer of shares shall be in the form prescribed under the Applicable Law and shall be in accordance with the relevant provisions of the Applicable Law, from time to time.
	(iii)	No fee shall be charged for transfer of shares/ debentures or for effecting transmission or for registering any letters of probate, letters of administration and similar other documents.
Application for transfer	41.	Subject to Applicable Law, an application for the registration of the transfer of shares may be made either by the transferor or the transferee provided that, where such application is made by the transferor, on registration, it shall in the case of partly paid shares, be effective unless the Company gives notice of the application to the transferee in the manner prescribed by applicable provisions of the Act and subject to provision of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for

		registration was made by the transferee.
Notice of transfer to registered holder	42.	Subject to compliance with applicable laws, before registering any transfer tendered for registration the Company may, if it deems fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objections are taken it will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within fifteen days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Company shall be deemed to have decided not to give notice and in any event the non- receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company in respect of such non- receipt.
Indemnity against wrongful transfers	43.	Neither the Company nor its directors shall, incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside and not withstanding that Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner and in every such case the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognized as the holder of such share and the previous holder shall so far as the Company is concerned be deemed to have transferred his whole title thereto.
No transfer to minor etc.	44.	No transfer shall be made to a person of unsound mind or in favor of a minor.
What transfers to be retained	45.	The instrument of transfer which has been registered shall be retained by the Company.
Notice of refusal to transfer	46.	If the Directors refuse to register the transfer of any shares, the Company shall, within fifteen (15) days from the date of receipt of request by the Company, send to the transferee and the transferor notice of the refusal.
Register may be closed	47.	On giving 21 days prior notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, the transfer books and Register may be closed during such time as the Directors think fit, not exceeding forty-five days in a year, but not exceeding thirty days at a time.
Election under the Transmission Article	48 (1)	If the person so becoming entitled under the Articles shall elect to be transmission registered as member in respect of the shares himself, he shall deliver or sent to the Company a notice in writing signed by him stating that he so elects.
	(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.
		RIGHTS OF PERSONS
Right of persons entitled to share by way of transmission	49.	The nominee or legal representatives of a deceased member (not being one of several joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member. In case of the death of any one or more of the joint holders of any registered shares, the survivors shall be the only person recognised by the Company as having any title to or interest in such shares. But nothing herein contained shall be taken to release Board from obtaining a grant of probate or letters of administration or other legal representation as the case may be from some competent court or authority. Provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with the production of probatory letters of administration or such other legal representation upon such terms as to indemnify or otherwise as the Board in its absolute discretion may consider necessary.
	50	Any committee or guardian of a lunatic or infant member or any person becoming entitled to transfer of shares in consequence of the death, bankruptcy, insolvency of any member, upon producing such evidence that he

		sustains the character in respect of which he proposes to act under the Articles or of the title as the Board thinks sufficient, may with consent of the Board (which it shall not be under any obligation to give) be registered as a member in respect of such shares or subject to the regulations as to transfer herein before contained. (The Article is hereinafter referred to as the “Transmission Article”).
	51.	A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of a member shall, subject to the provisions of Articles or applicable provisions of the Act be entitled to the same dividend and other advantages to which he would be entitled if he were the member registered in respect of the share. Provided that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the share, until the requirements of the notice have been complied with.
		INCREASE AND REDUCTION OF CAPITAL
Increase of capital	52.	The Company in the General Meeting may, from time to time, by ordinary resolution increase the share capital by the creation of new shares of such amount as may be deemed expedient.
Issue of new shares	53.	The new shares shall be issued in terms of relevant provisions of the Applicable Laws upon such terms and conditions and with such rights privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Board of Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets in the Company and with a right of voting as provided under the Act and shall not except as regard the preference shares be deemed to modify the rights of any existing class of shareholders.
	54.	Before the issue of any new shares, the Company in the General Meeting may determine that the same, or any of them shall be offered in the first instance and either at par or at a premium to all the then members of any class thereof in proportion to the amount of the capital held by them or make any other provision to the issue and allotment of the new shares in terms of applicable laws.
How far new shares to rank with shares in original capital	55.	Except so far as otherwise provided by conditions of issue or by these presents, any capital raised by the creation of further shares, shall be considered part of the then existing share capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, voting, surrender and otherwise. All Equity Shares shall at all times rank *pari passu* with the existing Equity Shares with respect to all rights including but not limited to, voting rights, bonus and rights issuances, liquidation rights and dividends.
Inequality in number of further shares	56.	If owing to any inequality in the number of further shares to be issued and the number of shares held by members entitled to have the offer of such further shares, any difficulty shall arise in the apportionment of such further shares or any of them amongst the members, such difficulty shall in the absence of any direction in the resolution creating the shares by the Company in General Meeting, be determined by the Board of Directors.
Reduction of Capital	57.	Subject to the applicable provisions of the Act, the Company may from time to time by special resolution reduce its (a) any balance of Capital Redemption Reserve Account; or (b) any balance of share premium account capital in any manner including by paying off capital or canceling capital or which has been lost or is unrepresented by available assets or reducing the liability on the share or otherwise as may seem expedient and capital may be paid off upon the footing that the called-up capital may be cancelled as aforesaid without reducing the normal amount of the shares by the like amount to the extent that the unpaid and callable capital shall be increased by the like amount.
		ALTERATION OF CAPITAL

Power to subdivide and consolidate	58	The Company by ordinary resolution may from time to time alter the conditions of the Memorandum of Association that is to say:
	(a)	Increase its share capital by the issue of new shares of such amount as it thinks expedient.
	(b)	Consolidate and divide all or any of its shares into shares of larger amount than its existing shares.
	(c)	Convert all or any of its fully paid-up-share into stock and re-convert that stock into fully paid-up shares of any denomination.
	(d)	Sub-divide shares or any of them into shares of smaller amount than paid is fixed by the Memorandum so however than in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
	(e)	Cancel any shares which at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person and diminish the amount of its share- capital by the amount of the shares so cancelled.
Sub-division of shares into stock	59.	Where any share capital is sub-divided, the Company in the General Meeting, subject to the applicable provisions of the Act, may determine that as between the holders of the shares resulting from sub- division, one or more of such shares shall have same preferential or special rights as regards dividend, payment of capital, voting or otherwise.
Power to surrender	60.	Subject to the applicable provisions of the Act, the Directors may accept from any member the surrender on such terms and conditions as shall be agreed for all or any of his share.
CONVERSION OF SHARE INTO STOCK		
	61.	The Company may exercise the power of conversion of its shares into stock and vice versa by passing an ordinary resolution and in that case the corresponding clauses of Table 'F' to Schedule 1 of the Act shall apply. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
DEMATERIALISATION OF SECURITIES		
	62 (1)	For the purpose of this Article 62: "beneficial owner" means a person or persons whose name is recorded as such with a depository: "SEBI" means the Securities and Exchange Board of India; "Depository" means a company formed and registered under the Act, and which has been granted a certificate of registration as a depository under the Securities and Exchange Board of India Act, 1992; "Depositories Act" means the Depositories Act, 1996, as amended; and "security" or "securities" means such securities as may be specified by SEBI from time to time.
	(2)	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act.
	(3)	Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the

		manner provided by the Depositories Act, and the Company shall in the manner and within the time-prescribed issue to the beneficial owner the required certificates of securities. If a person opts to hold his securities with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name to the allottee as the beneficial owner of the security.
	(4)	All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in the applicable provisions of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
	(5)	a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners. b. Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. c. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
	(6)	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
	(7)	Nothing contained in the applicable provisions of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owner in the records of the Company.
	(8)	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
	(9)	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
	(10)	The register and Index of beneficial owners maintained by a depository under the Depositories Act shall be deemed to be the Register and Index of Members and securities holders for the purposes of these Articles.
MODIFICATION OF RIGHTS		
Power to modify rights	63.	Whenever the capital (by the issue of Preference Shares or otherwise) is divided into different classes of shares all or any of the rights and privileges attached to each class may be varied subject to the applicable provisions of the Act and all the provisions hereinafter contained as to the General Meeting shall mutatis mutandis, apply as regards meetings, if any, to be held for the purpose but so that the necessary quorum should be two persons at least holding or representing by Proxy one third of the issued shares of that class.
BORROWING POWERS		
Power to borrow	64.	Subject to the applicable provisions of the Act, the Board of Directors may, from time to time at their discretion raise or borrow and secure the payment of any sum or sums of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital for the time being and may themselves lend to the Company on security or otherwise. The Articles pertaining to share certificates, shall mutatis mutandis apply to debentures of the Company.

Conditions on which money may be borrowed	65.	The Board of Directors may raise or secure the repayment of any sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the creation of the mortgage or charge on the undertaking of the whole or any part or the property, present or future or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable, debentures or debenture-stock of the Company charged upon all or any part of the property (both movable and immovable) of the Company both present and future including its uncalled capital for the time being.
Issue of Securities at discount etc. or with special privileges	66.	Subject to compliance with Applicable Law, any debenture, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending the General Meeting of the Company, appointment of Directors and otherwise. Debenture, Debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures, Debenture-stock, Bonds or other securities with a right to allotment of or conversion into shares of any denomination shall not be issued except with the sanction of the Company in the General Meeting.
Reserves	67.	The Board may subject to the applicable provisions of the Act, before recommending any dividend, set aside any of the portions of the profits of the Company as it thinks proper as reserves which shall at, 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 think prudent not to divide without setting them aside as a reserve.
		PROCEEDING AT GENERAL MEETING
Extra ordinary General Meeting	68.	In addition to any other meetings, a general meeting of the Company shall be held within such interval as specified in the Act, and subject to the applicable provisions of the Act, at such times and places as may be determined by the Board. All general meetings other than 'Annual General Meetings' shall be called 'Extra Ordinary General Meetings'.
	69.	The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting. If at any time there are not within India, Directors capable of acting who are sufficient in number to form a quorum, the Directors present in India may call an Extra Ordinary General Meeting, in the same manner and as nearly as possible as that in which such a meeting may be called by the Board.
	70.	The accidental omission to give notice of any meeting to or the non- receipt of any such notice by any of the members or other persons entitled to receive such notice shall not invalidate any resolution passed at any such meeting.
	71.	No business shall be transacted at the General Meeting of the Company unless a quorum of members is present at the time when the meeting proceeds to commence business. Save as otherwise provided herein, the quorum for the general meetings shall be as prescribed under Section 103 of the Act. No business shall be transacted at any General Meeting unless the requisite quorum shall be present throughout the meeting.
	72.	Any act or resolution which, under these Articles or the Act is permitted or required to be done or passed by the Company in the General Meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in the Act unless either the Act or the Articles specifically require such act to be done or resolution to be passed by a special resolution as defined in the Act.
	73.	The Chairman of the Board shall take the chair at every General Meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes, or is unwilling to act, or if any of the Directors present decline to take the chair, then the members present shall choose one of their members being a member entitled to vote to be the Chairman of the meeting.
	74.	If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the General Meeting if convened

		by or upon the requisition of members shall stand dissolved. In any other case, the General Meeting shall stand adjourned on the same day in the next week or if that day is public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the city or town in which the office of Company is for the time being situate, as the Board may determine, and if at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present, shall be a quorum and may transact the business for which the General Meeting was called.
	75.	Every question submitted to a meeting shall be decided, through voting by electronic means in terms of the Applicable Law, the Chairman of the meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a member.
	76.	The Chairman of the General Meeting may adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Save as provided in Section 103 of the Act and subject to these Articles, when a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
		VOTE OF MEMBERS
Votes of Members	77.	(a) Every member of the Company shall have the right to vote on every resolution placed before the Company and his voting right shall be in proportion to his share in the paid-up equity share capital of the Company; provided that no member Company, shall vote by Proxy so long as resolution of its directors under the applicable provisions of the Act is in force. Preference shares whether redeemable or otherwise shall confer the right of vote only when the dividend on such shares is in arrears for not less than two years or when any resolution is proposed for reducing capital of the Company or winding up of the Company or directly effecting the interest of holder of such shares of a class as regards dividend return of capital or voting. Upon any question which entitles the holders of Preference shares whether redeemable or otherwise to vote, those shares shall confer one vote on each shareholder.
		(b) The holder of shares on which any calls are in arrears shall not be entitled to any voting right.
		(c) Where a body corporate is a member of the Company it would be represented at the meeting of the Company in the manner laid down under the Act.
		(d) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall only vote once.
	78.	Notwithstanding anything contained in these Articles, pursuant to the applicable provisions of the Act, the Company may, and in case of resolutions relating to such business as notified by the central government or other authority declared to be transacted only by way of passing through postal ballot (including voting by electronic mode) shall, get a resolution passed by means of a postal ballot (including voting by electronic mode), instead of/ in addition to transacting the business in the General Meeting of the Company. Where the Company decides to pass any resolution by postal ballot, it shall send a notice by registered post acknowledgment due, or by any other method as may be prescribed by the Governmental Authority in this behalf to all the shareholders, along with draft resolution explaining thereof, and requesting them to send their assent or dissent in writing on postal ballot, in postage pre-paid envelope to be provided by the Company, within a period of 30 days or within such period as may be prescribed by the Governmental Authority from the date of posting of the notice and blank postal ballot. If a resolution is assented to by the requisite majority of the shareholders by way of postal ballot (including voting by electronic mode), it shall be deemed to have been duly passed at the general meeting in that behalf.
Votes in respect of	79.	Any person entitled under the Transmission Article to transfer any shares may

deceased Insane and Insolvent members		vote at any General Meeting in respect thereof in the same manner as if he was the registered holders of such shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the directors of his right to transfer such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non- compos mentis, he may vote (whether by a show of hand or at poll) by his committee curator bonis or other legal curator and such last mentioned persons may give their votes by Proxy.
Joint Holders	80.	Where there are joint registered holders, any one of such person may vote at any meeting either personally or by Proxy in respect of such shares as if he was solely entitled there to and if more than one of such joint holders be present at any meeting either personally or by Proxy, then one of the said persons so present whose name stands first on the Register in respect thereof. Several executors or administrators of a deceased member in whose name the share stands shall for the purpose of this Article be deemed joint holders thereof.
Vote by Unsound Member	81.	If any member is of unsound mind he may vote by his committee curator bonis or other legal curator and such last mentioned persons may give their vote by Proxy. If any Member is a minor, his guardian may give the vote in respect of his share. If more than one person claims to exercise the right of vote under this Article, the Chairman of the Meeting may select in his absolute discretion any one person and will accept his vote.
Proxies permitted	82.	Subject to Applicable Law, votes may be given either personally or by Proxy, or in the case of a member Company, by a representative duly authorised as aforesaid.
Instruments appointing Proxy to be in writing	83.	The instrument appointing a Proxy shall be in the form as prescribed in the rules made under Section 105 of the Act. A proxy who is appointed for a specified meeting only shall be called a special Proxy. Any other proxy shall be called a general Proxy.
	84.	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person whether a member or not, as his Proxy to attend and vote instead of himself but the Proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll.
	85.	The instrument appointing a Proxy and the power of attorney or other authority if any under which it is signed or notorially certified copy of that power or authority shall be deposited at the office of 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. No instrument appointing a Proxy shall be valid after the expiration of the specific meeting or its adjourned meeting as the case may be.
When vote by Proxy valid though authority revoked	86.	A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the instrument of Proxy or of the authority under which the Proxy was executed or transfer of the shares in respect of which the Proxy is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Chairman at the office before the commencement of the Meeting provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.
Form of Instrument appointing special Proxy	87.	Every instrument appointing a special Proxy shall, as nearly as circumstances admit, be in any of the forms set out in the Act or a form as near thereto as the circumstances admit.
Members not to vote when call due	88.	No member shall be entitled to exercise any voting rights, either personally or by Proxy, at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Validity of Vote	89(1)	Any objection as to the admission or rejection of a vote on a show of hands or on a poll made in due time shall be referred to the Chairman who shall forthwith

		determine the same and such determination shall be final and conclusive.
	(2)	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given to tender and every vote not disallowed at such meeting shall be valid for all purpose.
		DIRECTORS
First Directors	90.	The following were the first directors of the Company. (1) Mrs. Kamal Inder Kaur (2) Mr. Harvinder Pal Singh (3) Mr. Satvinder Singh
Number of Directors	91.	The Board shall at all times comprise of a minimum of 3 (three) and a maximum of 20 (Twenty) directors. The Company in the General Meeting may, subject to provision of these Articles and the applicable provisions of the Act, by special resolution, increase or reduce the number of its Directors.
Power of Directors to add its number	92.	The Board of Directors shall have power at any time and from time to time to appoint any person as Additional Director but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles and so that such appointment shall not be effective unless two-thirds of the Directors concur therein. Any Director so appointed shall hold office only until the date of the next following annual general meeting of the Company but shall be eligible for re-election at such meeting. Independent directors may be appointed by the Board as and when it so deems fit.
Share Qualification	93.	A director shall not be required to hold any qualification shares in the Company.
Director fee remuneration and expenses	94.	(i) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid (1) a sitting fee as the Board may determine from time to time, for attending meetings of the Board or committees thereof; (2) all travelling (economy class air fares within India), hotel and other expenses properly incurred (actually and reasonably) by them (a) in attending and returning from meetings of the Board or any committee thereof or general meetings of the Company; or (b) in connection with the Business of the Company. (ii) Subject to the provisions of Act, the Directors may be paid commissions on the net profit of the Company within the time limit provided in the applicable provisions of the Act to be divided between them in equal share or in such proportion as may be agreed between them.
Remuneration for extra services	95.	Subject to the applicable provisions of the Act, if any Director or Directors being willing shall be called upon to undertake and/ or to perform extra professional or other services or to make any special exertions in going or residing outside the office for any of the purposes of the Company or in giving special attention to the whole or any part of the Business of the Company, as a member of the Committee or directors or otherwise, the Company may pay him additional remuneration, either by a fixed sum or percentage of profits or otherwise with such sanctions and approvals, if any, as may be required under the Act.
Directors may act notwithstanding vacancy	96.	The continuing Directors may act notwithstanding any vacancy in the board but, if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purposes of increasing the number of Directors to that fixed for the quorum or of summoning of the General Meeting of the Company, but for no other purpose.
	97.	Subject to the fulfillment of the applicable provisions of the Act, a Director shall be disqualified from contracting with the Company either as vendor or purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company and any such contract or arrangement, entered into by or on behalf of the Company with a Relative of such Director or a firm in which such Director or Relative is a partner or with any other partner in such firm or with a private company in which such Director is a member or Director be void, nor shall any Director so contracting or being such member or so interest be liable to account to the Company for any profit realised by such contract or arrangement, by reason of such Director holding that office or of the fiduciary relation thereby established.

