July 15, 2022

To,

The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra East, Mumbai-400051

Symbol: SATIN

The Manager
BSE Limited
25th Floor, P J Towers,
Dalal Street,
Mumbai – 400001

Scrip Code: 539404

Sub: Intimation under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') - Annual Report for the Financial Year 2021-22 including notice of the 32nd Annual General Meeting of the Company

Dear Sir/Madam,

This is to inform that the 32nd Annual General Meeting ("**AGM**") of the members of the Company will be held on Wednesday, August 10, 2022 at 11:00 A.M. (IST) through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

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

The Annual Report for the Financial Year 2021-22, including the Notice convening Annual General Meeting, being sent to the members through electronic mode, is enclosed for your record.

The Company has fixed Wednesday, August 3, 2022 as the "Cut-off Date" for the purpose of determining the members eligible to vote through remote e-voting on the resolutions set out in the Notice of the AGM or to attend the AGM and cast their vote thereat.

The Annual Report including Notice is also available on the Company's website and can be accessed at https://satincreditcare.com/wp-content/uploads/2022/07/Annual-Report-2021-2022.pdf

This is for your information and records.

Thanking you.

Yours faithfully,
For Satin Creditcare Network Limited

VIPUL SHARMA
Digitally signed by VIPUL SHARMA
Date: 2022.07.15 17:11:11 +05'30'

(Vipul Sharma)
Company Secretary & Compliance Officer

Encl. as above
Copy to:

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

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

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

Satin Creditcare Network Limited

Reaching Out!

DETERMINED.
DEFINITIVE.
DECISIVE.

ANNUAL REPORT 2021-22

What's Inside

What makes SCNL among India's leading microfinance institutions

INR **7,617** Crores
AUM

INR **1,381** Crores
Revenue

28 lakhs
Active Clients

Consolidated as on March 31, 2022

Investor Information

Market capitalization as at March 31, 2022	: INR 768.19 Crores
CIN	: L65991DL1990PLC041796
BSE code	: 539404
NSE symbol	: SATIN
Bloomberg code	: SATIN:IN
AGM date	: August 10, 2022
AGM venue	: Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

Scan Me

Please find our online version at:
https://satincreditcare.com/investor-relations-satin-creditcare/annual-report/

About this report

Our Annual Report for 2021-22 is our third consecutive Integrated Annual Report, created in accordance with the principles of <IR>. This year, we hope to go deeper into communicating holistically our financial and non-financial ways of value creation over the long term. We have presented a more detailed interplay of facts and disclosures respecting the <IR> framework along with those respecting GRI standards.

(GRI: 102-46, 54)

Reporting scope and boundary

The SCNL Integrated Annual Report for 2021-22 covers information on Satin Creditcare Network Limited's business segments, along with our associated activities that enable short, medium and long-term value creation.

(GRI: 102-50, 51, 52)

Management assurance

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

Disclaimer

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

DETERMINED
- to make a real difference

DEFINITIVE
- in relentless pursuit of our strategic priorities

DECISIVE
- about creating long-term value for all stakeholders

As India's leading microfinance institution with a legacy of 30+ years, Satin Creditcare Network Limited (SCNL hereon), stands for the power of hope as the only thing needed to spur the grassroots of our society into action and growth.

By financially empowering people who operate on the sidelines of the mainstream economic system, we become their means of entering into that mainstream.

To this end, we are as we have always been: Determined. Definitive. And, Decisive.

For us, financial inclusion is one of the first principles of all-round growth and economic development of any society – our work is a reflection of our commitment to this 'first principles thinking'. In driving all our energies towards this singular goal,

we are...

Determined to make a real difference.

We work in areas often deemed inaccessible, among sections of the society deemed unreachable. We supply them with affordable credit in a fair and transparent manner, enabling them to meet their immediate or long-term needs for growth and stability. Bridging the gaps left by the formalized systems of finance and employment,

we are...

Definitive in the relentless pursuit of our strategic priorities.