Directors may fill up casual vacancy	98	Any casual vacancy occurring among the Directors may be filled up by the Board of Directors, but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred. Provided that the Directors shall not fill a casual vacancy by appointing any person who has been removed from the office of a Director of the Company.
Power to nominate Directors	99.	Subject to the provisions of the Act, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.
	100.	The Board shall be entitled to nominate during the period of absence of a Director for a period not less than three months from India, an individual to be appointed as that Director's alternate at any meeting of the Board in which that Director is absent provided that (i) such alternate must be an individual who is not currently serving as a Board member, (ii) such alternate shall not assume the position of the Chairman, Vice Chairman, Secretary or Treasurer of the Company, and such appointment of the alternate is made in accordance with the applicable provisions of the Act and the Articles, and such alternate Director shall, ipso facto vacate office if and when the Original Director returns to India. The alternate Director shall be entitled, while holding office as such, to receive notices of meetings of the Board and attend, participate and vote as a Director at any such meeting at which the original Director appointing him/her is not present and generally to exercise all the powers, rights, duties and authorities and to perform all functions of the original Director appointing him/her. Upon the appointment of the alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar of Companies.
Director may be Director of companies promoted by this company	101.	A Director of the Company may be or become a Director of any Company promoted or in which he may be interested as the Company vendor, shareholder or otherwise, and no such director shall be accountable for any benefits received as Director or member of such Company subject to the applicable provisions of the Act.
Non- rotational Directors	102.	Subject to the approval of the Central Government under the applicable provision of the Act, if at any time the Company obtains any loans from any financial institution referred to in this Article as “The Corporation” or enters into underwriting arrangement with corporation and it is a term of such loan of the under writing arrangement that the Corporation shall have the right to appoint one or more directors to the Company then subject to the terms and conditions of such loan or underwriting agreements the Corporation shall be entitled to appoint one or more Directors as the case may be to the Board of the Company and to remove from office any Director so appointed and to appoint another in his place or in the place of a Director so appointed who resign or otherwise vacates his office, subject to compliance with applicable provisions of the Act. Any such appointment or removal shall be made in writing and shall be signed by the Corporation or by any person duly authorised by it and shall be served at the office of the Company.
Rotation of Director	103.	At the Annual General Meeting of the Company in every year, one third of the total number of Directors for the time being liable to retire by rotation and if their number is not three or a multiple of three than the number nearest thereto shall retire from office. Subject to compliance with applicable laws, the Directors to retire at such Annual General Meeting shall be the Directors (other than ex- officio Directors or Managing Director or Directors who by virtue or the provisions of any agreement with any Central or State Government or credit institution or otherwise are appointed are not liable to retire) who shall have been longest in office since their last election. As between Directors who become Directors on the same day these to retire shall (in default of agreement between them) be determined by draw of lot for the purpose of this Article. A Director appointed to fill a vacancy under the provisions of Article 98 shall be deemed to have been in office since the date on which the Director in whose place he was appointed was last elected as a Director. Mr. H P Singh shall be the non-

		retiring Promoter Director on the Board.
Retiring Directors	104.	Retiring Directors shall be eligible for re-election in accordance with provisions of the Act.
Procedure, if no election	105.	If at any meeting at which an election of Directors ought to take place, the places of the vacating Director are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place. if at the adjourned meeting the places of the vacating Directors are not filled up, the vacating Directors or such of them as have not had their places filled up, shall be deemed to have been reelected at the adjourned meeting.
Debentur Trustee nominee director	106.	(1) Notwithstanding anything contained in this Articles, the Board shall have the power, on receipt of the nomination by the relevant debenture trustee to appoint a nominee director on the Board of the Company, in the following circumstances: a) 2 (two) consecutive defaults in payment of interest to the debenture holders; or b) default in creation of security; or c) default in redemption of the debentures. Such nominee director may not be liable to retire by rotation nor be required to hold any qualification shares. The debenture trustee may have the right to remove such Nominee Director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever in the nominee director/s so appointed, at any time appoint any other person as nominee director. Such appointment or removal shall be made in writing to the Company. Notwithstanding anything contained in these Articles and save as otherwise provided in Article 106(1) of these Articles, whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution, or any person or persons, (hereinafter referred to as "the Appointer") for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board or any committee or any officers of the Company (so authorised), shall have the power to agree that such Appointer shall have if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board in compliance with the applicable laws, for such period and upon such conditions as may be mentioned in the agreement or contract and that such nominee director may not be liable to retire by rotation nor be required to hold any qualification shares. The Appointer may have the right to remove such nominee director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever in the Nominee Director/s so appointed, at any time appoint any other person as nominee director. Such appointment or removal shall be made in writing to the Company.
		PROCEEDINGS OF BOARD MEETINGS
Meeting of Directors	107.	The meetings of the Board shall be conducted as follows: i. Board meetings shall be held at least once in every quarter in a manner that no more than 120 (one hundred and twenty) days shall intervene between two consecutive Board meetings. Each of the Chairman, the Vice Chairman, if any or 60% of the Directors on the Board shall be entitled to call a Board meeting at any time after giving written notice of not less than 7 (seven) Days or on such shorter notice as permissible under the Act to all the Directors specifying the agenda of the meeting;

		ii. without limiting the generality of the foregoing contained in Article 107(i), a written notice shall be given to each Director (including an alternate Director) for each Board meeting, setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting; iii. the distribution of the agenda and necessary information to the Directors before any Board meeting and the preparation of the minutes shall be in accordance with the procedure laid out in these Articles or Applicable Law, as the case may be; iv. each Director shall be entitled to cast one (1) vote in the decisions of the Board, these Articles and the Act all decisions at a meeting of the Board or at a committee of the Board shall be made by a simple majority of the votes cast by the Directors present at such meeting, provided however, that in case of equality of votes the Chairman shall have a second or casting vote; v. a circular resolution shall be considered valid provided a draft of such resolution has been sent to all of the Directors at their usual address by post or email, together with a copy of all supporting papers and it is approved by or on behalf of a majority of the Directors; and vi. to the extent permitted under Applicable Law, a Director may participate in a meeting of the Board through video conferencing or other audio visual means (as defined under the Act) which allows all persons participating in the meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting. Where any Director participates in a meeting of the Board by any of the abovementioned means, the Company shall ensure that such Director is provided with a copy of all documents to be referred to during such Board meeting, before the Board meeting commences. If any Director participates in a Board meeting through video conferencing or other audio visual means, the Company shall ensure that the video recording of such meeting is preserved for the period as prescribed under the Act. For the avoidance of doubt, it is hereby clarified that if any Director participates in a meeting of the Board through video conferencing or other audio visual means, such Director shall also be entitled to vote at such Board meeting along with other Directors who attend such meeting by being physically present at the Board meeting.
D&O Policy and No Duplication of Payments	108.	The Company shall use its best efforts to obtain a directors and officers liability insurance policy ("D&O Policy"), insuring all the Directors and officers of the Company against losses and damages incurred by them in the course of their duties. The D&O Policy shall insure the Directors and officers during the term of their office and post their resignation as a Director and/or officer (as the case may be) for the entire duration permitted under Applicable Law provided that the requirement to insure post resignation will be limited to losses and damages incurred by them in the course of their duties during their tenure as a Director and/or officer (as the case may be). The Company shall not be liable under these Articles to make any payment to a Director and/or officer of the Company in accordance with the provisions of this Article 108 only to the extent that such Director and/or officer of the Company has actually received payment under the D&O Policy. It is clarified that the Company shall continue to be liable to indemnify its Director in terms of this Article 108 for any amount that is not covered by or payable under the D&O Policy.
Chairman of Board of Directors	109	The Board of Directors shall appoint from amongst its members a chairman and the Director so chosen shall continue as Chairman until otherwise determined by the directors. If at any meeting of the Board of Directors, the Chairman be not present within thirty minutes of the time appointed for holding

		the same or if he is unable or unwilling to take the Chair then the Board may elect one of their other members to act as the Chairman of that meeting.
Power of Board	110.	A meeting of the Board of Directors for the time being at which a quorum be present shall be competent to exercise all the powers under the Articles of the Company for the time being vested in or exercisable by the Directors generally. The quorum for a Board meeting shall be the minimum prescribed under the Act. Subject to the provisions of the Act and the Articles, the Board will be responsible for the overall direction, supervision and management of the Company.
Power to appoint Committee to delegate	111.	The Board of Directors may from time to time, subject to the applicable provisions of the Act, delegate any of their powers to a committee consisting of such member or members of their body, managers and other officer(s) of the Company as they think fit and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed upon it by the Board of directors.
Proceeding of Committee	112.	The meeting and proceedings of any such committee shall be governed by provisions herein contained for regulating the meeting and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Board of Directors under the last preceding Article.
When acts of Directors committee valid notwithstanding	113.	All acts done at any meetings of the directors or of a Committee of Director or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to act done by a director after the appointment of such Director has been shown to be invalid.
Resolution by circulation	114.	A resolution may be passed by the Board or committee thereof by circulation in accordance with the Act. Save for the purpose of applicable provisions of the Act, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Directors or of the Committee thereof duly called and constituted if it is circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors or members as are then in India or by a majority of such of them as are entitled to vote on the resolution.
		POWERS OF DIRECTORS
General Power of Directors	115.	(1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any powers or do, any act or things which is directed or required by the Act or any other law or by the Memorandum of Association of these Articles or occurrence to be exercised or done whether by the Company in the General Meeting. Provided further, that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act, or any other statue or in the Memorandum of Association of the Company or in these Articles or in any regulations made by the Company in the General Meetings but no regulations made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
		(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board and all such acts would be valid as if that regulation had not been made.
Power to delegate	116.	(i) Without prejudice to the general powers conferred by the preceding Articles, the Board of Directors may from time to time and subject to the restrictions contained in the Act, delegate to any of the Directors, employees or

		other persons including any firm or body corporate any of the powers, authorities and discretions for the time being vested in the Board of Directors. (ii) All deeds, agreements and documents and all cheques promissory notes, drafts, hundies, bills of exchanges and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted or endorsed or otherwise executed as the case may be by such persons (including any firm and body corporate) whether in the employment of the Company or not and in such manner as the Directors shall from time to time determine.
Management abroad	117.	The Board of Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad and may for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and the instrument to be sealed shall be signed by such persons as the Board of Directors shall from time to time by writing under the Common Seal appoint. The Company may also exercise the powers of keeping Foreign Registers.
MINUTES		
Minutes	118.	(i) Subject to the applicable provisions of the Act, the Chairman shall cause minutes of the proceedings of every general meeting and meetings of the board of directors and committees of the Board to be kept in accordance with the relevant provisions of the Act and the Company Secretary of the Company shall prepare the minutes to be duly entered in books provided for the purpose and the minutes shall contain: (a) the names of the Directors present at each meeting of the Directors and of any Committee of Directors; (b) all orders made by the Board of Directors or committee of Directors; (c) all resolutions and proceedings of General Meeting and of meetings of the Directors and Committees. And any such minutes of any meeting of the Directors or of any committee or of the Company, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meetings in accordance with the Act shall be conclusive evidence of the matters stated in such minutes.
MANAGING DIRECTOR/MANAGER/CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO)/SECRETARY		
Manager or Managing Director or CEO or CFO or secretary	119.	(i) The Board shall appoint and continue the appointment of Mr. HP Singh as the Chairman cum Managing Director of the Company and he shall be a non-retiring Promoter Director of the Company. (ii) Subject to the applicable provisions of the Act, the Board of Directors may appoint Managing Directors, Chief Executive Officer, Chief Financial Officer and a Secretary on such terms and at such remuneration and upon such condition as they may think fit and any Managers; Managing Director or Managing Directors, Chief Executive Officer, Chief Financial Officer and Secretary so appointed may be removed by the Directors and they may appoint another or others in his or their place/places. (iii) Subject to the applicable provisions of the Act, a Director may be appointed as Chief Executive Officer, Chief Financial Officer, Manager, Managing Director or Secretary. (iv) The provisions of the Act or these regulations requiring or authorizing a thing to be done by a Director, Manager or Managers or Managing Directors, Chief Executive Officer, Chief Financial Officer and secretary, shall not be satisfied by its being done by the same person acting both as Director and Manager or Managing Director or Managing Directors, Chief Executive Officer, Chief Financial Officer and Secretary. Subject to the applicable provisions of the Act, the Board shall have power to

		appoint or employ any person to be the Manager of the Company upon such terms and conditions as the Board thinks fit and vest in such manager such of powers, vested in the Board, as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to restrictions as it may determine and at such remuneration as it may think fit.
What provisions he will be subject to	120.	A Managing Director or Chief Executive Officer or Chief Financial Officer or Secretary of the Company if he is also a Director of the Company shall not while he continues to hold that office be subject to retirement by rotation but subject to the provisions of any contract between him and the Company he shall be subject to the same provisions as to resignation and removal of the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director or whole time Director for any cause after he ceases to be a Director.
Remuneration	121.	Subject to the compliance of applicable laws, in addition to the usual remuneration as an ordinary Director under these Articles, the remuneration of the Managing Director or Manager or Chief Executive Officer or Chief Financial Officer or secretary, shall be fixed by the Company in General Meeting and be by way of fixed salary or at a specified percentage of the net profits of the Company or both; provided that such percentage shall not exceed 5% (five percent) for any one such officer and 10% (Ten percent) for all of them together.
Powers and Duties	122.	The Board of Directors may, subject to the applicable provisions of the Act, from time to time, entrust to and confer upon a Managing Director or Chief Executive Officer or Chief Financial Officer or Secretary, for the time being such of the powers exercisable under these present by the Board of Directors, as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions, and such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and substitution for all or any of the power of the Board of Directors in that behalf and may from time to time revoke, alter or vary all or any of such powers.
Secretary	123.	Subject to the applicable provisions of the Act, the Board may from time to time appoint or employ any person to be secretary of the Company upon such terms, conditions and remuneration as it thinks fit to perform any functions which by the Act or the Article for the time being of the Company are to be performed by the secretary and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the secretary by the Board. The Board may, subject to the provisions of the Act, also at any time appoint some person (who need not be the secretary) to keep the registers required to be kept by the Company. Subject to the provisions of the Act, a director may be appointed as a secretary.
		THE SEAL
Custody of Seal	124.	(a) The Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy and substitute a new seal in lieu thereof. (b) The Board shall provide for the safe custody of the Seal and the seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the Company Secretary or manager, if any, or any other person as authorised by Board or Committee and such director or Company Secretary or manager, if any or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence provided that in respect of the Share Certificate the Seal shall be affixed in accordance with applicable provisions of Companies Act and any other applicable laws, as amended from time to time. (c) (c) The Company may exercise the power conferred by the Act, which empowers the directors to provide for use of an official seal in any territory outside India.
		CAPITALISATION

Capitalisation	125.	(1) The Company in General Meeting may, upon the recommendation of Board, resolve: a) To capitalise whole or any part of the amount for the time being standing to the credit of any of the Company's reserve account, or to the credit of the profit and loss account or otherwise available for distribution and b) That such sum be accordingly set free for distribution in the manner specified in sub-article (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) Subject to the provisions of the Act and to the extent permissible, the sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in sub- article (3) below, either in or towards: a) Paying up any amounts for the time being unpaid on any shares held by such members respectively. b) Paying up in full, un-issued shares of the Company to be allotted and distributed, credited as fully paid upto and among such members in the proportion aforesaid or, c) Partly in the way specified in (1) and partly in that specified in (2) above. (3) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued shares to be issued to members of the Company as fully paid bonus shares or for any other purpose specified in the Act. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
	126.	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall: a) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any; and b) Generally do all acts and things required to give effect thereto. (2) The Board shall have full power: a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions and, b) To authorise any person to enter, on behalf of the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares. (3) Any agreement made under such authority shall be effective and binding on all such members.
DIVIDENDS		
How profits shall be divisible	127.	Subject to the rights of members (if any) entitled to shares with preferential or special rights attached thereto, the profits of the Company which it shall from time to time determine to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity Shares of the Company, but

		so that partly paid up share only entitled the holder with respect thereto to such a proportion of the distribution upon fully paid up shares as the amount paid thereon bears to the nominal amount of such share. All Dividends shall be apportioned and paid proportionately 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. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Declaration of dividends	128.	The Company in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the applicable provisions of the Act, fix the time for payment.
Restrictions on amount of dividends	129.	No larger dividend shall be declared than that recommended by Directors, but the Company in General Meeting may declare a smaller dividend.
Dividend out of profit only	130.	Subject to applicable laws, no dividend shall be payable except out of profits of the Company for the year or any other undistributed profits and no dividend shall carry interest as against the Company.
What to be deemed net profits	131.	The declaration of the net profits of the Company in the audited annual Accounts for any year shall be conclusive evidence of the profit.
Interim Dividends	132.	Subject to the provisions of Section 123 of the Act, the Board of Directors may from time to time, pay to the members such interim dividends as in their judgment as the position of the Company justifies.
Debts may be deducted	133.	The Directors may retain any dividends payable and bonuses declared on which the Company has lien and may apply the same in or toward satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Dividend and call together	134.	Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call subject to the applicable provisions of the Act.
Effect of transfer	135.	A transfer of shares shall not pass the rights to any dividend declared thereto before the registration of the transfer in the Company.
Retention in certain cases up on shares	136.	The Directors may retain the dividends payable in respect of any member for which any other person is under the transmission and is entitled to become a member or in respect of which any person is entitled to transfer until such person shall become a member.
Dividend to joint holders	137.	Any one of several persons who are registered as the joint holders of any share may give effectual receipt for all dividends, bonuses and other payments, in respect of such shares.
Payment by post	138.	Unless otherwise directed in accordance with the Act, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled there to, or in the case of joint holder to the registered address of that one whose name stands first on the register in respect of joint holding or to such person and at such address as the member or person entitled or such joint- holders as the case may be, may direct that cheque or warrants so sent shall be made payable to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holders as the case may be, may direct.
Unclaimed Dividends	139.	All dividends unclaimed shall be dealt in accordance with the applicable provisions of the Act and the rules made thereunder.
BOOKS AND DOCUMENTS		
Accounts	140.	The Directors shall cause true accounts to be kept of all the sums of money received and expended by the Company and matters in respect of which such receipt and expenditure take place including the Profit & Loss Account and Cash flow statement and of the assets, credits and liabilities of the Company and the Directors shall be entitled to examine and inspect the same.
Books where to be kept	141.	The books of account shall be kept at the registered office or at such other place

		as the Directors think fit and shall be open to inspection by the Directors during business hours.
Inspection by members	142.	The Directors shall from time to time, subject to the applicable provisions of the Act, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts or books or documents etc. of the Company or any of them shall be open to the inspection of members, not being Director and no member (not being a director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Company in General Meeting and no member, not being a director shall be entitled to require or receive any information concerning the Business, trading or customers of the Company or any trade secret or secret process used by the Company.
	143.	The Company shall maintain accurate and complete books of accounts of the Company in which full and correct entries shall be made of all financial transactions, Assets and Business in accordance with the Accounting Principles.
Accounts and Balance sheet	144.	a) At every Annual General meeting, the Directors shall lay before the Company a Balance Sheet and Profit and Loss Accounts in the prescribed form and giving the information required by the Act, made upto the date not earlier than the date of the meeting by more than six Months subject to the rights of the Registrar of Companies to extend the period for any special reason by a period not exceeding three Months save in the case of first Annual General Meeting. b) The profit and loss account shall in addition to the matters referred to in the Act, show arranged under the most convenient heads, the amount of gross income distinguishing the several source from which it has been derived and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Even items of expenditure fairly chargeable against the year's (as the case may be) income shall be brought into account so that a just balance of profit and loss may be laid before the meeting and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year, as the case may be.
Report of Directors	145.	Every such balance sheet be accompanied by a report of the Directors as to the state and condition of the Company and as to the amount which they recommend to be paid out of the profits by way of dividend or bonus to the members and the amount (if any) which is proposed to carry to the reserve fund according to the provisions in that behalf here-in-before contained and the account, report and balance sheet shall be signed by the Directors, officers as laid down under the Act.
Copy to be sent to members	146.	A printed copy of such account, balance sheet and report shall, at least twenty one days previous to the Annual General meeting, be served on the registered holders of shares, in the matter in which notice are hereinafter directed to be served.
	AUDIT	
Accounts to be audited	147.	Once at least in every year accounts of the Company shall be examined and the correctness of the profits and loss account and balance sheet ascertained by one or more auditors.
Appointment of Auditors	148.	The appointment of auditor or auditors of the Company and their removal, resignation, remuneration, rights and duties shall be regulated in accordance with Section 139 to 143 of the Act, applicable provisions/circulars/guidelines issued by RBI and subject to the applicable policy of the Company. The Company shall prepare annual financial statements on consolidated and standalone basis in accordance with Accounting Principles.
Remuneration	149.	The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of the first auditor or any auditor appointed to fill any casual vacancy may be fixed by the Board of Directors.

Rights of Auditors to access to books	150.	(1) Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to enquire from the Directors and officers of the Company such information and explanations as may be necessary for the performance of the duties of the Auditor. (2) The Auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet of the Company laid before the Company in General Meeting during the tenure of their office and the Report shall state: (a) Whether or not they have obtained all the information and explanation they have required. (b) Whether in their opinion, the balance sheet referred to in the report is properly drawn up in conformity with law and these regulations so as to exhibit a true and fair view of the state of the Company's affairs according to the best of their information and the explanations given to them and as shown by the books of the Company. (c) The balance sheet and profits and loss account shall be signed on behalf of the Board as required under the Act and Auditor's report shall be attached to the balance sheet and there shall be inserted at the foot of the balance sheet a reference to the report and the report, shall be read before the Company in the Annual General Meeting and shall be open to inspection by any shareholder.
Accounts conclusive	151.	Every Balance Sheet and Profit & Loss Account of the Company, when audited and approved by the Company in the Annual General Meeting shall be conclusive, in respect of transactions of the Company for the relevant year.
	NOTICES	
Notice how given	152.	(1) A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address) to the address if any supplied by him to the Company or in any other manner as permissible under the Act, for giving notices to him. (2) Where notice is sent by post, service of the notice shall be deemed to be affected by properly addressing, preparing and posting a letter containing the notice and unless the contrary is proved, it shall be deemed to have affected at the time at which the letter would be delivered in the ordinary course of post.
Where no address registered	153.	If a member has no registered address in India and has not supplied to the Company an address for him then a notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appear.
Notice to deceased or insolvent member	154.	A notice may be given by the Company to the persons entitled to shares in consequence to the death or insolvency of member by sending it through the post in a prepaid letter addressed to them by name, or by the little representative of the deceased, or assignee of the insolvent or by any like description, at the address (if any) supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving in notice in any manner in which the same might have been given if the death or insolvency had not occurred.
Notice of joint Holders	155.	A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
	156.	Notice of every General Meeting shall be given in the manner herein before authorised to (a) every member of the Company except those members who (having no registered address) have not supplied to the Company an address for giving of notice to them and also to (b) every person entitle to a share in consequence of the death or insolvency of a member, who, but for his death or insolvency, would be entitled to receive notice of the meeting.
	157.	The accidental omission to give notice to, or the non- receipt of notice, by any member or other person to whom it should be given, shall not invalidate the

		proceeding at the meeting.
	158.	Every person who by operation of law, transfer or other means whosoever shall become entitled to any share shall be bound by every notice in respect of such share which previous to his name and address being entered on the register might have been given to the person from whom he derives his title to such share.
	159.	The signature to any notice to be given by the Company may be written or printed.
RECONSTRUCTION		
	160.	Subject to the applicable provisions of the Act, on sale of the undertaking of the Company, the Board of Directors or the Liquidators in a winding up may if, authorised by a special resolution, accept fully paid or partly paid up shares, debenture or securities of any other Company whether incorporated in India or not either then existing or to be formed for the purchase in whole or in parts of the property of the Company and the Directors (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them and any such special resolution may provide for the distribution or appropriation of the cash, shares or other securities benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents.
SECRECY		
No shareholder to enter the premises of the Company without permission	161.	No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors, or subject to these Articles, require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may, relate to the conduct of the Business of the Company and which in the opinion of the directors will not be in the interest of the members of the Company to communicate.
WINDING UP		
	162.	The Company shall promptly inform the stakeholders if it receives notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other Applicable Law or if a receiver or administrator is appointed over any of its properties or Business or undertaking.
Distribution of Assets	163.	If the Company shall be wound up, the surplus assets shall be applied in the first place in repaying to the holders of the Preference Shares the amount paid up thereon with all arrears or deficiency of dividend (if any) upto the commencement of the winding up, and the residue shall belong to the holder of the Equity Shares in the Proportion set forth in the Memorandum of Association of the Company and to the holders of such other class or classes of shares according to the rights existing in them.
Distribution of Assets in specie	164.	Subject to the provisions of Applicable Law- (1) If the Company shall be wound up either voluntarily or otherwise the liquidators may with the sanction of a special resolution, divide among the contributories in specie or kind, whole or any part of the assets of the Company, and may, with the like sanction, vest whole or any part of the assets of the Company in trustee upon such trusts for the benefit, of the contributories or any one of them as the liquidators, with the like sanction, shall think fit. (2) If thought expedient any such division may be otherwise than in

		accordance with the legal rights of the contributors (except where unilaterally fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part; but in case any division otherwise than in accordance with legal rights of the contributories shall be determined on any contributories who would be prejudiced thereby shall have a right to dissent any ancillary rights as if such determination were a special resolution passed pursuant to the provisions of the Act. Relevant provisions of the Applicable Law shall be duly complied with in this connection. (3) In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the Liquidators to sell his portion and pay him the net proceeds and the Liquidator shall, if practicable, act accordingly.
INDEMNITY		
Indemnity	165.	Subject to the applicable provisions of the Act, the Directors, managers, Auditors, trustees and officers for the time being of the Company shall be indemnified out of the funds of the Company against all bonafide costs, charges, losses, damages, and expenses which they shall respectively incur or be put to on account of any contract, act, deed, matter or thing which shall be made, done, entered into or executed by them respectively on behalf of the Company and the Directors, Managing Director or managers, CFO, secretary, trustees or other officers shall be reimbursed by the Company all responsible expenses incurred by them in or about any legal proceedings or arbitration on account of the Company, or otherwise, in the execution of their reasonable offices, except such cost, losses and expenses as shall happen through their respective willful default or neglect, and any such, Director, manager, CFO, secretary or other officers shall be chargeable only for so much money as he or they shall actually receive and they respectively shall not be answerable for the acts, receipts, neglects or defaults of each other but each of them for his own acts, receipts defaults or neglect only, nor shall they respectively be answerable for any banker, broker, collector or other person with whom or into whose hands any property or moneys of the Company may be deposited nor the insufficiency of the title to any estate or property which may from time to time be required on behalf of the Company, nor for the insufficiency of any security upon which any of the moneys of the Company shall be invested by order of or under authority from the Directors, nor for any loss or damage which may happen in the execution of their respective offices unless the same shall happen through their own respective willful default or neglect.
REMEDIES AND WAIVER		
	166.	All remedies to any Party under these Articles whether provided herein or conferred by Applicable Law, custom or trade usages, are cumulative and not alternative and may be enforced successively and/or concurrently.
	167.	Forbearance, failure or delay by any Party in the exercise of a remedy hereunder shall not constitute a waiver, nor shall any exercise or partial exercise of any remedy preclude any further exercise of that or any other remedy.
	168.	Any waiver or consent by any Party shall be effective only in the specific instance and for the specific purpose for which it is given and shall not be deemed, regardless of frequency given, to be a further or continuing waiver or consent. Any waiver of any provision in these Articles by any Party shall be deemed to be a "one time" waiver by such Party and such Party shall not be deemed to have waived either that provision or any other provision of these Articles in the future.

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi-110033, India between 10.00 am to 5.00 pm on any Working Days from the date of filing of this Draft Prospectus until the Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated January 24, 2024 executed between our Company and the Lead Manager.

2. Registrar Agreement dated January 19, 2024 executed between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated January 19, 2024 executed between our Company and the Debenture Trustee.

4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

5. Tripartite agreement dated April 2, 2012 among our Company, the Registrar to the Issuer and CDSL.

6. Tripartite agreement dated March 22, 2011 among our Company, the Registrar to the Issuer and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated October 16, 1990, issued in name of Satin Leasing and Finance Private Limited by Registrar of Companies, Delhi and Haryana.

3. Fresh Certificate of Incorporation of the Company dated July 1, 1994 upon conversion of Company from private company to public company and consequently change of name of the Company to Satin Leasing and Finance Limited by Registrar of Companies, Delhi and Haryana.

4. Fresh Certificate of Incorporation of the Company dated April 10, 2000 for change in name to Satin Creditcare Network Limited, by Registrar of Companies, Delhi and Haryana.

5. Certificate of Registration as an NBFC dated December 4, 1998 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934 in the name of Satin Leasing and Finance Limited under the registration number 14.01394.

6. Fresh Certificate of Registration as an NBFC dated November 2, 2000 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934 pursuant to change in name to Satin Creditcare Network Limited under registration number A-14.01394.

7. fresh certificate of registration as an NBFC dated February 4, 2009 issued by RBI u/s 45 IA of the Reserve Bank of India, enabling it to carry on the business of an NBFC without accepting public deposits under registration number B-14.01394.

8. Fresh Certificate of Registration as an NBFC dated November 6, 2013 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934 in name of Satin Creditcare Network Limited under registration number B-14.01394 pursuant to conversion of the Company into NBFC-Micro Finance Institution.

9. Copy of shareholders' resolution on July 6, 2019 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing and security creation limits of the Board of Directors of our Company.

10. Copy of the resolution passed by the Board of Directors dated January 15, 2024 approving the issue of NCDs.

11. Copy of the resolution passed by the NCD Public Issuance Committee at its meeting held on January 24, 2024 approving this Draft Prospectus.

12. Credit rating letter dated December 21, 2023 and revalidation letter dated January 16, 2024 by ICRA Limited

assigning a rating of [ICRA]A (Stable) for the Issue with rating rationale dated January 8, 2024.

13. Consents of the Directors, Chief Financial Officer, Company Secretary and Chief Compliance Officer, Lead Manager to the Issue, Legal Advisor to the Issue, Credit Rating Agencies for this Issue, Bankers to our Company, Registrar to the Issue and the Debenture Trustee for the NCDs to include their names in this Draft Prospectus in their respective capacity.

14. Consent of CRISIL Limited as the agency issuing the industry report "*Report on Microfinance Industry in India*", forming part of the Industry Overview chapter.

15. Report on Microfinance Industry in India prepared by CRISIL Limited, forming part of the section titled "*Industry Overview*".

16. Written consent dated January 24, 2024 from Walker Chandiok & Co. LLP, our Previous Statutory Auditor, and January 24, 2024 from S.S. Kothari Mehta & Co., our Statutory Auditor, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our previous Statutory Auditors and Statutory Auditor, respectively, and in respect of (i) the limited review report dated December 14, 2023 on the Unaudited Interim Condensed Financial Statements for the half year ended September 30, 2023 provided by the current Statutory Auditor; (ii) reports dated April 29, 2023 and May 4, 2022 on the Audited Financial Statements for Fiscal 2023 and Fiscal 2022, respectively, by the current Statutory Auditor; (ii) reports dated June 14, 2021 on the Audited Financial Statements for Fiscal 2021 by the Previous Statutory Auditor; and (iii) reports dated January 24, 2024 on the statement of special tax benefits by the current Statutory Auditor included in this Draft Prospectus.

17. The Limited Review Report dated December 14, 2023 on the Unaudited Interim Condensed Financial Statements for the quarter and six months ended September 30, 2023.

18. The reports on statement of possible tax benefits dated January 24, 2024 issued by S.S. Kothari Mehta & Co.

19. Annual Report of our Company for the last three financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.

20. In-principle listing approval from BSE by its letter no. [•] dated [•].

21. Due Diligence Certificate dated [•] filed by JM Financial Limited with SEBI.

22. Due Diligence certificate dated January 24, 2024 filed by the Debenture Trustee to the Issue.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable , as the case may be have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Prospectus thereto is true, correct, and complete and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company

Harvinder Pal Singh Chairman cum Managing Director DIN: 00333754 Place: Gurugram, Haryana	Sundeep Kumar Mehta Independent Director DIN: 00840544 Place: Noida, UP
Anil Kumar Kalra Independent Director DIN: 07361739 Place: Noida, UP	Satvinder Singh Non-Executive Director DIN: 00332521 Place: Gurugram, Haryana
Sanjay Kumar Bhatia Independent Director DIN: 07033027 Place: Noida, UP	

Date: January 24, 2024

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable , as the case may be have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

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Signed by the Directors of our Company

___________________________ Sangeeta Khorana Independent Director DIN: 06674198 Place: Wimborne, UK

Date: January 24, 2024

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable , as the case may be have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Prospectus thereto is true, correct, and complete and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company

____________________________ Goh Colin Independent Director DIN: 06963178 Place: Singapore

Date: January 24, 2024

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable , as the case may be have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Prospectus thereto is true, correct, and complete and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company

__________________________ Anil Kaul Additional Director (Non-executive & Independent) DIN: 00644761 Place: Mumbai, Maharashtra

Date: January 24, 2024

ANNEXURE A – RATING, RATIONALE, PRESS RELEASE AND REVALIDATION LETTER

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ICRA Limited

ICRA/ Satin Creditcare Network Ltd./16012024/2
January 16, 2024

Mr. Rakesh Sachdeva
Chief Financial Officer
Satin Creditcare Network Limited
Plot No. 492, Udyog Vihar, Phase – III,
Gurugram, Haryana – 122003, India

Dear Sir,

Re: ICRA rating for Rs 200-crore NCD Programme (of which Rs. 200.00 crore is yet to be placed) of Satin Creditcare Network Ltd. (instrument details in *Annexure*)

Please refer to your request dated January 10, 2024 for revalidating the rating letter issued for the captioned programme.

We confirm that the **[ICRA]A** (pronounced as ICRA A) rating with a **Stable** outlook assigned to your captioned programme and last communicated to you vide our letter dated December 21, 2023 stands. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk.

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref: ICRA/Satin Creditcare Network Ltd./21122023/2 dated December 21, 2023.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

Karthik Srinivasan
Senior Vice President
Group Head – Financial Sector Ratings
karthiks@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

Rated Instrument/ ISIN	Rated Amount (In Rs. crore)	Amount Outstanding (In Rs. crore)	Rating Action
NCD			
Proposed issuance^	200.00	-	[ICRA]A (Stable); Revalidated
Total	**200.00**	**-**	

^Proposed Public Issue

Ref No: ICRA/Satin Creditcare Network Ltd./21122023/1

Date: December 21, 2023

Mr. Rakesh Sachdeva
Chief Financial Officer
Satin Creditcare Network Limited
Plot No. 492, Udyog Vihar, Phase – III,
Gurugram, Haryana – 122003, India

Dear Sir,

Re: ICRA assigns credit rating for Rs. 200-crore Non-Convertible Debenture (NCD) Programme of Satin Creditcare Network Ltd.

Please refer to the Rating Agreement/Statement of Work dated October 20, 2023 executed between ICRA Limited ("ICRA") and your company for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]A** (pronounced as ICRA A) rating to the captioned NCD Programme. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using the above assigned rating, it should be stated as **[ICRA]A (Stable).** We would request if you can provide your acceptance on the above Rating(s) by sending an email or signed attached acknowledgement to us latest by **December 26, 2023** as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned rating by the aforesaid date, the rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated January 6, 2023.

Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

Anil Gupta
Senior Vice President
Co-group Head – Financial Sector Ratings
anilg@icraindia.com

Encl:- Acknowledgement

Acknowledgement

(To be signed and returned to ICRA Limited)

Please refer to your rating communication letter dated **December 21, 2023,** I hereby unconditionally accept and acknowledge the assigned rating.

We confirm that the undersigned is legally authorized to accept the rating on behalf of Satin Creditcare Network Ltd.

For Satin Creditcare Network Ltd.

____

Name:
Designation:
Date:

***Note**: Please return a copy of the above communication along with the acknowledgement to ICRA Limited at ICRA Limited at Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon - 122 002, Haryana or jatin.arora@icraindia.com*

January 16, 2024

Satin Creditcare Network Ltd.: [ICRA]A (Stable) assigned to Rs. 50-crore sub-debt programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper	200.00	200.00	[ICRA]A1; outstanding
Non-convertible debentures	550.00	550.00	[ICRA]A (Stable); outstanding
Non-convertible debentures^	200.00	200.00	[ICRA]A (Stable); outstanding
Subordinated debt	10.00	10.00	[ICRA]A (Stable); outstanding
Subordinated debt	-	50.00	[ICRA]A (Stable); assigned
Long-term/short-term fund-based term bank facilities programme	4,500.00	4,500.00	[ICRA]A (Stable)/[ICRA]A1; outstanding
Long-term fund-based term loan facilities programme	7.66	7.66	[ICRA]A(CE) (Stable); outstanding
Total	**5,467.66**	**5,517.66**	

**Instrument details are provided in Annexure I*

^Proposed public issuance

For the credit enhanced rating of the entity, refer to the rationales given in the structured finance section here

Rationale

The ratings factor in the improvement in Satin Creditcare Network Ltd.'s (SCNL) consolidated[1] profitability metrics. This, along with the recent capital raise, has helped the company maintain an adequate capitalisation profile while expanding its scale of operations. Further, its established track record, healthy geographical diversification and diversified funding profile continue to support the ratings.

SCNL registered an annualised growth of ~23% in H1 FY2024 and reported consolidated assets under management (AUM) of Rs. 10,100 crore. It also enjoys healthy geographical diversification with a presence across 412 districts in 24 states/Union Territories (UTs) in India as on September 30, 2023. Further, SCNL saw an improvement in its profitability metrics in H1 FY2024, after witnessing weak profitability in the past three fiscals due to the Covid-19 pandemic-induced impact on its operations and asset quality. The improvement was on account of the increase in the net interest margin (NIM), driven by higher yields and lower credit costs, given the reduction in delinquencies. While ICRA expects SCNL to maintain an adequate profitability profile going forward, its ability to maintain/improve the NIM and keep the credit cost under control shall remain a monitorable.

ICRA also notes that the company has been able to raise capital in a timely manner and expects the management to continue to do so to maintain cushion for growth and an adequate capitalisation profile. SCNL raised primary equity capital of Rs. 250 crore in December 2023, which is expected to augment its capital profile and meet its envisaged growth.

The ratings are, however, constrained by the moderate asset quality metrics, though the same has been improving on a sequential basis. Additionally, SHFL's unseasoned portfolio and the Group's (combined SCNL, SHFL and SFL) vulnerable borrower profile increase the susceptibility of the asset quality to external factors. Nevertheless, ICRA expects the improving trend in the asset quality to continue. The Group's ability to improve and maintain adequate asset quality metrics on a consistent basis shall remain a monitorable. The Group's consolidated on-book gross non-performing assets (GNPAs) stood at 2.4%, which, along with gross security receipts (SRs) of 0.8%, translated into gross stress of 3.2% as on September 30, 2023.

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[1] *Includes its two wholly-owned subsidiaries, namely Satin Housing Finance Limited (SHFL) and Satin Finserv Limited (SFL)*

Further, it had 90 days past due (dpd) in SFL's off-book business correspondent (BC) portfolio against which the first loss default guarantee (FLDG) could be invoked by the BC partners. However, ICRA notes that the company is carrying adequate provision for its stressed book and its net on-book stress (Net NPA + Net SRs) stood at 6.8% with respect to its consolidated net worth (adjusted for goodwill), which is expected to improve further due to the capital raise via a qualified institutional placement (QIP).

The ratings also factor in the risks associated with the unsecured nature of microfinance loans, the marginal borrower profile, which is susceptible to income shocks, and the political and operational risks inherent in the microfinance business, which has the highest share in the Group's consolidated AUM.

The Stable outlook on the long-term rating reflects ICRA's opinion that SCNL will be able to maintain a steady credit profile while expanding its scale of operations and keeping a prudent leverage profile.

Key rating drivers and their description

Credit strengths

Established track record of operations with healthy geographical diversification – SCNL has an established track record of operations of more than three decades in the finance industry. It is one of the largest players in the microfinance industry with a consolidated AUM of Rs. 10,100 crore as on September 30, 2023 (annualised growth of ~23% in H1 FY2024) compared to Rs. 9,115 crore as on March 31, 2023. SCNL has a wide geographical reach with a presence in 24 states and UTs across 412 districts through 1,335 branches (consolidated level) as on September 30, 2023. Uttar Pradesh (UP) accounted for 27% of the Group's AUM in September 2023, up from 24% in March 2022.

SCNL's standalone AUM grew by ~26% (annualised) in H1 FY2024 to Rs. 8,894 crore as on September 30, 2023. At the standalone level, SCNL had 1,115 branches in 391 districts of 24 states/UTs as of September 2023. ICRA notes that the share of UP in SCNL's standalone AUM has increased over the past few quarters, rising to 29% as on September 30, 2023 from 26% as on March 31, 2022. ICRA expects the share of UP to remain at a similar level, in line with the management's guidance.

Improvement in profitability metrics – SCNL saw an improvement in its consolidated profitability metrics in H1 FY2024, after witnessing weak profitability in the past three fiscals due to the pandemic-induced impact on its operations and asset quality. It reported a consolidated profit after tax (PAT) of Rs. 195 crore in H1 FY2024, translating into a return on average managed assets (RoMA) of 3.4% (annualised) and a return on average net worth (RoNW) of 22.5% (annualised) vis-à-vis Rs. 5 crore, 0.0% and 0.3%, respectively, in FY2023. The improvement in the profitability in H1 FY2024 was on account of the increase in the NIM, driven by higher yields and lower credit costs with the gradual improvement in the asset quality indicators. While ICRA expects the Group to maintain adequate profitability profile going forward, its ability to maintain/improve the NIM and keep the credit cost under control shall remain a monitorable.