As a microfinance institution working at the grassroots level, the underserved and unserved are at the heart of our business but not just that; they are also close to our hearts. We view our customers as people whose dreams and aspirations have the power to deliver the next phase of economic growth for our country. Our growth gives testimony to their true potential. Continually reinvesting the best of our talents and resources into growing our business,

we are...

Decisive about creating long-term value for all our stakeholders.

(GRI 102-1)

Our six capitals for business growth and sustainability

We have identified the following six key capitals that help us create long-term value for each of our key stakeholders. An equitable and agile distribution of our key resources across these capitals helps us to create the output our customers expect from us, resulting in outcomes that help grow our business sustainably over the long term.

Financial Capital

What it means to us

Our consistent growth and expansion of our services result from our disciplined approach towards the management and deployment of our financial resources.

What it includes

It includes shareholder equity, retained earnings and more.

Intellectual Capital

What it means to us

We are adopting advanced technologies to increase operational efficiency and enhance our customer experience.

What it includes

The specific knowledge acquired by our people, the data and the expertise incorporated within our systems and processes and the recognition of our brand comprises our intellectual capital.

Physical Capital

What it means to us

The aggregate of our infrastructure and facilities that help engage with our key stakeholders comprises our physical capital.

What it includes

It includes our pan-India distribution network of branches, corporate offices, IT infrastructure, as well as the infrastructure developed as part of our corporate social responsibility initiatives.

Human Capital

What it means to us

We are a people-centric organization and we see ourselves as a key enabler for the success of our people on both professional and personal fronts.

What it includes

Our human capital includes our people with diverse skill sets and expertise in various fields.

Social & Relationship Capital

What it means to us

Our business is centered on our relationships with our key stakeholders and our clients, as well as our communities.

What it includes

Our values-driven approach to business and our mission are the key forces behind our strong relationships.

Natural Capital

What it means to us

Our interaction with the natural resources at our disposal is based on the approach of 'waste not, want not'.

What it includes

The natural resources we consume to maintain our operations, including space, utilities, and other materials.

(GRI: 102-7)

SCNL at a glance

Satin Credit Care Network Limited (SCNL) is a Non-Banking Financial Company (NBFC) and one of India's leading microfinance institutions. We are a public limited Company, headquartered in Gurugram, Haryana. We offer a well-diversified portfolio of financial products and services to the financially disadvantaged through our operations across India.

(GRI: 102-3, 5)

Numbers that matter

INR 7,617 Crores*
Assets Under Management

INR 1,381 Crores#
Revenue

INR 21 Crores#
PAT

1,224 branches*
Across 23 States and UTs

99.7%
Collection Efficiency

12,705 employees*
Full Time

28 lakhs#
Active Clients

INR 225 Crores#
Equity via Preferential Allotment of Shares & Warrants

** as on March 31, 2022*
 # During 2021-22

Our offerings through SCNL and its three subsidiaries fall under the following key categories:

SCNL
- Income Generating Loans
- Social Impact Financing

Satin Housing Finance Limited (SHFL)
- Housing Finance

Taraashna Financial Services Limited (TFSL)
- Business Correspondence Services

Satin Finserv Limited (SFL)
- MSME Loans

(GRI: 102-1, 2, 3, 4, 16)

Our subsidiaries

Satin Housing Finance Limited (SHFL)

Incorporated in 2017, SHFL funds people from middle- and low-income groups to own, purchase, construct, extend, or repair their houses through a variety of housing loans. It operates primarily in tier-II cities while also striving to reach tier-III and tier-IV cities and towns by leveraging the brand SCNL.

Satin Finserv Limited (SFL)

Incorporated in 2018, SFL offers loans to the Micro, Small & Medium Enterprises (MSMEs) in manufacturing, trading and services. SFL's loan offerings vary within the range of INR 0.5 lakhs to INR 500 lakhs to individual and corporate customers.

During 2021-22, the Boards of TFSL and SFL have decided to merge the two businesses to unlock underlying synergies and to come together to build capabilities aimed at making the combined entity stronger than either of the individual companies.