At the standalone level, SCNL reported a PAT of Rs. 189 crore in H1 FY2024, translating into an annualised RoMA of 3.5% and an annualised RoNW of 18.5% vis-à-vis Rs. 264 crore (including fair value gain on subsidiaries of Rs. 352 crore), 2.8% and 15.0%, respectively, in FY2023.

Demonstrated ability to raise capital – SCNL has demonstrated its ability to raise capital in a timely manner. It had raised equity of around Rs. 88 crore in H1 FY2024 (part of outstanding share warrants issued under preferential issue approved in January 2022) and Rs. 250 crore via a QIP in December 2023. This is expected to support the Group's envisaged growth and provide cushion for the absorption of any further credit losses. SCNL's consolidated managed gearing[2] was 5.4 times as on September 30, 2023 (5.5 times in March 2023) compared to 5.0 times as on March 31, 2022. ICRA expects the company to maintain a healthy cushion in its capital base to meet its envisaged growth.

At the standalone level, SCNL had a managed gearing of 4.2 times against 4.1 times in March 2023. It reported a total capital-to-risk weighted assets ratio (CRAR) of 25.7% (Tier I of 25.4%) as on September 30, 2023.

[2] *Managed gearing = (on-book debt + off-book portfolio) / net worth*

Diversified funding profile – SCNL has a well-diversified funding profile comprising multiple lenders. Its standalone funding profile has improved steadily with term loans from banks and non-banking financial companies (NBFCs)/financial institutions (FIs) accounting for ~58%, outstanding non-convertible debentures (NCDs) for ~10% and assignment and other sources for the balance (~32%) as on September 30, 2023. Nevertheless, further traction on fund raising through multiple sources would be needed to achieve the stated growth targets.

Credit challenges

Moderate, albeit improving, asset quality metrics – SCNL had moderate asset quality metrics at the consolidated level despite some improvement over the past few quarters. On a consolidated basis, it had GNPAs of 2.4%, which, along with SRs of 0.8%, translated into gross stress of 3.2% as of September 2023 vis-à-vis 5.1% in March 2023. Further, it had 90+ dpd in SFL's off-book BC portfolio against which the FLDG could be invoked by the BC partners. However, ICRA notes that the company is carrying adequate provision for its stressed book. Its net on-book stress (Net NPA + Net SRs) stood at 6.8% with respect to its consolidated net worth (adjusted for goodwill), which is expected to improve further due to the capital raise via a QIP.

SCNL reported standalone GNPAs of 2.4% on its on-book portfolio as on September 30, 2023 (3.3% as on March 31, 2023) compared to 8.0% as on March 31, 2022. The improvement was on account of substantial write-offs in FY2023 and H1 FY2024. SCNL's standard restructured loan book had almost run down as of September 2023, driven by recoveries and write-offs. The company also had outstanding SRs of Rs. 66 crore (net SRs of Rs. 50 crore) as on September 30, 2023. Its total monitorable book (GNPA + SRs + standard restructured book) declined to 3.2% as on September 30, 2023 from ~24% as on March 31, 2022. The company's ability to reduce/contain further slippages shall remain a key monitorable.

Political, communal and other risks, given the unsecured lending and marginal borrower profile – Although SCNL has ventured into housing and micro, small and medium enterprise (MSME) lending through its subsidiaries, its product diversification remains low with the concentration primarily in the microfinance segment. Also, its portfolio remains relatively risky, given the unsecured nature of the same. Unsecured lending to the marginal borrower profile and the political and operational risks associated with microlending may result in high volatility in the asset quality indicators. The microfinance industry is prone to socio-political and operational risks, which could negatively impact the company's operations and thus its financial position as witnessed during the pandemic. SCNL's ability to onboard borrowers with a good credit history, recruit and retain employees, and maintain geographical diversity would be a key rating sensitivity.

SCNL's subsidiaries, SHFL and SFL, have a moderate track record; a major part of their AUM was disbursed in the past few quarters. Given the nascent stage of their operations and the significant growth witnessed in the portfolio in the past few quarters, their long-term performance is yet to be seen. Nonetheless, ICRA notes the risk is somewhat mitigated as SHFL has an average loan-to-value (LTV) ratio of ~50% and the borrowers in SFL's retail MSME segment have a credit history and repayment track record with SCNL.

Environmental and social risks

Environmental – While microfinance institutions (MFIs) like SCNL do not face material physical climate risks, they are exposed to environmental risks indirectly through their portfolio of assets. If the borrowers, to whom such MFIs have an exposure, face livelihood disruption because of physical climate adversities, the same could translate into credit risks for the MFIs. However, such risk is not material for SCNL as it benefits from adequate geographical diversification of its portfolio. Further, the lending is for loans with a tenure of around 2 years, which will allow it to adapt and take incremental exposure to borrowers facing relatively fewer downside environmental risks.

Social – With regard to social risks, data security and customer privacy are among the key sources of vulnerability for MFIs as material lapses could be detrimental to their reputation and invite regulatory censure. SCNL has not faced such lapses over the years, which highlights its sensitivity to such risks. Further, it contributes to promoting financial inclusion by lending to underserved women borrowers, largely in rural areas.

Liquidity position: Strong

The Group has a strong liquidity profile with consolidated on-book liquidity of Rs. 1,504 crore as on September 30, 2023, as per the combined asset-liability management (ALM) statements of SCNL, SHFL and SFL. Further, it had unavailed sanctioned lines of around Rs. 950 crore (excluding NCD sanctions of Rs. 150 crore) as on September 30, 2023. Against this, it has debt obligations of Rs. 2,228 crore over the 6-month period of October 30, 2023 to March 31, 2024 and estimated collections of Rs. 2,197 crore. Even with Nil collections, the Group has sufficient on-book liquidity to cover the next three months' debt obligations.

SCNL had standalone on-book liquidity of Rs. 1,394 crore as on September 30, 2023, as per its ALM statement. Further, it had unavailed sanctioned lines of around Rs. 850 crore (excluding NCD sanctions of Rs. 150 crore) as on September 30, 2023. Against this, SCNL has debt obligations of Rs. 2,113 crore due over the 6-month period of October 2023 to March 2024 and estimated collections of Rs. 2,067 crore.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company is able to grow its scale of operations, while maintaining adequate profitability (consolidated RoMA of more than 3.0%) and prudent capitalisation indicators, and improve its asset quality indicators on a consistent basis.

Negative factors – Pressure on the ratings could arise if the company witnesses a material deterioration in the asset quality metrics and/or profitability, with consolidated RoMA of less than 2%, on a sustained basis. Further, weakening of the capitalisation profile with a consolidated managed gearing of more than 5.5 times or a stretch in the liquidity could exert pressure on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SCNL. As on September 30, 2023, the company had two subsidiaries, which are enlisted in Annexure II.

About the company

SCNL, set up in 1990 to grant individual business loans to urban shopkeepers, started providing group lending services to the rural poor in 2008. It was registered with the Reserve Bank of India (RBI) as a deposit-taking NBFC under the name, Satin Leasing and Finance Company Limited. Following its conversion into a public limited company in 1994, the company was renamed Satin Creditcare Network Ltd. in 2000. It stopped accepting public deposits from November 2004 and the RBI changed its classification to Category B (non-deposit taking) from Category A (deposit-taking) in February 2009 and converted it into an NBFC-microfinance institution (NBFC-MFI) in November 2013. The company's microfinance operations are based on the Grameen Bank joint liability group (JLG) model and were spread across 1,115 branches in the country as on September 30, 2023 on a standalone basis and 1,335 branches for the Group as a whole.

As on September 30, 2023, its consolidated AUM stood at Rs. 10,100 crore. On a consolidated basis, it reported a net profit of Rs. 195 crore in H1 FY2024 (total comprehensive income (TCI) of Rs. 184 crore) against Rs. 5 crore in FY2023 (TCI of negative Rs. 16 crore).

Key financial indicators (audited; consolidated)

Satin Creditcare Network Ltd.	FY2021	FY2022	FY2023	H1 FY2024*
Accounting as per	IndAS	IndAS	IndAS	IndAS
Total income	1,374	1,381	1,559	997
Profit after tax	-14	-21	5	195
Total managed assets	10,667	9,988	10,751	12,212
RoMA	-0.1%	0.2%	0.0%	3.4%
Managed gearing (times)	5.9	5.0	5.5	5.4
Gross NPA	7.9%	7.5%	3.1%	2.4%

*Source: Company, ICRA Research; * Limited review numbers; All ratios as per ICRA's calculations; Amount in Rs. crore*

Key financial indicators (audited; standalone)

Satin Creditcare Network Ltd.	FY2021	FY2022	FY2023	H1 FY2024*
Accounting as per	IndAS	IndAS	IndAS	IndAS
Total income	1,267	1,262	1,762	909
Profit after tax	-14	40	264	189
Total managed assets	9,779	8,984	10,070	11,586
RoMA	-0.1%	0.4%	2.8%	3.5%
Managed gearing (times)	5.2	4.2	4.1	4.2
Gross NPA	8.3%	8.0%	3.3%	2.4%
CRAR	25.3%	27.8%	26.6%	25.7%

*Source: Company, ICRA Research; * Limited review numbers; All ratios as per ICRA's calculations; Amount in Rs. crore*

Status of non-cooperation with previous CRA: Not applicable

Any other information:

SCNL also faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial, operating and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

Rating history for past three years

	Instrument	Current Rating (FY2024)								Chronology of Rating History for the Past 3 Years						
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Nov 30, 2023 (Rs. crore)	Date & Rating in FY2024					Date & Rating in FY2023			Date & Rating in FY2022		Date & Rating in FY2021
					Jan 16, 2024	Jan 8, 2024	Dec 26, 2023	Aug 31, 2023	Jun 9, 2023	Mar 28, 2023	Sep 19, 2022	Apr 12, 2022	Jul 20, 2021	Apr 23, 2021	Aug 4, 2020
1	**Commercial paper**	Short term	200	0	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
2	**NCD programme**	Long term	-	-	-	-	[ICRA]A (Stable); withdrawn	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)
3	**Subordinated debt**	Long term	10	10	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)
4	**Fund-based bank facilities programme**	Long term/ Short term	4,500	3,936.73	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A- (Stable)/ [ICRA]A1	[ICRA]A- (Stable)/ [ICRA]A1	[ICRA]A- (Negative)/ [ICRA]A1	-	-	-	-	-
5	**NCD programme**	Long term	50	50	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Negative)	-	-	-	-	-
6	**NCD programme**	Long term	500	450.47*	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	-	-	-	-	-	-
7	**Subordinated debt**	Long term	-	-	-	-	-	-	[ICRA]A- (Stable); withdrawn	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)
8	**NCD programme^**	Long term	200	-	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	-	-	-	-	-	-	-	-

	Instrument	Current Rating (FY2024)								Chronology of Rating History for the Past 3 Years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Nov 30, 2023 (Rs. crore)	Date & Rating in FY2024					Date & Rating in FY2023			Date & Rating in FY2022		Date & Rating in FY2021
					Jan 16, 2024	Jan 8, 2024	Dec 26, 2023	Aug 31, 2023	Jun 9, 2023	Mar 28, 2023	Sep 19, 2022	Apr 12, 2022	Jul 20, 2021	Apr 23, 2021	Aug 4, 2020
9	**Subordinated debt**	Long term	-	-	-	-	[ICRA]A (Stable); withdrawn	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)
10	**Subordinated debt**	Long term	50.00	-	[ICRA]A (Stable)	-	-	-	-	-	-	-	-	-	-

*^Proposed public issuance; *As on December 31, 2023*

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD programme	Simple
Subordinated debt	Moderately complex
Commercial paper	Very simple
Fund-based bank facilities programme	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA’s website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
Not issued	CP programme	NA	NA	NA	97.00	[ICRA]A1
INE836B14291	CP programme	Aug-24-23	9.10%	Jan-19-24	50.00	[ICRA]A1
INE836B14309	CP programme	Aug-29-23	9.50%	Mar-20-24	53.00	[ICRA]A1
INE836B07717	NCD programme	Apr-23	10.95%	Oct-24	50.00	[ICRA]A (Stable)
INE836B07725	NCD programme	Jun-23	NA	Jun-25	20.00	[ICRA]A (Stable)
INE836B07733	NCD programme	Jun-23	NA	May-27	53.82	[ICRA]A (Stable)
INE836B07741	NCD programme	Jul-23	NA	Jan-25	15.00	[ICRA]A (Stable)
INE836B07766	NCD programme	Aug-23	NA	Aug-27	14.17	[ICRA]A (Stable)
INE836B07758	NCD programme	Aug-23	NA	Aug-27	26.83	[ICRA]A (Stable)
INE836B07774	NCD programme	Aug-23	NA	May-25	20.00	[ICRA]A (Stable)
INE836B07782	NCD programme	Oct-23	NA	Jan-26	50.00	[ICRA]A (Stable)
INE836B07816	NCD programme	Nov-23	NA	May-25	35.00	[ICRA]A (Stable)
INE836B07790	NCD programme	Nov-23	NA	Sep-26	100.00	[ICRA]A (Stable)
INE836B07808	NCD programme	Nov-23	NA	Mar-25	20.00	[ICRA]A (Stable)
INE836B07824	NCD programme	Dec-23	NA	Dec-28	45.65	[ICRA]A (Stable)
To be issued	NCD programme	NA	NA	NA	49.53	[ICRA]A (Stable)
To be issued	NCD programme	NA	NA	NA	50.00	[ICRA]A (Stable)
To be issued	NCD programme	NA	NA	NA	200.00^	[ICRA]A (Stable)
To be issued	Subordinated debt	NA	NA	NA	50.00	[ICRA]A (Stable)
INE836B08277	Subordinated debt	Jun-29-2016	15.00%	Dec-31-2023	10.00	[ICRA]A (Stable)
NA	LT/ST fund-based bank facilities	June 2018 to Nov 2023	9.95% to 12.5%	July 2023 to July 2026	4,500	[ICRA]A (Stable)/[ICRA]A1

Source: Company; ^Proposed public issuance

[*Please click here to view details of lender-wise facilities rated by ICRA*]

Annexure II: List of entities considered for consolidated analysis

Company Name	SCNL Ownership	Consolidation Approach
Satin Finserv Limited	100.00%	Full Consolidation
Satin Housing Finance Limited	100.00%	Full Consolidation

Source: SCNL's annual report FY2023

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Sachin Sachdeva
+91 124 4545 307
sachin.sachdeva@icraindia.com

Jatin Arora
+91 124 4545 864
jatin.arora@icraindia.com

Arpit Agarwal
+91 124 4545 873
arpit.agarwal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

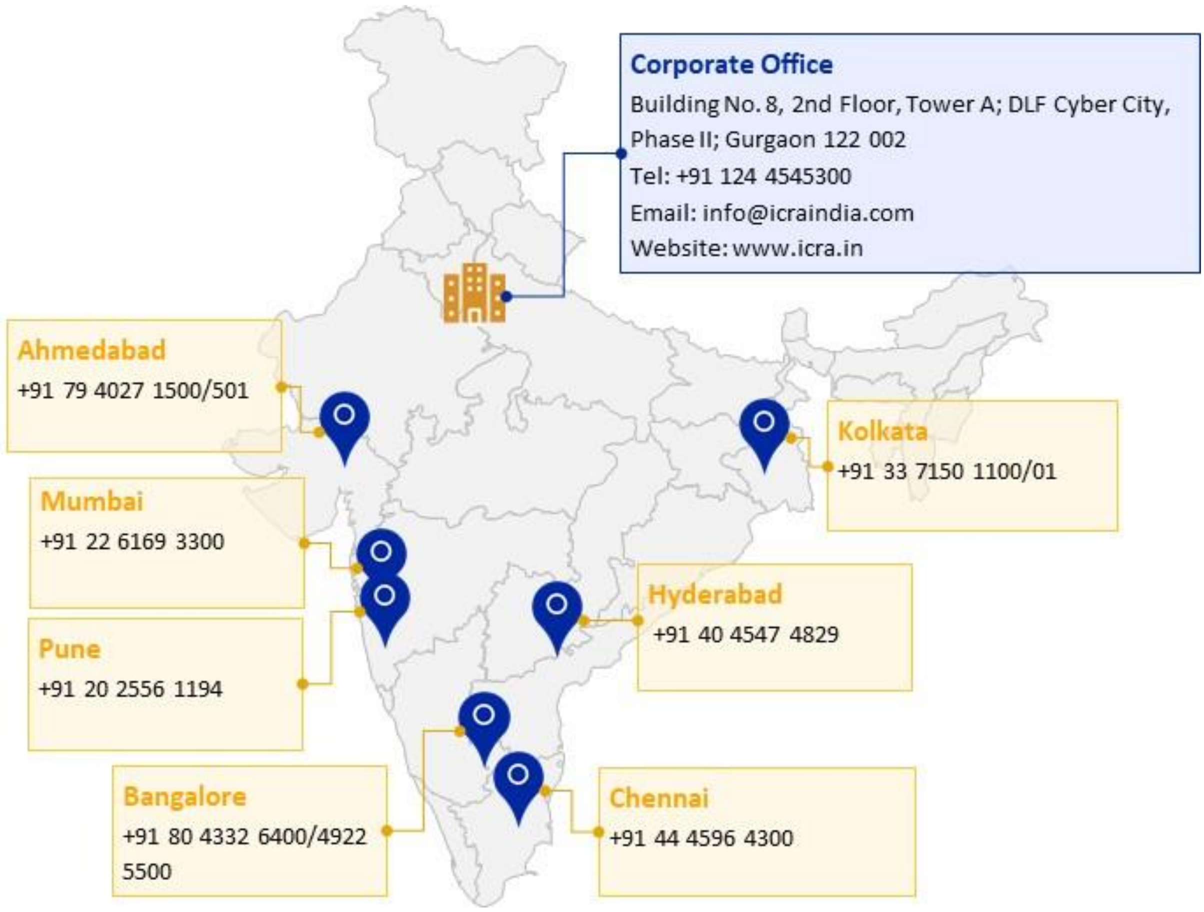
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



ANNEXURE B – DEBENTURE TRUSTEE CONSENT LETTER

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CATALYST
Believe in yourself... Trust us!

CL/DEB/23-24/1006

Date: 10.11.2023

To,

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

Dear Ma'am/Sir

Sub: Proposed public issue by Satin Creditcare Network Limited ("Company" or "Issuer") of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each ("NCDs") for an amount aggregating up to ₹ 100,00,00,000 (Indian Rupees One Hundred Crores Only) ("Base Issue Size") with a green shoe option of up to ₹ 100,00,00,000 (Indian Rupees One Hundred Crores Only) ("Green Shoe Option") total aggregating up to ₹ 200,00,00,000 (Indian Rupees Two Hundred Crores Only) ("Issue" or "Issue Size").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in (i) the draft prospectus ("**Draft Prospectus**") to be filed with the BSE Limited ("**BSE**" or "**Stock Exchange**") for the purpose of receiving public comments and submitted with the Securities and Exchange Board of India ("**SEBI**") for record purposes; (ii) the prospectus proposed to be filed with the Registrar of Companies, [Maharashtra at Mumbai] ("**RoC**") and submitted to SEBI and the Stock Exchange in relation to the Issue ("**Prospectus**"); (iii) the abridged prospectus; and (iv) all related advertisements and subsequent communications sent pursuant to the Issue. The NCDs are proposed to be listed on the Stock Exchange. The following details with respect to us may be disclosed in the aforementioned offer documents and any other documents in relation to the Issue:

Logo:	CATALYST Believe In Yourself... Trust Us! [CIN: U74999PN1997PLC110262]
Name:	[Catalyst Trusteeship Limited]
Address:	[GDA House', Plot No.85, Bhusari Colony (Right), Kothrud, Pune - 411038, Maharashtra]
Tel:	[+91 22 4922 0555]
Fax:	[+91 22 4922 0505]
Email:	[ComplianceCTL-Mumbai@ctltrustee.com]
Investor Grievance email:	[grievance@ctltrustee.com]
Website:	[https://catalysttrustee.com/]
Contact Person:	[Ms. Deesha Trivedi]
Compliance Officer:	[Ms. Kalyani Pandey]
SEBI Registration No:	[IND000000034]
CIN:	[U74999PN1997PLC110262]

We confirm that the information in relation to us in this letter together with the annexures is true, correct and complete in all respect and may be disclosed in the Draft Prospectus, Prospectus and other issue related documents.

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A**, declaration regarding our registration with SEBI as **Annexure B** and Fee Structure as **Annexure C.**

We also confirm that we have not been prohibited by SEBI or any other regulatory authority from acting as an intermediary in capital market issues. We also confirm that we have not been debarred from functioning as Debenture Trustee by any regulatory authority, court or tribunal.

We further confirm that no enquiry/investigation is presently being conducted by SEBI on us.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013, as amended, the SEBI, the Stock Exchange and any other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the proposed Issue.

We confirm that we will immediately inform the Company and the Lead Manager of any change, in writing, to the above information until the date when the proposed Public Issue of NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as accurate and updated information until the NCDs commence trading on the Stock Exchange.

This letter may be relied upon by you, the Lead Manager and the legal advisor to the Issue in respect of the Issue.

Sincerely

For **Catalyst Trusteeship Limited**

Authorised Signatory
Name: Rohit Sisodia
Designation: Senior Manager

CC:

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025

Khaitan & Co
One World Centre
10th & 13th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

Annexure A

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 7A 2

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85,
S. No. 94 & 95, Bhusari Colony (Right), Kothrud,
Pune- 411038, Maharashtra

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।

as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।

2) Registration Code for the debenture trustee is **IND000000034**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।

3) Unless renewed, the certificate of registration is valid from to

This Certificate of Registration shall be valid from 13/04/2022 for permanent, unless suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **Mumbai**

तारीख Date : **April 18, 2022**

DINESH JOSHI
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

Annexure B

CL/DEB/23-24/1006

Date: 10.11.2023

To,

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

Dear Ma'am/Sir

Sub: Proposed public issue by Satin Creditcare Network Limited ("Company" or "Issuer") of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each ("NCDs") for an amount aggregating up to ₹ 100,00,00,000 (Indian Rupees One Hundred Crores Only) ("Base Issue Size") with a green shoe option of up to ₹ 100,00,00,000 (Indian Rupees One Hundred Crores Only) ("Green Shoe Option") total aggregating up to ₹ 200,00,00,000 (Indian Rupees Two Hundred Crores Only) ("Issue" or "Issue Size").

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000034
2.	Date of registration/ Renewal of registration	April 18, 2022
3.	Date of expiry of registration	Permanent Registration
4.	If applied for renewal, date of application	Not Applicable
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	No
6.	Any enquiry/ investigation being conducted by SEBI	No
7.	Period up to which registration/ renewal fees has been paid:	Not Applicable
8.	Details of any penalty imposed by SEBI	No

For

Catalyst Trusteeship Limited

Authorised Signatory
Name: Rohit Sisodia
Designation: Senior Manager

Annexure C

Fee Structure for transaction CL/DEB/23-24/1006

PARTICULARS	AMOUNT / PERCENTAGE
Acceptance fees (one-time, non-refundable, payable on our appointment)	₹ 125000.00000
Annual Trusteeship Fees(Amount/Percentage)	₹ 125000.00000

Annual Trusteeship Fees are payable in advance each year from date of execution till termination of the transaction. Pro-rata charges would apply for the first year till FY end, as applicable.

The taxes on above fee structure are payable at applicable rates from time to time.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Please return the second copy this letter duly signed by Authorized Officer from your company.

Yours Faithfully,

For Catalyst Trusteeship Limited

Sisodia

Catalyst Trusteeship Limited

Name : Rohit Sisodia

Designation : Senior Manager

We accept the above terms.

For Satin Credit Care Network Limited

Name :

Designation :

ANNEXURE C – FINANCIAL STATEMENTS

[*Rest of the page intentionally kept blank*]

Walker Chandiok & Co LLP
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

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.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Use of information processing system for accounting and financial reporting</td></tr>
<tr><td>
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 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>
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;
(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>
</table>

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 Company has financial assets (loans) amounting to Rs. 551,496.23 lakh including loans which are carried at fair value through other comprehensive income amounting to Rs. 505,504.25 lakh. As per Ind AS 109-Financial Instruments, the Company is required to recognise 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 judgement 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 judgement 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	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 modelling 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 recognised; Page 3 of 12

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Key audit matter	How our audit addressed the key audit matter
(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 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.	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 recognised 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.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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;

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

- 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.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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 which 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 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 amalgamation of companies as stated in the Note 14 to the Standalone Financial Statements wherein the tittle deeds are in the name of the erstwhile Company:

(Amount in lakh)

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.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure A (Contd)

(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 lakh)	Amount paid under protest (₹ in lakh)	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 Centre (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.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure A (Contd)

(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 INR 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 INR 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.

(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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure B (Contd)

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 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 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.

(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	-

(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 Amount	As at March 31, 2020 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(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**

(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

Walker Chandiok & Co LLP
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

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.

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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 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.

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 impacts 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.	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.

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Key audit matter	How our audit addressed the key audit matter
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.	(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.
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 Rs. 551,496.23 lakh including loans which are carried at fair value through other comprehensive income amounting to Rs. 505,504.25 lakh. As per Ind AS 109-Financial Instruments, the Holding Company is required to recognise 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 judgement 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 judgement 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.	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;

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Key audit matter	How our audit addressed the key audit matter
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 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.	f) as modelling 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 recognised; 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 recognised 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. Page 4 of 11

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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.

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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.

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Other Matter

16) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflects 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 were 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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

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

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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 judgement, 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

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Annexure A (Contd)

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 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 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:21105117AAAADL1769

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

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(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

(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	-

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
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.

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(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(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.

SS KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

Plot No. 68, Okhla Industrial Area, Phase-III, New Delhi-110020
Tel: +91-114670 8888 E-mail: info@sskmin.com
www.sskmin.com

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 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.	**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. (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	Audit Procedures Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis

[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 Rs. 4,89,739.76 lakh including loans which are carried at fair value through other comprehensive income amounting to Rs. 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. **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	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;

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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.

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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.

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- 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.

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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.

SS KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

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)

SS KOTHARI MEHTA & COMPANY
NEW DELHI
Chartered Accountants

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 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. 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 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.

SS KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

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.

(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	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.

SS KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ Chartered Accountants

(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).

S S KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

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 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. 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 Rs. 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.

SS KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ Chartered Accountants

(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.

SS KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

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 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. (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)

SS KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

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.

S S KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

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, 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)

SS KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ Chartered Accountants

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

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 : New Delhi
Date : May 04, 2022

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

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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(March31,2021:250),@15.50%(March31,2021:15.50%),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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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%

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**

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

(All amounts in INR lakhs, unless otherwise stated)

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 ESOS 2009		As at March 31, 2021 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 ESOS 2017		As at March 31, 2021 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		
	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	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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

S S KOTHARI MEHTA & COMPANY
NEW DELHI
Chartered Accountants

Plot No. 68, Okhla Industrial Area, Phase-III, New Delhi-110020
Tel: +91-11-4670 8888 E-mail: info@sskmin.com

www.sskmin.com

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 **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 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.	**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. (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	**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:

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Key Audit Matter	Auditor's Response
[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 Rs. 4,89,739.76 lakh including loans which are carried at fair value through other comprehensive income amounting to Rs. 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.	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; 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

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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 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.	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.

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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.

Responsi bilities 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:

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- 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.

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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 Rs. 58219.95 lakhs as at March 31, 2022, total revenues of Rs. 13534.32 Lakhs and cash outflow (net) amounting to Rs. 298.57 lakhs, Net Profit after Tax of Rs. (1712.08) lakhs and total Comprehensive Income of Rs. (1705.66) 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

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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

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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. 35 to the standalone 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

SS KOTHARI MEHTA & COMPANY * NEW DELHI * Chartered Accountants

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

SS KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

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

S S KOTHARI MEHTA & COMPANY * NEW DELHI * Chartered Accountants *

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

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 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

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 : New Delhi
Date : May 04, 2022

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)
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 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

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(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

(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

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FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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 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 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	As at March 31, 2021
	Amount	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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	**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

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Plot No. 68, Okhla industrial Area, Phase-III, New Delhi-110020
Tel: +91-11-4670 8888 E-mail: delhi@sskmin.com
www.sskmin.com

Key Audit Matter	Auditor's Response
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.	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. iv. in addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting (c) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.
Impairment of Financial Assets as at Balance Sheet date (Expected Credit losses on loans) ***[Refer Note No. 3(k) for the accounting policy and Note No. 44 for the related disclosures]*** As at March 31, 2023, the Company has financial assets (loans) amounting to Rs. 5,68,421.19 lakhs including loans which are carried at fair value through other comprehensive income amounting to Rs. 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.	**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

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Key Audit Matter	Auditor's Response
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.	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

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Key Audit Matter	Auditor's Response
	with the applicable Ind AS and related RBI circulars and Resolution Framework; and l) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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.

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

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.

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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 Rs 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.

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(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 Rs. 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

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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.

S.S. KOTHARI MEHTA & COMPANY
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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

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

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

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Naveen Aggarwal
Partner
Membership No.094380
UDIN: 23094380BGUMXX7497

Place: New Delhi
Date: April 29, 2023

Standalone Balance Sheet

as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	21,335.16	104,900.58
Bank balances other than cash and cash equivalents	5	81,540.28	86,565.38
Derivative financial instruments	6	2,231.64	1,192.75
Trade receivables	7	241.12	239.41
Loans	8	568,421.19	489,739.76
Investments	9	74,151.81	33,616.86
Other financial assets	10	1,606.69	2,105.14
		749,527.89	**718,359.88**
Non-financial assets			
Current tax assets (net)	11	3,321.63	–
Deferred tax assets (net)	12	–	6,811.20
Investment Property	13	664.26	698.26
Property, plant and equipment	14	8,328.99	7,901.34
Capital work-in-progress	14	–	17.89
Other intangible assets	15	144.66	212.71
Other non-financial assets	16	2,552.22	3,539.22
		15,011.76	**19,180.62**
TOTAL ASSETS		**764,539.65**	**737,540.50**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		198.23	1,049.81
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		23.87	172.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,125.93	1,371.54
Debt securities	19	109,144.08	118,743.75
Borrowings (other than debt securities)	20	400,477.70	382,504.26
Subordinated liabilities	21	35,126.25	45,034.73
Other financial liabilities	22	25,542.79	26,409.64
		571,638.85	**575,285.75**
Non-financial liabilities			
Current tax liabilities (net)	23	–	100.06
Provisions	24	703.85	775.84
Deferred tax liabilities (net)	12	245.64	–
Other non-financial liabilities	25	579.63	754.02
		1,529.12	**1,629.92**
EQUITY			
Equity share capital	26	8,479.63	7,459.12
Other equity	27	182,892.05	153,165.71
		191,371.68	**160,624.83**
TOTAL LIABILITIES AND EQUITY		**764,539.65**	**737,540.50**

Statement of significant accounting policies and other explanatory notes. 1-3

This balance sheet referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Income			
Revenue from operations			
Interest income	28	116,008.44	117,010.74
Dividend income	29	0.17	3.15
Rental income	30	117.41	110.71
Fees and commission income	31	2,140.20	2,388.69
Net gain on fair value changes	32	36,631.03	1,423.43
Net gain on derecognition of financial instruments	33	20,964.37	4,954.65
Other operating income	34	243.68	303.38
Total revenue from operations		**176,105.30**	**126,194.75**
Other income	35	49.18	23.34
Total income		**176,154.48**	**126,218.09**
II. Expenses			
Finance costs	36	57,602.47	60,641.19
Impairment on financial instruments	37	40,229.51	17,542.43
Employee benefits expenses	38	31,631.57	32,442.01
Depreciation and amortisation	39	1,620.27	1,378.79
Other expenses	40	10,970.62	8,277.64
Total expenses		**142,054.44**	**120,282.06**
Profit before tax		**34,100.04**	**5,936.03**
Tax expense:	41		
Current tax		(30.37)	3,132.23
Deferred tax charge/ (credit)		7,697.49	(1,218.71)
Total		**7,667.12**	**1,913.52**
Profit after tax		**26,432.92**	**4,022.51**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans (refer note 48)		(29.67)	12.91
Equity instruments through other comprehensive income (refer note 9)		(2,731.61)	–
Income tax relating to above items		694.96	(3.25)
	A	**(2,066.32)**	**9.66**
Items that will be reclassified to profit or loss			
Changes in fair value of loan assets (refer note 8)		243.31	(3,917.29)
Income tax relating to above item		(61.24)	985.90
Cash flow hedge reserve (refer note 27)		(27.48)	–
Income tax relating to above item		6.92	–
	B	**161.51**	**(2,931.39)**
Other comprehensive income	A+B	**(1,904.81)**	**(2,921.73)**
Total comprehensive income for the period		**24,528.11**	**1,100.78**
Earnings per equity share (face value of ₹ 10 per equity share)	42		
Basic (₹)		33.79	5.76
Diluted (₹)		32.30	5.29

Statement of significant accounting policies and other explanatory notes. 1-3

This statement of profit and loss referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Cash Fow Statement

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	34,100.04	5,936.03
	Adjustments for:		
	Depreciation and amortisation	1,107.22	1,167.27
	Depreciation of right-of-use assets	513.05	175.77
	Net (gain)/loss on derecognition of property, plant and equipment	(2.95)	22.78
	Fair value gain on mutual funds	(375.18)	(264.81)
	Gain on fair valuation of subsidiaries	(35,215.77)	–
	Unrealised gain on fair value changes of derivatives and investments	(1,040.08)	(1,158.62)
	Property, plant and equipment written off	6.01	39.14
	Impairment on financial instruments	40,229.51	17,542.43
	Dividend income	(0.17)	(3.15)
	Gain on sale of loan portfolio through assignment	(20,964.37)	(4,954.65)
	First loss default guarantee reversal	(593.39)	(380.06)
	Effective interest rate adjustment for financial instruments	1,649.08	1,970.36
	Interest expense for leasing arrangements	120.58	63.82
	Net gain on termination of leases	(7.59)	(7.78)
	Corporate guarantee premium income	(38.64)	(15.56)
	Unrealised exchange fluctuation loss (net)	512.98	367.92
	Operating profit before working capital changes	**20,000.33**	**20,500.89**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(1.71)	1,221.51
	(Increase)/decrease in loans	(94,983.85)	45,255.01
	Decrease/(increase) in fixed deposits	5,025.10	(12,370.07)
	Decrease in other financial assets	473.08	1,008.82
	Decrease/(increase) in other non-financial assets	987.00	(1,226.12)
	(Decrease)/increase in trade and other payables	(1,245.34)	142.17
	Decrease in other financial liabilities	(234.82)	(3,627.18)
	Decrease in provisions	(101.66)	(527.41)
	(Decrease)/increase in other non-financial liabilities	(174.39)	64.23
	Cash (used in)/generated from operating activities post working capital changes	**(70,256.26)**	**50,441.85**
	Income tax paid (net)	(3,391.33)	(3,925.67)
	Net cash (used in)/generated from operating activities (A)	**(73,647.59)**	**46,516.18**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(798.17)	(468.14)
	Proceeds from sale of property, plant and equipment	31.16	37.47
	Investment made in subsidiaries	(3,999.90)	(500.00)
	Investment made in other than subsidiaries	(530,931.63)	(477,085.63)
	Sale of investments other than subsidiaries	524,563.07	472,551.88
	Dividend income	0.17	3.15
	Net cash used in investing activities (B)	**(11,135.30)**	**(5,461.27)**
C	**Cash flows from financing activities (refer to note (i) below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	6,218.75	10,457.62
	Proceeds from debt securities	28,209.32	29,585.32
	Repayment of debt securities	(38,043.56)	(81,783.71)
	Proceeds from borrowings other than debt securities	396,212.56	301,140.12
	Repayment of borrowings other than debt securities	(361,454.70)	(310,460.73)
	Lease payments	(615.42)	(220.70)
	Repayment of subordinated liabilities	(9,890.93)	(5,369.41)
	Net cash generated from/(used in) financing activities (C)	**20,636.02**	**(56,651.49)**
	Net decrease in cash and cash equivalents (A+B+C)	(64,146.87)	(15,596.58)
	Cash and cash equivalents at the beginning of the year (refer to note (ii) below)	85,482.03	101,078.61
	Cash and cash equivalents at the end of the year	**21,335.16**	**85,482.03**

(i) Refer note 21 for reconciliation of liabilities arising from financing activities.

(ii) Refer note 5 for restricted cash and cash equivalents.

Standalone Cash Fow Statement

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Notes:		
Cash and cash equivalents (as per note 4 to the finacncial statements)	21,335.16	104,900.58
Less: Overdraft facility against term deposits (as per note 20 to the finacncial statements)	–	(19,418.55)
	21,335.16	**85,482.03**

Statement of significant accounting policies and other explanatory notes. Note 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Statement of Changes in Equity
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (refer note 26)

March 31, 2023

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

March 31, 2022

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2021	Changes during the year	Balance as at March 31, 2022
Equity share capital	6,647.12	–	6,647.12	812.00	7,459.12

B. Other equity (refer note 27)

Particulars	Reserves and surplus						Other comprehensive income			Money received against share warrants	Total
	Statutory reserve	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve		
Balance as at April 1, 2021	**9,966.39**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**–**	**142,458.11**
Changes in accounting policy/prior period errors	–	–	–	–	–	–	–	–	–	–	–
Restated balance at April 1, 2021	**9,966.39**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**–**	**142,458.11**
Profit for the year	–	–	–	–	–	4,022.51	–	–	–	–	4,022.51
Other comprehensive income (net of tax)	–	–	–	–	–	9.66	–	(2,931.39)	–	–	(2,921.73)
Issue of equity shares (net of share issue expenses)	–	4,645.62	–	–	–	–	–	–	–	–	4,645.62
Issue of share warrants	–	–	–	–	–	–	–	–	–	5,000.00	5,000.00
Transfer to statutory reserves	804.50	–	–	2,500.00	–	(3,304.50)	–	–	–	–	–
Transfer from share options outstanding account	–	–	–	–	(178.97)	178.97	–	–	–	–	–
Share based payment to employees	–	–	–	–	(38.80)	–	–	–	–	–	(38.80)
Balance as at March 31, 2022	**10,770.89**	**106,455.16**	**29.94**	**2,777.00**	**–**	**27,539.10**	**(5.00)**	**578.06**	**20.56**	**5,000.00**	**153,165.71**

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

B. Other equity (refer note 27) (Contd..)

Particulars	Reserves and surplus						Other comprehensive income			Money received against share warrants	Total
	Statutory reserve	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve		
Changes in accounting policy/prior period errors	–	–	–	–	–	–	–	–	–	–	–
Restated balance at March 31, 2022	10,770.89	106,455.16	29.94	2,777.00	–	27,539.10	(5.00)	578.06	20.56	5,000.00	153,165.71
Profit for the year	–	–	–	–		26,432.92	–	–	–	–	26,432.92
Other comprehensive income (net of tax)	–	–	–	–	–	(22.20)	(2,044.12)	182.07	(20.56)	–	(1,904.81)
Issue of equity shares (net of share issue expenses)	–	7,271.15	–	–	–	–	–	–	–	(8,291.67)	(1,020.52)
Money received against share warrants	–	–	–	–	–	–	–	–	–	6,218.75	6,218.75
Transfer to statutory reserves	5,286.58	–	–	–	–	(5,286.58)	–	–	–	–	–
Balance as at March 31, 2023	**16,057.47**	**113,726.31**	**29.94**	**2,777.00**	**–**	**48,663.24**	**(2,049.12)**	**760.13**	**–**	**2,927.08**	**182,892.05**

Statement of significant accounting policies and other explanatory notes.

This statement of changes in Equity referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 1 : Company overview

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

Note 2 : Basis of preparation

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

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

The financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on April 29, 2023.