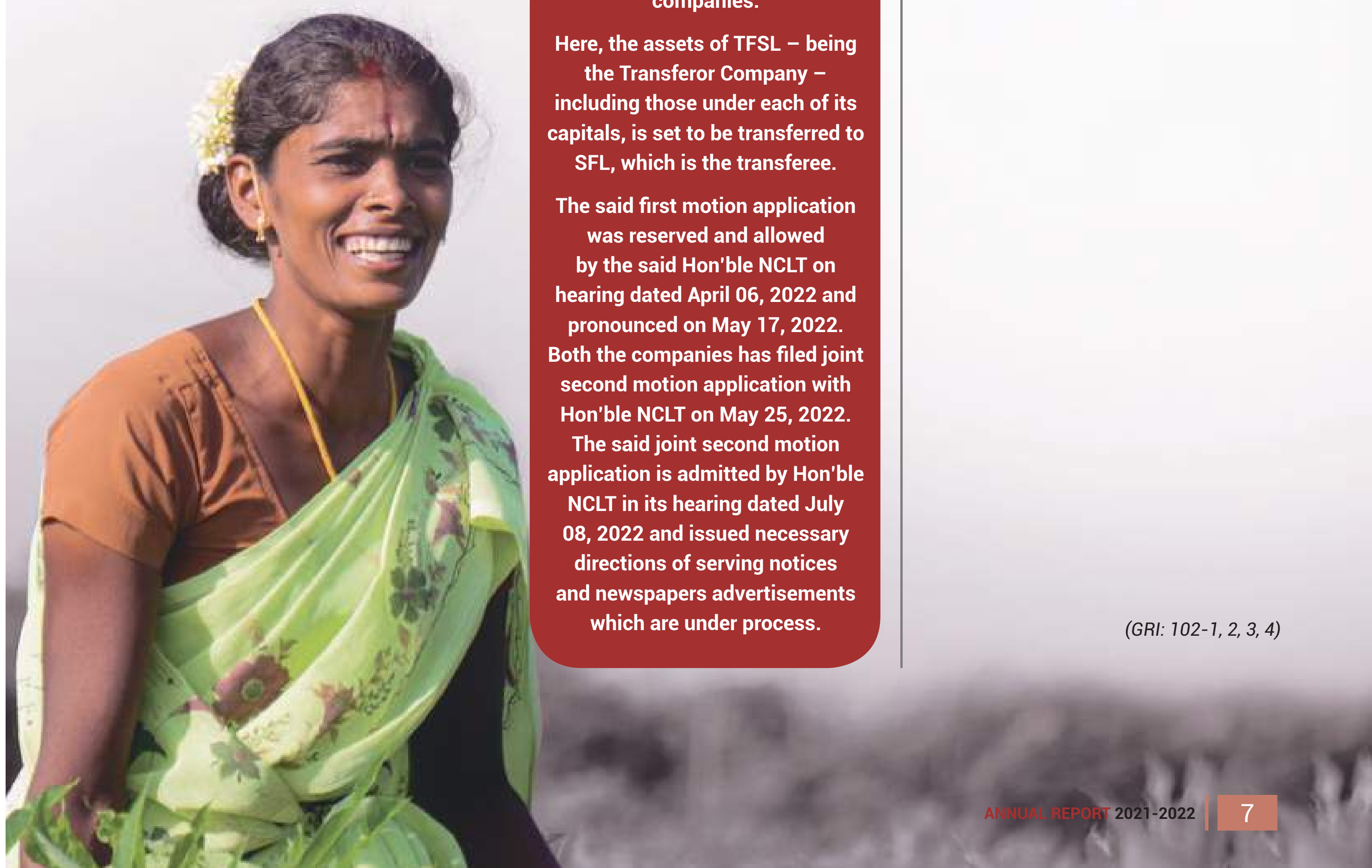
Here, the assets of TFSL – being the Transferor Company – including those under each of its capitals, is set to be transferred to SFL, which is the transferee.

The said first motion application was reserved and allowed by the said Hon'ble NCLT on hearing dated April 06, 2022 and pronounced on May 17, 2022. Both the companies has filed joint second motion application with Hon'ble NCLT on May 25, 2022. The said joint second motion application is admitted by Hon'ble NCLT in its hearing dated July 08, 2022 and issued necessary directions of serving notices and newspapers advertisements which are under process.