(ii) Historical cost convention

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

(iii) Going Concern

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

Note 3 : Summary of significant accounting policies

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

a) Property, plant and equipment

Recognition and initial measurement

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

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

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

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

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

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

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

De-recognition

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	At fair value through other comprehensive income	At amortised cost	At fair value through other comprehensive income	At amortised cost
Portfolio loans (also refer note 44)				
Secured	–	4,883.97	–	5,246.01
Unsecured*	381,675.56	193,746.68	421,364.40	97,602.07
	381,675.56	**198,630.65**	**421,364.40**	**102,848.08**
Less: Impairment loss allowance	(10,039.34)	(1,845.68)	(32,831.24)	(1,641.48)
	(10,039.34)	**(1,845.68)**	**(32,831.24)**	**(1,641.48)**
Sub total	**371,636.22**	**196,784.97**	**388,533.16**	**101,206.60**
Total loans		**568,421.19**		**489,739.76**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Secured by tangible assets (property, plant and equipment including land and building)	962.26	2,283.85
(ii) Secured by book debts, inventories, margin money and other working capital items	3,082.64	1,733.28
(iii) Unsecured	564,376.29	485,722.63
Total	**568,421.19**	**489,739.76**

Loans in India		
(i) Public sector	–	–
(ii) Others	568,421.19	489,739.76
Total	**568,421.19**	**489,739.76**

*Unsecured portfolio measured at amortised cost of ₹ 10,000.03 lakhs (balance as on June 10, 2022 i.e. cut off date) (March 31, 2022 : ₹ 5,314.81 lakhs (balance as on February 28, 2022 i.e. cut off date)) sold to an asset reconstruction company at a value of ₹ 8,650.00 lakhs on June 29, 2022 (March 31, 2022 : ₹ 5,300.00 lakhs on March 28, 2022).

Loss on such sale is netted off from net gain as disclosed in Note 33. The balance outstanding as on March 31, 2023 is ₹ 13,130.86 lakhs (March 31, 2022 : ₹ 5,254.77 lakhs).

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

(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

(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
		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**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 26 : Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
A Authorised				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	105,000,000	10,500.00	95,000,000	9,500.00
Additions during the year	–	–	10,000,000	1,000.00
	105,000,000	**10,500.00**	**105,000,000**	**10,500.00**
B Issued and subscribed				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	75,143,893	7,514.39	72,066,977	7,206.70
Additions during the year	10,205,128	1,020.51	3,076,916	307.69
	85,349,021	**8,534.90**	**75,143,893**	**7,514.39**
C Issued and Paid-up				
Fully paid-up				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	75,018,997	7,501.90	52,038,194	5,203.82
Additions during the year	10,205,128	1,020.51	22,980,803	2,298.08
	85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
Less: Amount recoverable from Satin Employees Welfare Trust	(482,946)	(48.29)	(482,946)	(48.29)
(Equity shares of ₹ 10 each allotted to the Satin Employees Welfare Trust)	84,741,179	8,474.12	74,536,051	7,453.61
Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2022: 1,24,896 equity shares)	–	5.51	–	5.51
	84,741,179	**8,479.63**	**74,536,051**	**7,459.12**
D Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Balance at the beginning of the year	75,018,997	7,501.90	72,020,477	6,702.49
Add: Call money received during the year	–	–	–	494.88
Add: Issued during the year	10,205,128	1,020.51	3,076,916	307.69
Less: Forfeited shares	–	–	78,396	3.16
	85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
E Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year				
Balance at the beginning of the year	482,946	48.29	482,946	44.94
Add: Call money received during the year	–	–	–	3.35
	482,946	**48.29**	**482,946**	**48.29**

F During the current financial year, the Company has allotted 1,02,05,128 equity shares of face value of ₹ 10/- to Trishashna Holdings & Investments Private Ltd' (THIPL) (entity belonging to promoter group) and Florintree Ventures LLP (entity belonging to non-promoter group) pursuant to conversion of Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant.

G Rights, preferences and restrictions

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

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	31,579,692	37.05%	25,477,128	33.96%
Nordic Microfinance Initiative Fund III KS	4,663,136	5.47%	4,663,136	6.22%

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

i) On May 30, 2018, the Company had allotted 1,230,098 equity shares of ₹ 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of ₹ 10 each fully paid-up to Capital First Limited (entities belonging to non-promoter group).

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

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note 54.

K The information required to be disclosed that enables user of its financial statements to evaluate the its objectives, policies and process for managing capital is disclosed in note 45.

L Shareholdings of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.85%	726,148	0.97%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.48%	406,402	0.54%	(0.06%)
Mr. Satvinder Singh	385,703	0.45%	385,703	0.51%	(0.06%)
Mrs. Neeti Singh	204,092	0.24%	204,092	0.27%	(0.03%)
Trishashna Holdings & Investments Private Limited	31,579,692	37.05%	25,477,128	33.96%	3.09%
Wisteria Holdings & Investments Private Limited	322,262	0.38%	322,262	0.43%	(0.05%)
Total	**33,624,299**	**39.45%**	**27,521,735**	**36.68%**	2.77%

Note 27 : Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	16,057.47	10,770.89
General reserve	29.94	29.94
Securities premium	113,726.31	106,455.16
Retained earnings	48,663.24	27,539.10
Money received against share warrants	2,927.08	5,000.00
Other comprehensive income:		
Equity instruments through other comprehensive income	(2,049.12)	(5.00)
Changes in fair value of loan assets	760.13	578.06
Cash flow hedge reserve	–	20.56
Total	**182,892.05**	**153,165.71**

Nature and purpose of other reserve

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Statutory reserve

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

(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)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement and publicity	230.85	99.23
Cash embezzlement	119.92	102.78
Other administrative expenses	2,159.65	1,573.29
Miscellaneous expenses	1,398.29	827.63
Total	**10,970.62**	**8,277.64**

*** Remuneration to auditors comprises of (excluding applicable taxes):**

As auditors	35.50	31.00
Other services	1.26	5.52
Reimbursement of expenses	4.18	0.89
	40.94	**37.41**

 # Corporate social responsibility expenses

The Company's expenses towards Corporate Social Responsibility (CSR) activities as follows:

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Amount required to be spent during the year	175.45	334.51
b)	Amount of expenditure incurred*	175.45	153.30
c)	Shortfall/(excess) at the end of the year	–	181.21
d)	Total of previous years shortfall	–	–
e)	Reason for shortfall*	NA	pertains to ongoing project
f)	Nature of CSR activities	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and (ii) Disaster management including relief, rehabilitation and reconstruction activities	
g)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

* During the previous year, the company had ongoing project under CSR activity (Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects) and balance unspent amount of ₹ 181.21 lakhs as on March 31, 2022 was transferred to a separate account in the current year as per the resolution passed by CSR committee in their meeting held on March 7, 2022 as allowed under Companies Act, 2013. The company has spent this amount during the current year under the said ongoing project.

Note 41 : Tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	–	2,926.07
Income tax for earlier years	(30.37)	206.16
Deferred tax charge/(credit)	7,697.49	(1,218.71)
Tax expense reported in the Statement of Profit and Loss	**7,667.12**	**1,913.52**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(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 assets
	Stage 1	Stage 2	Stage 3	
Loss allowance on April 1, 2021	**2,573.10**	**5,743.51**	**20,621.34**	**6.43**
Increase of provision due to assets originated during the year	605.04	160.45	873.25	–
Net transfer between stages				
Transfer to stage 1	2,119.30	(1,889.96)	(229.34)	–
Transfer to stage 2	(98.42)	134.92	(36.50)	–
Transfer to stage 3	(701.81)	(942.71)	1,644.52	–
Assets derecognised or collected	(416.89)	(546.67)	(6,197.69)	7.26
Impact of ECL on exposures transferred between stages during the year	(2,794.81)	1,557.36	12,294.73	–
Loss allowance on March 31, 2022	**1,285.51**	**4,216.90**	**28,970.31**	**13.69**
Increase of provision due to assets originated during the year	838.87	227.27	460.90	–
Net transfer between stages				
Transfer to stage 1	106.06	(98.68)	(7.38)	–
Transfer to stage 2	(19.58)	25.94	(6.36)	–
Transfer to stage 3	(64.94)	(253.78)	318.72	–
Assets derecognised or collected	(642.14)	(3,808.97)	(25,747.70)	22.31
Impact of ECL on exposures transferred between stages during the year	(446.16)	432.23	6,098.00	–
Loss allowance on March 31, 2023	**1,057.62**	**740.91**	**10,086.49**	**36.00**

c) Concentration of loans

Particulars	As at March 31, 2023	As at March 31, 2022
Micro finance loans	545,850.62	492,128.89
Micro, Small and Medium Enterprises (MSME)	39,297.58	35,391.74
Less: Unamortised processing fee	(4,841.99)	(3,308.15)
Total	**580,306.21**	**524,212.48**

d) Loans secured against collateral

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

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

(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:

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

(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		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitisation transactions	Advances: a) Portfolio (including Securitisation)	Advances: b) Advances-Others	Invest-ments
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		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitisation transactions	Advances: a) Portfolio (including Securitisation)	Advances: b) Advances-Others	Invest-ments
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	-	-

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Assets side :	Amount Outstanding
3 Break-up of Loans and advances including bills receivables (other than those included in (4) below) :	
(a) Secured	4,883.97
(b) Unsecured	575,422.24
4 Break-up of Leased Assets and stock on hire and other assets counting towards	
AFC activities	
(I) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	–
(b) Operating lease	–
(II) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	–
(b) Repossessed Assets	–
(III) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	–
(b) Loans other than (a) above	–
5 Break-up of Investments :	
Current Investments :	
1. Quoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others (please specify)	–
2. Unquoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others :	
(a) Certificate of Deposit	–
(b) Commercial Paper	–
Long Term Investments :	
1. Quoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others (please specify)	–
2. Unquoted :	
(I) Shares :	
(a) Equity	67,975.91
(b) Preference	111.19
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	0.51
(V) Others (Pass through Certificates and Security Receipts)	8,758.24
Total	**76,845.85**

(All amounts in ₹ lakhs, unless otherwise stated)

6 Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Particulars				Total
	Secured	Unsecured	Provision - Secured	Provision - Unsecured	
1. Related Parties					
(a) Subsidiaries	–	6,250.00	–	5.70	6,244.30
(b) Companies in the same group	–	–	–	–	–
(c) Other related parties	–	59.12	–	0.10	59.02
2. Other than related Parties	4,883.97	569,113.12	839.07	11,040.15	562,117.87
Total	**4,883.97**	**575,422.24**	**839.07**	**11,045.95**	**568,421.19**

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	67,975.91	32,760.14
(b) Companies in the same group	–	–
(c) Other related parties	–	–
2. Other than related Parties	8,869.94	6,174.71
Total	**76,845.85**	**38,934.85**

8 Other information

Particulars	Amount
(I) Gross Non-Performing Assets	18,541.73
(a) Related parties	–
(b) Other than related parties	18,541.73
(II) Net Non-Performing Assets	8,455.24
(a) Related parties	–
(b) Other than related parties	8,455.24
(III) Assets acquired in satisfaction of debt	**–**

9 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

Qualitative Disclosure on LCR

As per Reserve Bank of India guidelines, all deposit-taking NBFCs irrespective of their asset size and non-deposit-taking NBFCs with an asset size of ₹ 5,000.00 crore and above are required to maintain a liquidity coverage ratio (LCR) to ensure availability of adequate high-quality liquid assets (HQLA) to survive any acute liquidity stress scenario i.e, cash outflow increased to 115% and cash inflow decreased to 75%, lasting for 30 days. As per RBI guidelines,LCR has been calculated using the simple average of daily observations (over a period of 90 days).

Cash outflows under secured funding include contractual payments of the term loan, NCDs, and other debt obligations including interest payments. To compute inflow from fully performing exposures, the company considers collection from performing advances including interest due in the next 30 days. Other cash inflows include cash from unencumbered fixed deposits, Certificates of deposits, and mutual fund investments maturing in the next 30 days. The LCR as of March 31, 2023, is 133.53%, which is above the regulatory requirement of 60%.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(i) LCR Disclosure

	Particulars	As at March 31, 2023		As at December 31, 2022		As at September 30, 2022		As at June 30, 2022	
		Total Unweighted Amount[1]	Total Weighted Amount[2]	Total Unweighted Amount[1]	Total Weighted Amount[2]	Total Unweighted Amount[1]	Total Weighted Amount[2]	Total Unweighted Amount[1]	Total Weighted Amount[2]
	High Quality Liquid Assests (HQLAs)								
1	Total High Quality Liquid Assests (HQLA)	13,720.69	13,308.83	12,242.80	11,982.98	11,719.01	11,429.98	12,051.82	12,038.49
	Cash Outflows								
2	Deposits (for deposit taking companies)	–	–	–	–	–	–	–	–
3	Unsecured wholesale funding	955.41	1,098.72	1,633.25	1,878.24	5,605.36	6,446.17	2,536.56	2,917.05
4	Secured wholesale funding	24,112.18	27,729.00	21,702.62	24,958.01	25,333.98	29,134.08	30,794.25	35,413.39
5	Additional requirements, of which								
i	Outflows related to derivative exposures and other collateral requirements	596.58	686.07	596.58	686.07	596.58	686.07	596.58	686.07
ii	Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
iii	Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	Other contractual funding obligations	9,003.72	10,354.28	8,826.10	10,150.02	6,809.19	7,830.57	4,920.79	5,658.91
7	Other contingent funding obligations	–	–	–	–	–	–	–	–
8	**TOTAL CASH OUTFLOWS**	**34,667.89**	**39,868.07**	**32,758.55**	**37,672.34**	**38,345.11**	**44,096.89**	**38,848.18**	**44,675.42**
	Cash Inflows								
9	Secured lending	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	35,134.45	26,350.84	35,777.16	26,832.87	33,846.17	25,384.63	38,411.99	28,808.99
11	Other cash inflows	12,976.45	9,732.33	8,025.82	6,019.36	26,140.46	19,605.34	15,813.53	11,860.15
12	**TOTAL CASH INFLOWS**	**48,110.89**	**36,083.17**	**43,802.98**	**32,852.23**	**59,986.63**	**44,989.97**	**54,225.52**	**40,669.14**
13	**TOTAL HQLA**	**13,720.69**	**13,308.83**	**12,242.80**	**11,982.98**	**11,719.01**	**11,429.98**	**12,051.82**	**12,038.49**
14	**TOTAL NET CASH OUTFLOWS**	**8,666.97**	**9,967.02**	**8,189.64**	**9,418.09**	**9,586.28**	**11,024.22**	**9,712.05**	**11,168.86**
15	**LIQUIDITY COVERAGE RATIO (%)**		**133.53%**		**127.23%**		**103.68%**		**107.79%**
	Components of HQLA								
	Cash on hand and balance with banks in current accounts	10,957.69	10,957.69	10,510.63	10,510.63	9,792.13	9,792.13	11,962.93	11,962.93
	Government Securities	–	–	–	–	–	–	–	–
	Corporate Bonds	–	–	–	–	–	–	–	–
	Commercial Papers	2,745.70	2,333.84	1,732.17	1,472.34	1,926.88	1,637.85	88.89	75.56

[1]Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

[2]Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

(ii) Funding Concentration based on significant counterparty

Sr. No.	Number of Significant Counterparties	Amount*	% of Total deposits	% of Total Liabilities
1	Twenty Eight	455,118.90	N.A.	79.40%

*Accured interest but not due and unamortised transaction costs are included in borrowings.

(iii) Top 20 large deposits

There are no deposits accepted by the company during the year as company is non-deposit taking NBFC.

(iv) Top 10 borrowings

Sr. No.	For the Financial Year ended	Amount*	% of total borrowings
1	March 31, 2023	293,161.14	54.47%
2	March 31, 2022	280,340.38	51.32%

*Accured interest but not due and unamortised transaction costs are not included in borrowings.

(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.

(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

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Plot No. 68, Okhla industrial Area, Phase-III, New Delhi-110020
Tel: +91-11-4670 8888 E-mail: delhi@sskmin.com
www.sskmin.com

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

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Key Audit Matter	Auditor's Response
	(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 Rs. 5,68,421.19 lakhs including loans which are carried at fair value through other comprehensive income amounting to Rs. 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.	**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

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Key Audit Matter	Auditor's Response
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.	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.

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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.

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- 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.

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Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 81,217.68 lakhs as at March 31, 2023, total revenues of Rs. 16,837.90 Lakhs, Net Profit after Tax of Rs. 1,198.66 lakhs, total Comprehensive Income of Rs. 1,036.80 lakhs and cash outflow (net) amounting to Rs. 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.

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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

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

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.

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS *

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 23094380BGUMXY8140

Place : Gurugram
Date : April 29, 2023

Consolidated Balance Sheet
as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	25,770.63	109,126.48
Other bank balances	5	85,665.12	91,067.88
Derivative financial instruments	6	2,231.64	1,192.75
Trade receivables	7	539.45	276.08
Loans	8	632,885.67	530,842.27
Investments	9	6,175.90	4,856.62
Other financial assets	10	2,312.80	2,902.89
		755,581.21	**740,264.97**
Non-financial Assets			
Current tax assets (net)	11	4,327.55	526.10
Deferred tax assets (net)	12	8,857.48	8,253.66
Investment Property	13	664.26	698.26
Property, plant and equipment	14	8,681.88	8,282.18
Capital work-in-progress	14	–	17.89
Goodwill		3,370.66	3,370.66
Other intangible assets	15	179.17	230.40
Other non-financial assets	16	3,294.60	3,882.94
		29,375.60	**25,262.09**
TOTAL ASSETS		**784,956.81**	**765,527.06**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		10.42	10.42
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		497.45	1,268.06
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		23.87	172.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,527.78	1,520.19
Debt securities	19	109,643.58	119,241.39
Borrowings (other than debt securities)	20	444,358.26	408,079.96
Subordinated liabilities	21	37,122.90	47,030.53
Other financial liabilities	22	27,071.94	28,001.28
		620,256.20	**605,323.85**
Non-financial Liabilities			
Provisions	23	934.35	982.33
Other non-financial liabilities	24	953.82	1,035.54
		1,888.17	**2,017.87**
EQUITY			
Equity share capital	25	8,479.63	7,459.12
Other equity	26	154,332.81	150,726.22
		162,812.44	**158,185.34**
TOTAL LIABILITIES AND EQUITY		**784,956.81**	**765,527.06**

Statement of significant accounting policies and other explanatory notes. 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Income			
Revenue from operations			
Interest income	27	124,896.84	122,773.49
Dividend income	28	0.17	3.15
Rental income	29	38.28	35.63
Fees and commission income	30	7,674.41	8,126.77
Net gain on fair value changes	31	1,415.45	1,423.43
Net gain on derecognition of financial instruments	32	21,571.16	5,165.51
Other operating income	33	132.73	176.60
Total Revenue from operations		**155,729.04**	**137,704.58**
Other income	34	173.29	409.40
Total Income		**155,902.33**	**138,113.98**
II. Expenses			
Finance costs	35	61,673.10	63,071.51
Impairment on financial instruments	36	40,808.22	18,073.66
Employee benefit expenses	37	38,760.29	39,312.43
Depreciation and amortisation expense	38	1,839.37	1,609.77
Other expenses	39	12,297.28	12,628.75
Total		**155,378.26**	**134,696.12**
Profit before tax		**524.07**	**3,417.86**
Tax expense:	40		
Current tax		(48.89)	3,402.70
Deferred tax		91.65	(2,054.73)
Total tax expenses		**42.76**	**1,347.97**
Profit after tax		**481.31**	**2,069.89**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements of the defined benefit plans		(47.92)	19.57
Equity instruments through other comprehensive income		(2,731.61)	–
Income tax relating to above items		699.85	(5.11)
	A	**(2,079.68)**	**14.46**
Items that will be reclassified to profit and loss			
Changes in fair value of loan assets		44.87	(3,915.05)
Income tax relating to above item		(11.30)	985.28
Cash flow hedge reserve		(27.48)	–
Income tax relating to above item		6.92	–
	B	**13.01**	**(2,929.77)**
Other comprehensive income	A+B	**(2,066.67)**	**(2,915.31)**
Total comprehensive income		**(1,585.36)**	**(845.42)**
Net profit after tax attributable to			
Owners of the Parent Company		481.31	2,069.89
Non-controlling interests		–	–
Other comprehensive income attributable to			
Owners of the Parent Company		(2,066.67)	(2,915.31)
Non-controlling interests		–	–
Total comprehensive income attributable to			
Owners of the Parent Company		(1,585.36)	(845.42)
Non-controlling interests		–	–
Earnings per equity share (face value of ₹ 10 per equity share)	41		
Basic (₹)		0.62	2.96
Diluted (₹)		0.59	2.72

Statement of significant accounting policies and other explanatory notes. 1-3

This consolidated Statement of Profit and Loss referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Consolidated Cash Fow Statement

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	524.07	3,417.86
	Adjustments for:		
	Depreciation and amortisation	1,229.41	1,284.30
	Depreciation of right-of-use assets	609.96	289.72
	Net (gain)/loss on derecognition of property, plant and equipment	(9.95)	20.03
	Fair value gain on mutual funds	(375.37)	(264.81)
	Unrealised gain on fair value changes of derivatives and investments	(1,040.08)	(1,158.62)
	Property, plant and equipment written off	6.01	39.14
	Impairment on financial instruments	40,808.22	18,073.66
	Dividend income	(0.17)	(3.15)
	Gain on sale of loan portfolio through assignment	(21,571.16)	(5,165.51)
	First loss default guarantee expenses	104.69	2,956.11
	Share based payment to employees	–	(38.85)
	Effective interest rate adjustment for financial instruments	1,545.17	1,931.83
	Interest expense for leasing arrangements	141.07	89.03
	Net gain on termination of leases	(7.59)	(7.78)
	Unrealised exchange fluctuation loss (net)	519.90	367.92
	Operating profit before working capital changes	**22,484.18**	**21,830.88**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(263.37)	1,669.44
	(Increase)/decrease in loans	(118,516.18)	33,465.92
	Decrease/(increase) in fixed deposits	5,402.76	(11,638.69)
	Decrease in other financial assets	564.72	1,070.80
	Decrease/(increase) in other non-financial assets	588.34	(1,164.67)
	Decrease in trade and other payables	(911.17)	(392.88)
	Decrease in other financial liabilities	(1,040.32)	(6,731.16)
	Decrease in provisions	(95.90)	(640.95)
	(Decrease)/increase in other non-financial liabilities	(81.72)	164.56
	Cash (used in)/generated from operating activities post working capital changes	**(91,868.66)**	**37,633.25**
	Income taxes paid (net)	(3,765.43)	(4,016.68)
	Net cash (used in)/generated from operating activities (A)	**(95,634.09)**	**33,616.57**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(969.19)	(593.53)
	Proceeds from sale of property, plant and equipment	72.26	44.36
	Purchase of intangible assets	(24.51)	–
	Dividend income	0.17	3.15
	Purchase of investments	(530,931.63)	(477,085.63)
	Sale of investments	524,563.07	472,551.88
	Net cash used in investing activities (B)	**(7,289.83)**	**(5,079.77)**
C	**Cash flows from financing activities (refer to note i below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	6,218.75	10,453.10
	Proceeds from debt securities	28,209.32	29,585.32
	Repayment of debt securities	(38,043.56)	(81,783.71)
	Proceeds from borrowings other than debt securities	424,769.35	319,963.64
	Repayment of borrowings other than debt securities	(371,545.96)	(316,735.27)
	Lease payments	(730.18)	(354.99)
	Repayment of subordinated liabilities	(9,890.93)	(5,370.18)
	Net cash generated from/(used in) financing activities (C)	**38,986.79**	**(44,242.09)**
	Net decrease in cash and cash equivalents (A+B+C)	(63,937.13)	(15,705.29)
	Cash and cash equivalents at the beginning of the year (refer to note ii below)	89,707.76	105,413.05
	Cash and cash equivalents at the end of the year	**25,770.63**	**89,707.76**

i) Refer to note 21 for reconciliation of liabilities arising from financing activities.

ii) Refer to note 5 for restricted cash and cash equivalent.

Consolidated Cash Fow Statement

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Notes:		
Cash and cash equivalents (as per note 4 to the financial statements)	25,770.63	109,126.48
Less: Overdraft facility against term deposits (as per note 20 to the financial statements)	–	(19,418.72)
	25,770.63	**89,707.76**

Statement of significant accounting policies and other explanatory notes. Note 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Consolidated Statement of Changes in Equity
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (Refer note 25)

March 31, 2023

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

March 31, 2022

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2021	Changes during the year	Balance as at March 31, 2022
Equity share capital	6,647.12	–	6,647.12	812.00	7,459.12

B. Other equity (Refer note 26)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings							
Balance as at April 1, 2021	**10,102.09**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,007.99**	**(5.00)**	**3,509.45**	**–**	**20.56**	**141,969.34**	**–**	**141,969.34**
Profit for the year	–	–	–	–	–	2,069.89	–	–	–	–	2,069.89	–	2,069.89
Other comprehensive income (net of tax)	–	–	–	–	–	14.46	–	(2,929.77)	–	–	(2,915.31)	–	(2,915.31)
Issue of equity shares (net of share issue expenses)	–	4,645.62	–	–	–	–	–	–	–	–	4,645.62	–	4,645.62
Issue of share warrants (refer note 25 (F) and 26)	–	–	–	–	–	–	–	–	5,000.00	–	5,000.00	–	5,000.00
Transfer to statutory reserves	901.89	–	–	2,500.00	–	(3,401.89)	–	–	–	–	–	–	–
Transfer from share options outstanding account	–	–	–	–	(178.97)	178.97	–	–	–	–	–	–	–
Share issue expense of subsidiary	–	–	–	–	–	(4.52)	–	–	–	–	(4.52)	–	(4.52)
Share based payment to employees	–	–	–	–	(38.80)	–	–	–	–	–	(38.80)	–	(38.80)
Balance as at March 31, 2022	**11,003.98**	**106,455.16**	**29.94**	**2,777.00**	**–**	**24,864.90**	**(5.00)**	**579.68**	**5,000.00**	**20.56**	**150,726.22**	**–**	**150,726.22**
Profit for the year	–	–	–	–	–	481.31	–	–	–	–	481.31	–	481.31

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings							
Other comprehensive income (net of tax)	–	–	–	–	–	(35.57)	(2,044.12)	33.57	–	(20.56)	(2,066.68)	–	(2,066.68)
Issue of equity shares (net of share issue expenses)	–	7,271.15	–	–	–	–	–	–	(8,291.67)	–	(1,020.52)	–	(1,020.52)
Issue of share warrants (refer note 25 (F) and 26)	–	–	–	–	–	–	–	–	6,218.75	–	6,218.75	–	6,218.75
Transfer to statutory reserves	5,569.32	–	–	–	–	(5,569.32)	–	–	–	–	–	–	–
Share issue expense of subsidiary	–	–	–	–	–	(6.27)	–	–	–	–	(6.27)	–	(6.27)
Balance as at March 31, 2023	**16,573.30**	**113,726.31**	**29.94**	**2,777.00**	**–**	**19,735.05**	**(2,049.12)**	**613.25**	**2,927.08**	**–**	**154,332.81**	**–**	**154,332.81**

Statement of significant accounting policies and other explanatory notes.

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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 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			
		At fair value At fair value				At fair value		
	Amortised cost	Through other comprehensive income	Through profit and loss	Total	Amortised cost	Through other comprehensive income	Through profit and loss	Total
Equity instruments								
50,000 (March 31, 2022 : 50,000) equity shares of face value of ₹ 10 each of Alpha Micro Finance Consultants Private Limited#	–	–	–	–	–	–	–	–
Preferential instruments								
21,845 (March 31, 2022 : 21,845) Compulsory Convertible Preference Shares of face value of ₹ 10 each of Jay Kay Financial Technologies Private Limited	–	–	111.19	111.19	–		110.00	110.00
Security Receipts								
4,50,500 (March 31, 2022 : 4,50,500) security receipts in Prudent Trust 67/22 (Trust floated by Prudent ARC Limited)	–	3,276.02	–	3,276.02	–	4,505.00	–	4,505.00
7,35,250 (March 31, 2022 : Nil) security receipts in Prudent Trust 70/22 (Trust floated by Prudent ARC Limited)	–	5,354.41	–	5,354.41	–	–	–	–
Less: Provision on SR		(2,694.04)	–	(2,694.04)				
Pass through certificates	127.81	–	–	127.81	181.87	–	–	181.87
Mutual funds								
Nil (March 31, 2022 : 294,091.70) units in Union Dynamic Bond Fund	–	–	–	–	–	–	59.24	59.24
Government securities								
500 (March 31, 2022 : 500), Government of India, Inscribed stock having face value ₹ 100 each	–	–	0.51	0.51	–	–	0.51	0.51
Total	**127.81**	**5,936.39**	**111.70**	**6,175.90**	**181.87**	**4,505.00**	**169.75**	**4,856.62**
(i) Investments in India	127.81	5,936.39	111.70	6,175.90	181.87	4,505.00	169.75	4,856.62
(ii) Investments outside India	–	–	–	–	–	–	–	–
Total	**127.81**	**5,936.39**	**111.70**	**6,175.90**	**181.87**	**4,505.00**	**169.75**	**4,856.62**

The Group has not entered in to any credit derivative to mitigate the credit risk (if any).

#Investment had been written off in the financial year 2018-19 and therefore shown at zero value.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 10 : Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	253.59	356.53
Staff advances	106.25	79.67
Insurance recoverable	401.97	490.61
Amount receivable against Mudra Interest Subvention Scheme	–	9.75
Other recoverable	1,215.76	1,363.87
Unbilled revenue	370.63	606.60
	2,348.20	**2,907.03**
Less: Impairment loss allowance	(35.40)	(4.14)
Total	**2,312.80**	**2,902.89**

Note 11 : Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income - tax (net)	4,327.55	526.10
Total	**4,327.55**	**526.10**

Note 12 : Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Deferred tax assets		
Provision for employee benefits	223.43	247.53
Difference in written down value as per Companies Act and Income Tax Act	223.63	234.50
Unabsorbed business losses and depreciation	8,155.06	737.82
Impairment loss allowance	3,932.47	9,696.32
Minimum alternate tax credit entitlement	222.45	124.88
Liability against leases	296.12	131.05
Impairment loss allowance on security receipts	678.04	–
Loss on Security Receipts through other comprehensive income	687.49	–
Others	–	0.45
	14,418.69	**11,172.55**
(B) Deferred tax liabilities		
Financial Liabilities measured at amortised cost	(2.30)	8.35
Financial Assets measured at amortised cost	558.99	295.33
Fair valuation of loan assets through other comprehensive income	564.76	323.31
Special reserve u/s 36 (i) (viii) under Income Tax Act	35.94	29.68
Right of use assets	289.88	107.31
Deferment of excess interest spread	4,113.94	2,154.91
Total deferred tax liabilities	**5,561.21**	**2,918.89**
Net deferred tax assets/(liabilities)	**8,857.48**	**8,253.66**

(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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 15 : Other intangible assets

Gross Block	Intangible assets	Total
Balance as at April 1, 2021	**1,291.23**	**1,291.23**
- Additions – being internally developed	–	–
- Additions – others	–	–
Balance as at March 31, 2022	**1,291.23**	**1,291.23**
Additions		
- Additions – being internally developed	–	–
- Additions – others	24.51	24.51
Disposals	(65.40)	(65.40)
Balance as at March 31, 2023	**1,250.34**	**1,250.34**
Accumulated amortisation		
Balance as at April 1, 2021	**980.32**	**980.32**
Amortisation charge for the year	80.51	80.51
Adjustment on account of disposal	–	–
Balance as at March 31, 2022	**1,060.83**	**1,060.83**
Amortisation charge for the year	74.97	74.97
Adjustment on account of disposal	(64.63)	(64.63)
Balance as at March 31, 2023	**1,071.17**	**1,071.17**
Net block		
Balance as at March 31, 2022	**230.40**	**230.40**
Balance as at March 31, 2023	**179.17**	**179.17**

Note 16 : Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1,947.78	1,251.24
Balances with government authorities	120.20	212.88
Gratuity fund asset (refer note 47)	86.69	–
Acquired property (held for sale)*	110.63	24.46
Other assets	1,029.30	2,394.36
Total	**3,294.60**	**3,882.94**

*Acquired property (held for sale) by subsidiary Satin Housing Finance Limited.

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/director	Property held date	Reason for not being held in the name of the subsidiary
Land & Building	24.46	Shailo Devi W/o Vijay Singh	No	22/01/2022	Assest acquired under court order as per SARFAESI Act
Land & Building	6.39	Subhash Dagar	No	28/02/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	17.94	Sadhna Sharma	No	28/02/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	20.37	Kiran W/O Mukesh Chauhan	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	17.26	Purnima Behra W/O Suraj Behra	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	18.93	Poonam W/O Shrichand	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	3.54	Kiran W/O Mukesh Chauhan	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	1.74	Poonam W/O Shrichand	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Total	**110.63**				

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 17 : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	10.42	10.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	497.45	1,268.06
Total	**507.87**	**1,278.48**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	10.42	–	–	–	10.42
(ii) Others	198.23	291.28	5.47	1.94	0.54	497.45
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv)Disputed dues - Others	–	–	–	–	–	–
As at March 31, 2023	**198.23**	**301.70**	**5.47**	**1.94**	**0.54**	**507.87**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	10.42	–	–	–	10.42
(ii) Others	1049.81	188.54	20.92	8.79	–	1,268.06
(iii) Disputed dues – MSME	–	–	–	–	–	
(iv)Disputed dues - Others	–	–	–	–	–	
As at March 31, 2022	**1,049.81**	**198.96**	**20.92**	**8.79**	**–**	**1,278.48**

Note 18 : Other payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	23.87	172.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,527.78	1,520.19
Total	**1,551.65**	**1,692.21**

Note 19 : Debt securities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures	109,643.58	119,241.39
Total	**109,643.58**	**119,241.39**
Debt securities in India	109,643.58	119,241.39
Debt securities outside India	–	–
Total	**109,643.58**	**119,241.39**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(A) Non-convertible debentures (secured)			
1 Nil (March 31, 2022: 1500) @Nil (Previous year: 10.30%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 2,50,000 each). The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of entire redemption amount of the debentures outstanding)	Redeemable ₹ 3,750 Lakhs on October 02, 2021, ₹ 3,750 Lakhs on December 31, 2021, ₹ 3,750 Lakhs March 31, 2022 and ₹ 3,750 Lakhs on June 30, 2022 and frequency of Interest payment is quarterly.	–	3,737.51
2 Nil (March 31, 2022: 250) @Nil (Previous year: 10.25%), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022 and frequency of Interest payment is half yearly.	–	2,499.89
3 9,750 (March 31, 2022: 9,750) @10.50% (Previous year: 10.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 5 each (March 31, 2022: ₹ 50,000 each) The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par ₹ 4,874.51 Lakhs (99.99%) on May 6, 2022 and rest ₹ 0.49 Lakhs (.01%) on May 6, 2024 and frequency of Interest payment is half yearly.	0.49	4,841.08
4 Nil (March 31, 2022: 250) @Nil (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is November 9, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	–	2,498.80
5 Nil (March 31, 2022: 500) @Nil (Previous year: 10.20%), Secured, Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding)	Redeemable at par on June 10, 2022 and frequency of Interest payment is annually.	–	4,997.81
6 Nil (March 31, 2022: 650), @Nil (Previous year : 12.06%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 3, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on October 3, 2022 and frequency of Interest payment is half yearly.	–	6,499.11

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
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

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
13	250 (March 31, 2022: 250) @10.95% (Previous year: 10.95%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 3,33,333.34 each (March 31, 2022: ₹ 6,66,667 each). The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on July 31, 2023 and frequency of Interest payment is half yearly.	830.73	1,655.20
14	970 (March 31, 2022: 970), @11.40% (Previous year : 11.40%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 31, 2018 and roll over date is July 27, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on July 31, 2023 and frequency of Interest payment is half yearly.	9,699.54	9,697.78
15	1,200 (March 31, 2022: 1,200), @11.45% (Previous year: 11.45%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,50,000 each (March 31, 2022: ₹ 7,50,000 each). The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on September 27, 2023 and frequency of Interest payment is half yearly.	2,999.18	8,997.29
16	2,130 (March 31, 2022: 2,130), @11.095% (Previous year : 11.095%), Secured, Not Guarnateed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,85,714.29 each (March 31, 2022: ₹ 5,71,428.58 each). The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount and coupon of the debentures outstanding)	Redeemable on December 14, 2023 and frequency of Interest payment is half yearly.	6,043.57	12,062.97
17	680 (March 31, 2022: 680), @12.00% (Previous year : 11.70%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 15, 2016 and roll over date is June 2, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on June 15, 2025 (subject to put option, Exercise Date is June 15, 2024) and frequency of Interest payment is half yearly.	6,800.00	6,799.96
18	19,250 (March 31, 2022: Nil) @11.15% (Previous year: Nil), Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: Nil). The date of allotment is June 24, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 9,624.03 Lakhs (99.99%) on June 24, 2025 and rest ₹ 0.96 Lakhs (.01%) on June 24, 2027 and frequency of Interest payment is half yearly.	9,496.47	–
19	2,060 (March 31, 2022: Nil) @11.6880% (Previous year: Nil), Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is February 24, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on February 24, 2026 and frequency of Interest payment is Quarterly.	2,037.57	–

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
20 750 (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**

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
(B) Non convertible debentures (unsecured)			
1 570 (March 31, 2022: 570), @11.50%, (Previous year: 11.50%) Unsecured, Senior, Rated, Unlisted, Redeemable,Transferable, Non Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is February 28, 2022.	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	5,697.31	5,696.74
Total (B)		**5,697.31**	**5,696.74**
Total (A+B)		**109,643.58**	**119,241.39**

Note 20 : Borrowings (other than debt securities) (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans		
From banks		
Secured*	185,152.59	208,930.66
From other parties		
Secured#	102,332.63	95,744.85
Unsecured	–	19.65
Overdraft facility against term deposits		
From banks		
Secured	–	19,418.55
Unsecured	–	0.17
External commercial borrowings		
Secured	21,285.26	12,219.06
Unsecured	19,613.23	18,282.83
Commercial paper (unsecured)	–	2,441.29
Liability against securitised assets (secured)	114,564.33	50,294.24
Liability against leased assets (unsecured)	1,410.22	728.66
Total	**444,358.26**	**408,079.96**
Borrowings in India	403,459.77	377,578.07
Borrowings outside India	40,898.49	30,501.89
Total	**444,358.26**	**408,079.96**

*Includes amount guaranteed by directors in their personal capacity of ₹ 83,364.45 (March 31, 2022 : ₹ 1,00,972.77)

#Includes amount guaranteed by directors in their personal capacity of ₹ 54,652.48 (March 31, 2022 : ₹ 45,205.67)