Taraashna Financial Services Limited (TFSL)

Acquired in 2016, TFSL is engaged in the business correspondent activity with various banks and NBFCs. It also sources new business for SCNL and our other wholly-owned subsidiary, Satin Finserv Limited, under its flagship project called Nai Roshni.

(GRI: 102-1, 2, 3, 4)



Determined

to do more, better, faster

At Satin Creditcare Network Limited, our strategy is propelled by our drive to enable financial inclusion for the unserved and underserved sections of the society. Our strategic priorities are directed towards enabling us to do more.

We continue to focus on expanding our reach to more people with our customized products and services. We back our efforts on ground by facilitating financial awareness and skilling programs.

Working to enable the large swathes of India's financially and socially disadvantaged population with access to microcredit options, helping the country with poverty alleviation, bridging income gaps, and focusing on sustainable tools, ***we are determined to do more, better, faster.***

Our contribution to the Sustainable Development Goals

1 NO POVERTY

10 REDUCED INEQUALITIES

Highlights of our strategic performance during 2021-22

During 2021-22, we successfully delivered INR 225 Crores fundraise through the preferential allotment via the issue of equity shares and fully convertible warrants. This followed the fully paid-up INR 120 Crores Rights Issue closed in August 2020.

As a result, SCNL recorded sufficient liquidity of around INR 1,291 Crores as on March 31, 2022, leaving the organization well-capitalized to pursue scale and expansion through reinvestment into the business.

About us: Knowing our work

Satin Creditcare Network Limited is among India's leading microfinance providers with a diversified portfolio of customized products and solutions targeting the financially underserved and unserved sections of the country's population.

Headquartered in Gurugram, Haryana, our operations are established across 23 states and union territories, supported by an able workforce of 12,705 employees. SCNL also provides housing loans, business correspondence services, as well as financing options to MSMEs through its three subsidiaries.

Together, we cater to 28 lakh customers through 1,224 branches and 30 lakh unique loan accounts. At SCNL our business is primarily based on the Joint Liability Group model, with economically active women forming ~100% of our total clientele for microcredit offerings.

Granted NBFC-MFI status under The Reserve Bank of India Act, 1934, by the Reserve Bank of India, we are an NBFC-ND-SI- the Company has not accepted any public deposits and will not accept the same during 2022-23.

(Read more under 'Company Overview' on page 76).

Our contribution to the Sustainable Development Goals

(GRI: 102-1, 3, 5, 6, 7)

Our story: More than 31 years of shared value creation

Much like our core customers at Satin Creditcare Network Limited, we have had humble beginnings.

2021
Initiated merger of TFSL and SFL

2018
Marked our foray into MSME lending by incorporating Satin Finserv Limited

2017
Incorporated Satin Housing Finance Limited, a wholly-owned subsidiary providing financing in the affordable housing segment

2016
Acquired Taraashna Financial Services Limited

2015
Listed our equity shares on the Calcutta Stock Exchange (CSE) on May 19, the NSE on August 26 and the BSE on October 20, following the de-recognition of the DSE, LSE, and JSE earlier in the same year

2013
Recognized as an NBFC-MFI

2008
Started JLG Model

1998
Registered as an NBFC with the RBI

1996
Completed our IPO through listing on the Delhi Stock Exchange (DSE), Ludhiana Stock Exchange (LSE) and the Jaipur Stock Exchange (JSE)

1990
Launched our operations as a provider of individual and small business loans and savings services aimed at shopkeepers/ borrowers

Our Vision, Mission, and Values: What makes us who we are

Our Vision

Making Micro-finance Inclusive and Purpose Driven.

Our Mission

- To be a leading micro financial institution by providing a comprehensive range of products and services for the financially under-served community.
- To lead in gender empowerment by leveraging on technology and innovation that forge sustainable strategic partnerships.

Our Values

Our strong belief in our organizational values and consistent adherence, regardless of upheavals in the economic environment, has enabled sustained growth for SCNL.