Note 21 : Sub-ordinated liabilities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures (refer note A)	14,622.90	21,200.60
Term loans from banks	22,500.00	25,500.00
External commercial borrowings	–	329.93
Total	**37,122.90**	**47,030.53**
Sub-ordinated liabilities in India	37,122.90	46,700.60
Sub-ordinated liabilities outside India	–	329.93
Total	**37,122.90**	**47,030.53**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(A)	**Non-convertible debentures (unsecured)**			
1	Nil (March 31, 2022: 250), @Nil (Previous year: 15.50%), Unsecured, Rated, Subordinated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is December 30, 2015.	Redeemable on April 15, 2022 and frequency of Interest payment is quarterly.	–	2,499.98
2	Nil (March 31, 2022: 100), @Nil (Previous year: 15.50%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 28, 2016.	Redeemable on September 28, 2022 and frequency of Interest payment is monthly.	–	998.69
3	Nil (March 31, 2022: 100), @Nil (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on March 31, 2023 and frequency of Interest payment is monthly.	–	1,070.25
4	350 (March 31, 2022: 350), @13.85% (Previous year: 13.85%), Unsecured, Unrated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 29, 2017.	Redeemable on April 30, 2023 and frequency of Interest payment is quarterly.	3,499.79	3,498.37
5	100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 38,795.83 each (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on June 30, 2023 and frequency of Interest payment is monthly.	36.25	1,070.25
6	100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on September 30, 2023 and frequency of Interest payment is monthly.	73.65	1,070.25
7	100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on December 31, 2023 and frequency of Interest payment is quarterly.	1,073.65	1,070.25
8	20 (March 31, 2022: 20) @14% Unsecured, Rated, Listed, Redeemable, Subordinate, Taxable, Transferable, Non-Convertible debentures of face value of ₹ 1,00,00,000 each, The date of allotment is December 17, 2019.	Redeemable in four equal tranches starting from June 30, 2025 to December 31, 2026.	1,996.65	1,995.80
9	300 (March 31, 2022: 300), @15.50% (Previous year: 15.50%), Unsecured, Rated, Listed, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022:₹10,00,000 each). The date of allotment is December 17, 2019.	Redeemable on December 31, 2026 and frequency of Interest payment is half yearly.	2,991.48	2,989.12
10	10,010 (March 31, 2022: 10,010), @ 13.14 % (Previous year: 13.14%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: ₹ 50,000 each)., The date of allotment is March 24, 2020.	Redeemable on April 24, 2027 and frequency of Interest payment is half yearly.	4,951.43	4,937.64
Total			**14,622.90**	**21,200.60**

(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**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Equity share capital

	Particulars	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
A	**Authorised**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	105,000,000	10,500.00	95,000,000	9,500.00
	Additions during the year	–	–	10,000,000	1,000.00
		105,000,000	**10,500.00**	**105,000,000**	**10,500.00**
B	**Issued and subscribed**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	75,143,893	7,514.39	72,066,977	7,206.70
	Additions during the year	10,205,128	1,020.51	3,076,916	307.69
		85,349,021	**8,534.90**	**75,143,893**	**7,514.39**
C	**Issued and Paid-up**				
	Fully paid-up				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	75,018,997	7,501.90	52,038,194	5,203.82
	Additions during the year	10,205,128	1,020.51	22,980,803	2,298.08
		85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
	Less: Amount recoverable from Satin Employees Welfare Trust	(482,946)	(48.29)	(482,946)	(48.29)
	(Equity shares of ₹ 10/- each allotted to the Satin Employees Welfare Trust)	84,741,179	8,474.12	74,536,051	7,453.61
	Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2022: 1,24,896 equity shares)	–	5.51	–	5.51
		84,741,179	**8,479.63**	**74,536,051**	**7,459.12**
D	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	75,018,997	7,501.90	72,020,477	6,702.49
	Add: Call money received during the year	–	–	–	494.88
	Add: Issued during the year	10,205,128	1,020.51	3,076,916	307.69
	Less: Forfeited shares	–	–	78,396	3.16
		85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
E	**Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	482,946	48.29	482,946	44.94
	Add: Call money received during the year	–	–	–	3.35
		482,946	**48.29**	**482,946**	**48.29**

F During the current financial year, the Company has allotted 1,02,05,128 equity shares of face value of ₹ 10/- each to Trishashna Holdings & Investments Private Ltd' (THIPL) (entity belonging to promoter group) and Florintree Ventures LLP (entity belonging to non-promoter group) pursuant to conversion of Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant.

G Rights, preferences and restrictions

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	31,579,692	37.05%	25,477,128	33.96%
Nordic Microfinance Initiative Fund III KS	4,663,136	5.47%	4,663,136	6.22%

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

i) On May 30, 2018, the Company had allotted 1,230,098 equity shares of ₹ 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of ₹ 10 each fully paid-up to Capital First Limited (entities belonging to non-promoter group).

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

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note to 56.

K The information required to be disclosed that enables user of its financial statements to evaluate the objectives, policies and process for managing capital is disclosed in note 44.

L Shareholdings of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.85%	726,148	0.97%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.48%	406,402	0.54%	(0.06%)
Mr. Satvinder Singh	385,703	0.45%	385,703	0.51%	(0.06%)
Mrs. Neeti Singh	204,092	0.24%	204,092	0.27%	(0.03%)
Trishashna Holdings & Investments Private Limited	31,579,692	37.05%	25,477,128	33.96%	3.09%
Wisteria Holdings & Investments Private Limited	322,262	0.38%	322,262	0.43%	(0.05%)
Total	**33,624,299**	**39.45%**	**27,521,735**	**36.68%**	2.77%

Note 26 : Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	16,573.30	11,003.98
General reserve	29.94	29.94
Securities premium	113,726.31	106,455.16
Retained earnings	19,735.05	24,864.90
Money received against share warrants	2,927.08	5,000.00
Other comprehensive income:		
Equity instruments through other comprehensive income	(2,049.12)	(5.00)
Changes in fair value of loan assets	613.25	579.68
Cash flow hedge reserve	–	20.56
Total	**154,332.81**	**150,726.22**

(All amounts in ₹ lakhs, unless otherwise stated)

Nature and purpose of other reserve

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act, 2013 on account of redemption of preference shares.

Statutory reserve

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

General reserve

The management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

Money received against share warrants

During the last year, the Company had allotted Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant (25% of which was paid on allotment of warrant and 75% shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Ltd (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022. Out of the said warrants 1,02,05,128 warrants (61,02,564 warrants by THIPL and 41,02,564 warrants by Florintree Ventures LLP) have been converted during the year.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

Note 27 : Interest income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
Interest income on portfolio loans	27,029.70	–	85,674.99	9,241.68	–	103,722.70
Income from housing loans	–	–	5,112.33	–	–	3,303.33

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
Interest income on deposits	4,850.99	–	–	4,796.76	–	–
Interest income on certificate of deposits and commercial papers	–	256.56	–	–	738.64	–
Interest income on unwinding of assigned portfolio	1,972.27	–	–	970.38	–	–
Sub-total	**33,852.96**	**256.56**	**90,787.32**	**15,008.82**	**738.64**	**107,026.03**
Total			**124,896.84**			**122,773.49**

Note 28 :Dividend income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income	0.17	3.15
Total	**0.17**	**3.15**

Note 29 : Rental income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income on building	38.28	35.63
Total	**38.28**	**35.63**

Note 30 : Fees and commission income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service fee and facilitation charges	2,158.30	682.25
Income from business correspondent operations*	5,516.11	7,444.52
Total	**7,674.41**	**8,126.77**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Type of Services or service		
Income from business correspondent operations	5,516.11	7,444.52
Total revenue from contracts with customers	**5,516.11**	**7,444.52**
Geographical markets		
India	5,516.11	7,444.52
Outside India	–	–
Total revenue from contracts with customers	**5,516.11**	**7,444.52**
Timing of revenue recognition		
Services transferred at a point in time	–	–
Services transferred over time	5,516.11	7,444.52
Total revenue from contracts with customers	**5,516.11**	**7,444.52**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract balances		
Trade receivable	698.53	882.84
Contract Assets	825.64	2,250.84
Contract Liabilities	–	–

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contract	5,516.11	7,444.52
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**5,516.11**	**7,444.52**

Note 31 : Net gain on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net gain on financial instruments measured at fair value through profit and loss		
- Investments		
Gain on sale of mutual funds	375.37	264.81
Gain on fair valuation of other investments	1.19	–
(B) Others		
– Derivatives	1,038.89	1,158.62
Total	**1,415.45**	**1,423.43**
Fair value changes		
– Realised	375.37	263.11
– Unrealised	1,040.08	1,160.32
Total	**1,415.45**	**1,423.43**

Note 32 : Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on sale of loan portfolio through assignment	21,571.16	5,165.51
Total	**21,571.16**	**5,165.51**

Note 33 : Other operating income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Commitment and other charges	132.73	176.60
Total	**132.73**	**176.60**

Note 34 : Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Promotion of financial products	90.00	55.00
Net gain on derecognition of property, plant and equipment	9.95	2.75
Net gain on termination of leases	7.59	7.78
Interest income on income - tax refund	–	69.93
Miscellaneous income	65.75	273.94
Total	**173.29**	**409.40**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35 : Finance costs (on financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings (other than debt securities)	41,624.35	36,560.71
Interest on debt securities	12,703.81	18,520.51
Interest on subordinated liabilities*	5,848.88	6,918.75
Interest expense for leasing arrangements	141.07	89.03
Other interest expenses	972.25	787.41
Bank charges	382.74	195.10
Total	**61,673.10**	**63,071.51**

* This includes dividend on Cumulative, Non-Participative, Non Convertible, Compulsorily Redeemable Preference Shares of ₹ Nil (March 31. 2022 : ₹ 20.31 Lakhs) paid during the year along with redemption of the same.

Note 36 : Impairment on financial instruments

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets measured at FVTOCI
Loans written off	356.80	59,469.91	97.60	11,810.92
Impairment loss allowance on trade receivable and other receivable	25.37	–	15.79	–
Impairment loss allowance on housing and other loans	225.45	(19,269.31)	457.33	5,692.02
Total	**607.62**	**40,200.60**	**570.72**	**17,502.94**

Note 37 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	35,340.71	35,366.02
Contribution to provident and other funds	2,946.28	3,472.89
Share based payment to employees	–	(5.76)
Staff welfare expenses	473.30	479.28
Total	**38,760.29**	**39,312.43**

Note 38 : Depreciation and amortisation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	1,120.44	1,203.80
Depreciation on right-of-use assets	609.96	289.72
Depreciation on investment property	34.00	35.75
Amortisation on intangible assets	74.97	80.50
Total	**1,839.37**	**1,609.77**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 39 : Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Travelling and conveyance	2,366.79	671.45
Legal and professional charges	1,630.78	1,442.50
Insurance	430.50	558.47
Rent	1,401.63	1,659.81
Auditor's fee and expenses*	81.32	78.86
Rates and taxes	169.42	127.14
Repairs and maintenance	737.68	590.87
Director's fees, allowances and expenses	91.19	68.24
Software expenses	80.26	67.71
Documentation charges	362.04	128.64
Corporate social responsibility	175.45	341.93
Net loss on derecognition of property, plant and equipment	–	22.78
Property, plant and equipment written off	6.01	39.14
Printing and stationery	592.45	443.78
Communication costs	507.37	507.94
Write off against first loss default guarantee	640.18	2,914.03
First loss default guarantee expenses	(535.49)	42.08
Website and maintenance charges	38.41	18.46
Advertisement and publicity	241.91	104.89
Cash embezzlement	119.92	102.78
Other administrative expenses	1,739.60	1,478.97
Miscellaneous expenses	1,419.86	1,218.28
Total	**12,297.28**	**12,628.75**

*** Remuneration to auditors comprises of (excluding applicable taxes):**

As auditors	53.81	52.32
Other services	14.40	17.82
Reimbursement of expenses	13.11	8.72
Total	**81.32**	**78.86**

Note 40 : Tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	193.96	3,196.54
Income tax for earlier years	(242.85)	206.16
Deferred tax credit	91.65	(2,054.73)
Tax expense reported in the Statement of Profit and Loss	**42.76**	**1,347.97**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2022: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Accounting profit before tax expense	524.07	3,417.86
Income tax rate	25.168%	25.168%
Expected tax expense	131.90	860.21
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	58.11	203.03
Tax impact on items exempt under income tax	–	(2.57)
Income tax for earlier years	(242.85)	206.16
Tax on profit elimination	(8.62)	60.54
Others	104.22	20.60
Tax expense	**42.76**	**1,347.97**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 41 : Earnings per share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit for the year for basic earnings per share	481.31	2,069.89
Dilutive impact of share warrants	–	–
Net profit for the year for diluted earnings per share	481.31	2,069.89
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	78,231,361	69,888,690
Effect of dilution:		
Share warrants	3,602,564	6,153,846
Weighted-average number of equity shares used to compute diluted earnings per share	81,833,925	76,042,536
Basic earnings per share (₹)	0.62	2.96
Diluted earnings per share (₹)	0.59	2.72

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

Note 42 : Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value			
Derivative financial instruments	Note - 6	2,231.64	1,192.75
Loans measured at fair value through other comprehensive income	Note - 8	417,324.36	417,502.88
Investments* measured at			
Fair value through other comprehensive income	Note - 9	5,936.39	4,505.00
Fair value through profit and loss	Note - 9	111.70	169.75
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 4	25,770.63	109,126.48
Bank balances other cash and cash equivalents	Note - 5	85,665.12	91,067.88
Trade receivables	Note - 7	539.45	276.08
Loans	Note - 8	215,561.31	113,339.39
Investments*	Note - 9	127.81	181.87
Security deposits	Note - 10	253.59	356.53
Other financial assets	Note - 10	2,059.21	2,546.36
Total		**755,581.21**	**740,264.97**

Particulars	Note	As at March 31, 2023	As at March 31, 2022
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
	Stage 1	Stage 2	Stage 3	assets
Loss allowance on April 1, 2021	**2,747.84**	**5,854.80**	**20,730.24**	**6.43**
Increase of provision due to assets originated during the year	665.12	205.91	877.09	–
Net transfer between stages				
Transfer to stage 1	2,129.68	(1,900.34)	(229.34)	–
Transfer to stage 2	(109.99)	146.49	(36.50)	–
Transfer to stage 3	(703.17)	(1,017.43)	1,720.60	–
Assets derecognised or collected	(500.29)	(449.42)	(6,248.13)	7.26
Impact of ECL on exposures transferred between stages during the year	(2,775.66)	1,661.48	12,519.10	–
Loss allowance on March 31, 2022	**1,453.53**	**4,501.49**	**29,333.06**	**13.69**
Increase of provision due to assets originated during the year	1,072.86	259.97	535.54	–
Net transfer between stages				
Transfer to stage 1	206.01	(182.98)	(23.03)	–
Transfer to stage 2	(38.29)	45.66	(7.36)	–
Transfer to stage 3	(68.46)	(293.05)	361.51	–
Assets derecognised or collected	(747.65)	(3,798.66)	(25,596.43)	22.31
Impact of ECL on exposures transferred between stages during the year	(463.92)	450.11	5,922.40	–
Loss allowance on March 31, 2023	**1,414.08**	**982.54**	**10,525.69**	**36.00**

c) Concentration of loans

Particulars	As at March 31, 2023	As at March 31, 2022
Micro finance loans	545,850.62	492,128.89
Micro, Small and Medium Enterprises (MSME)	58,934.27	48,079.96
Housing finance and other loans	47,011.93	29,834.31
Less: Unamortised processing fee	(5,988.84)	(4,059.09)
Total	**645,807.98**	**565,984.07**

d) Loans secured against collateral

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

Particulars	Carrying value
As at March 31, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	63,945.82
MSME loans secured by book debts, inventories, margin money and other working capital items	3,082.64
As at March 31, 2022	
MSME loans secured by property, plant and equipment (including land, building and plots)	41,946.63
MSME loans secured by book debts, inventories, margin money and other working capital items	1,733.28

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

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

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 45 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	25,770.63	–	109,126.48	–
Bank balances other than cash and cash equivalents	57,206.38	28,458.74	69,387.96	21,679.92
Derivative financial instruments	2,231.64	–	1,192.75	–
Trade receivables	539.45	–	276.08	–
Loans	322,586.32	310,299.35	303,109.49	227,732.78
Investments	0.51	6,175.39	1,195.97	3,660.65
Other financial assets	2,240.16	72.64	2,836.48	66.41
	410,575.09	**345,006.12**	**487,125.21**	**253,139.76**
Non-financial assets				
Current tax assets (net)	3,321.63	1,005.92	(116.53)	642.63
Deferred tax assets (net)	–	8,857.48	161.66	8,092.00
Property, plant and equipment	–	8,681.88	118.71	8,163.47
Capital work-in-progress	–	–	–	17.89
Investment Property	–	664.26	–	698.26
Goodwill	–	3,370.66	–	3,370.66
Other intangible assets	–	179.17	–	230.40
Other non-financial assets	2,482.17	812.43	3,441.33	441.61
	5,803.80	**23,571.80**	**3,605.17**	**21,656.92**
TOTAL ASSETS	**416,378.89**	**368,577.92**	**490,730.38**	**274,796.68**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	10.42	–	10.42	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	497.45	–	1,268.06	–
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	23.87	–	172.02	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,527.78	–	1,520.19	–
Debt securities	57,375.23	52,268.35	44,657.54	74,583.85
Borrowings (other than debt securities)	250,304.41	194,053.85	270,723.18	137,356.78
Subordinated liabilities	7,168.00	29,954.90	11,102.78	35,927.75
Other financial liabilities	25,527.97	1,543.97	27,865.61	135.67
	342,435.13	**277,821.07**	**357,319.80**	**248,004.05**
Non-financial liabilities				
Provisions	226.85	707.50	320.41	661.92
Other non-financial liabilities	953.82	–	1,033.96	1.58
	1,180.67	**707.50**	**1,354.37**	**663.50**
TOTAL LIABILITIES	**343,615.80**	**278,528.57**	**358,674.17**	**248,667.55**
Net equity	**72,763.09**	**90,049.35**	**132,056.21**	**26,129.13**

(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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(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)**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part- A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

S.No.	1	2	3
Name of subsidiary	**Taraashna Financial Services Limited***	**Satin Housing Finance Limited**	**Satin Finserv Limited***
The date since when subsidiary was acquired	September 01, 2016	April 17, 2017	August 10, 2018
Reporting period for the subsidiary concerned, if different from the Parent Company's reporting period :-	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries :-	NA	NA	NA
Share capital	NA	11,340.00	14,051.49
Other equity	NA	3,216.16	(283.97)
Total assets	NA	48,298.83	32,918.85
Total Liabilities	NA	33,742.67	19,151.33
Investments	NA	Nil	Nil
Revenue	NA	6,187.21	10,650.69
Profit /(loss) before taxation	NA	784.18	821.40
Tax expenses	NA	191.82	215.10
Profit /(loss) after taxation	NA	592.36	606.30
Other comprehensive income	NA	(153.66)	(8.20)
Total comprehensive income	NA	438.70	598.10
Proposed dividend	NA	Nil	Nil
Extent of shareholding (in percentage)	NA	100%	100%

i) Names of subsidiaries which are yet to commence operations: N.A.

ii) Names of subsidiaries which have been liquidated or sold during the year - Taraashna Financial Services Limited got merged with Satin Finserv Limited w.e.f. March 1, 2023.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 56 : Employee Stock Option Plan / Scheme (ESOP/ ESOS)

Pursuant to the approval accorded by Shareholders of Satin Creditcare Network Limited (Company) at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee of the Parent Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (or any amendment thereto or any other provisions as may be applicable). ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding Promoters of the Parent Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Parent Company or its subsidiaries and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) Employee stock option schemes:

ESOS 2009: Initially 425,000 equity shares of ₹ 10/- each at a premium of ₹ 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 6, 2017)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	150,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 2, 2013			December 2, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in F.Y. 2013-14.

Satin ESOP 2010: 100,000 equity shares of ₹ 10/- each at a premium of ₹ 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10/- each at a premium of ₹ 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the Parent Company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Parent Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Parent Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Parent Company held on July 6. 2017.

(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

(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.

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

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

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

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.

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

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

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

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
7 Borrowings (other than debt securities) (at amortised cost)		
Term loans		
From banks		
Secured*	244,609.52	178,611.44
From other parties		
Secured#	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.

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)

		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**

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)

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.

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

19 Related party disclosures

A List of related parties and disclosures

Subsidiaries:
Satin Housing Finance Limited
Satin Finserv Limited
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

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

C Key management personnel compensation includes the following expenses:

Particulars	For the half year ended 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.

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.

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

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

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

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

(ii) The company has not transferred any NPA loans.
(iii) The company has not acquired any loans through assignment.
(iv) The company has not acquired any stressed loans.

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

(₹ in Lakhs)

S. No.	**Type of borrower**	**(A)** 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.

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
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

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

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

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

Naveen Aggarwal
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	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**	

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

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

1 Group overview

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

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

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

2 Basis of 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.

SATIN CREDITCARE NETWORK LIMITED

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

(All amounts in ₹ Lakhs, unless otherwise stated)

		As at September 30, 2023		As at March 31, 2023	
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 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

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

C Key management personnel compensation includes the following expenses:

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

*Reversal on account of change in 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.

This space has been intentionally left blank.

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