Each member of the SCNL family is expected to put in the sincerest effort to uphold these values through their engagement with fellow employees, clients, investors and other stakeholders. Above all, these efforts help to create the supportive and inspiring environment in which we operate.

Seeking Excellence

We strive for perfection and excellence in all that we do.

Accountability & Ownership

Accountability is all about answerability; the willingness to accept a task and be responsible for completing it to the best of one's abilities. Ownership, on the other hand, requires not only taking onus of the task at hand, but responsibility for the outcome of it, whatever that may be.

Teamwork & Collaboration

The SCNL way is to 'do it better together!' At SCNL, each person finds their niche in the Company and the best manner in which to serve its needs, rather than chasing individual gains.

Integrity

Strength and stability, both moral and financial, are the backbone of our organization. Integrity is at the apex of our business and we hold ourselves to the highest financial, intellectual and ethical standards no matter what.

Nurturing Lives

We aim to create value for all the people associated with our business. Be they our clients, vendors or people we work with, we endeavor to make an impact and difference to all those with whom we interact.

(GRI: 102-16)

On the right path to deliver growth

It is tough to weather challenges of the kind unleashed by the COVID-19 pandemic. At SCNL, though, our work makes us look at these challenges differently. Tough times as we see them is what our clients experience as way of life – more often than not there is a crippling uncertainty around their lives and livelihoods.

Our clients comprise that class of financially disadvantaged people who are excluded by the formal economic systems and rely on us for support and growth. These are people who routinely struggle for the means to secure good health and nutrition; a decent place to call home; the wherewithal to secure the future of their families.

Lest we forget, these are also people who fight to emerge triumphant in the face of severe challenges. At SCNL, we are proud to be the ones equipping them with the tools they need to fight for a better life and a better future.

Thus, throughout our 30+ years of shared value creation, we have built our work in a way that reflects a running thread of empathy and the passion to make an impact. In short, we win when our clients win.

We work to ensure that our clients keep on winning, regardless of how tough the times get. These wins may be small at times but are truly significant every single time: they transform lives. It is what keeps us going at SCNL. Onwards and beyond…

This is, in a nutshell, what we have achieved over the past two years that witnessed an unprecedented impact on global health and socio-economic well-being. During the previous year (2020-21), we talked about how we were 'Doing it right' and in the right way to prime ourselves to take a bigger leap. And indeed this year, we are.

Message from the CMD

> At SCNL, we believe in doing the right things, the right way. We have seen a string of challenges over the past decade, which we have withstood, and embraced to its learnings. These learnings have primed us to strategically target bigger goals. We have also continued to build our capabilities as a result.

Dear Shareholders,

I am happy to report that during the financial year under reporting (2021-22), we succeeded in taking that big leap.

We took key strategic decisions that will enable us to grow our presence as well as our stature over the longer term. These decisions will provide us the competitive advantage that would help us consolidate our presence in the space we are passionate about, protect our relationships with our clients, in which we continue to enjoy a great degree of recognition and trust, and provide us with the momentum to grow as a business.

As a result, our commitment to enable financial inclusion across the country has never been stronger. As we collectively focus on recovery from the impact of the pandemic, it is now time to reach out for more. At SCNL, we are forever inspired by the courage and dedication demonstrated by our people and our clients.

Looking back on 2021-22

The year began amidst the second wave of the COVID-19 pandemic. While the country refrained from a repeat of the life threatening wave witnessed a year earlier, the second wave was far more harmful than when the virus first hit India. There were restrictions on mobility and lockdowns were intermittent as well as localized.

The virus had begun to take a toll on populations across tier-II and tier-III towns as well; many cities and towns reported an acute shortage of hospital beds and high flow oxygen. As a result, the first quarter witnessed chaos, uncertainty, and a dip in economic activity.

Simultaneously, the year was seeing a rising trend in overall inflation, which was seen to be increasingly putting pressure on consumer spending. However, the second and the third quarters witnessed a gradual growth in economic activity, driven by sales related to the festive season. Also being seen was the positive impact of the supportive measures extended by the Government to businesses, particularly the MSMEs.

In addition to the fiscal stimulus packages announced by the Government in the form of the Aatmanirbhar Bharat package, Emergency Credit Line Guarantee Scheme (ECLGS), and more, the RBI had provided for an accommodative policy stance via repo cate cut, Targeted Long-Term Repo Operations (TLTRO), Special Liquidity Scheme and Partial Credit Guarantee Scheme and such.

On the healthcare side, the vaccination drive was picking up, contributing confidence in the market of the possibility of near-term resumption of economic activity aimed at recovery. While rising inflation continued to pose a concern, the near-term focus was on achieving double-dose vaccination.

The Union Budget 2022, recognized inclusive development as one of the four pillars in its approach to fiscal planning and implementation.

The Budget 2022 announced a National Master Plan for Multi-Modal Connectivity to speed economic recovery via focus on infrastructure by bringing 16 ministries together on a digital platform for integrated planning with a view to give a strong impetus to job creation throughout the country.

It also put a spotlight on the rapidly growing fintech sector in the country with the continuation of support for the digital payments system and several other measures aimed at the digitization of the currency and other services. Digitalization will play an important role in enhancing the last mile connectivity for service providers, enabling financial inclusion.

The RBI too announced the continuation of its accommodative policy stance. As a result, expectations were building up of a strong rebound followed by rapid recovery; only to be met by the start of Russia-Ukraine conflict in the middle of Q4 2021-22. It had major impact on the stable operation of the global supply chain and caused commodity price inflation to spike to levels not witnessed in decades.

The consistent rise in prices around the globe has led economy watchers and policy makers to put on hold their expectations of economic recovery and begun to encourage governments to take measures to control the rise in inflation in order to shield the financially weak from its impact.

Rise in commodity prices as a result of inflation hovering around 7% has a significant impact on the spending power of the economically disadvantaged. Thus, their ability to invest in economic growth and to spend on things other than food reduces sharply. As a result, it hits overall economic growth of the country and drags down key performance indicators, thus delaying recovery. Our clients, who are from rural areas, however, are self-sufficient in fulfilling their basic needs. And thus, remain relatively less impacted by the same.

At SCNL, we understand the plight of our clients, a majority of whom are women engaged in economic activity. We have been working to ease their burden to shoulder the financial responsibility for their families by focusing on growing our disbursement to clients who have already established their credentials with SCNL.

The microfinance industry during 2021-22

The industry has been through its toughest time yet since the COVID-19 pandemic began. This was due to lower liquidity levels on account of inflation trending on the higher side. The MFI space was also hit by the lower unemployment rate recorded on account of the change in economic activity.

MFIN's Micrometer Report, March 31, 2022, recorded for the microfinance industry a total loan portfolio of INR 2,85,441 Crores with 11.30 Crores active loan accounts. The industry serves 5.8 Crores unique borrowers through small value loans provided to low-income households across 611 districts in 35 states and union territories.

After the second wave of COVID-19 hit, the overall loan collection efficiency around June 2021 went down, indicating a rough patch. NPAs were expected to rise, as defaults were growing.

However, 2021-22 also observed the industry witnessing a turnaround. One of the key reasons for this was that microcredit customers are also among the most resilient. The rural economy continues to grow on the back of healthy agricultural yields and government support for job creation and digitization.

Thus, by September 2021, the delinquency trends had declined significantly. Resilience at this scale indicates the relevance of microfinance as a solution to the problems endured by its clientele.

I am confident that the industry will pick up growth over the near-term by prioritizing operational efficiency and purpose-driven collaborations with new-age companies. As one of the biggest players in the MFI space, we are determined to grow our impact, especially given that the new regulatory framework provided by the Central Bank for the industry is offering a risk pricing advantage.

At SCNL, we welcome these changes as a leading player in the industry. We expect it to help provide a more level playing field while multiplying the benefits for our customers. *(Read more under 'Our strategy for sustainable growth of business' on page 29)*

While keeping a positive stance throughout the COVID-19 period, at SCNL, we have taken definitive steps to emerge stronger from the impact of the pandemic.
(Read more: pages 48-49)

Our performance during 2021-22

On the operations front, our cumulative collection efficiency for Q4 2021-22 bounced back to pre-COVID levels of 101% in the top 4 states of Uttar Pradesh, Bihar, Madhya Pradesh and Punjab, which represent ~54% of our AUM, while the total number for Q4 2021-22 stood at 99.71%.

Our Consolidated AUM touched INR 7,617 Crores, growing at 6% (quarter-on-quarter basis) indicating that we are

> In our quest to grow and do more, we are going to be decisive and continue to focus on what differentiates us. It is our specific expertise in the field of microfinance, the agility and dedication of our teams, our advanced technology, and our prudent approach overall.

back in the growth phase. Our disbursements have grown consistently to touch INR 1,900 Crores during Q4 2021-22, back at levels seen pre-COVID-19.

We are working incessantly to improve our asset quality, which has been impacted due to the pandemic to provide sufficient cushioning to asset implementation. Our cumulative on-book provision stood at INR 345 Crores as on March 21, 2022, which was 6.70% of our on-book AUM.

We are working to address our on-book GNPA of INR 412 Crores as it forms 8.01% of our on-book portfolio. Our restructured portfolio in JLG and MSME in accordance with RBI Resolution Framework stood at INR 925 Crores as on March 31, 2022. The same reduced to 17.98% of on-book AUM as compared to 21.43% as on September 30, 2021. We sold stressed loan assets worth INR 53.15 Crores (including principal and interest accrued) to an Asset Reconstruction Company during the year under review.

Having said that, it is important to note that our subsidiaries have performed above par, with SHFL being profitable for two consecutive years with nil GNPA in its 4.5 years of operation, and SFL being profitable for three years despite operating in an external environment riddled with challenges.

We strategically aligned ourselves more closely to our vision to make a bigger impact. This alignment came in the form of fundraise of INR 225 Crores through preferential allotment of equity shares and fully convertible warrants, coming on the back of INR 120 Crores Rights Issue in August, 2020, which was fully paid up.

Our fundraise over the past two years leaves us well-capitalized to target greater ambitions from within, and cater to greater expectations from our customers across the country. We commit to pursuing our mission more aggressively, backed by the trust of our investors.
(Read more: pages 9 and 34)

We took yet another step to increase our operational efficiency through consolidation of TFSL with SFL to create a combined entity that sources new business while also offering customized products and solutions to our clients. Both the businesses saw healthy growth numbers during the year. The move will also enable us to reap strategic benefits under the current taxation system.
(Read more: pages 7 and 34)

Our strategy for growth

At SCNL, we believe in doing the right things, the right way. We have seen a string of challenges over the past decade, which we have withstood, and embraced to its learnings. These learnings have primed us to strategically target bigger goals. We have also continued to build our capabilities as a result.

With the pandemic largely behind us, we are now ready to take action. Our fundraise allows us to target expansion; with it we are also focusing on diversifying our business. We are seeking to grow our non-MFI book that includes MSME and Housing Finance, as well as cross-selling. So far, the performance of both the business is reassuring. It helps us maintain confidence in our growth prospects.

Our commitment to sustainability

At SCNL, we reiterate our commitment to sustainability of the environment and support for our communities through our various initiatives and the efforts of our committed workforce. Our clean energy program continues to attract participants and recognitions while benefiting our customers. We have also disbursed ~1,00,000 bicycles and ~3,50,000 solar products to women in India with an aim to enhance their lives.
(Read more about it in our ESG report on page 42)

Our people

For us at SCNL, our people and their well-being as well as their professional growth are our top priority. They are the ones who enable us to create long-term stakeholder value. On behalf of SCNL, I would like to express my gratitude to each member of our team for putting in their best in these troublesome times.

We are proud of Satin Sahyog for the role it has played in supporting families of those employees whom we lost either due to COVID-19 or accident. The benefits extended to the family include pension, coverage of children's educational expenses and job for a family member.

The COVID-19 insurance for our workforce aimed at helping them with medical expenses as required too was continued for the year. SCNL also facilitated vaccination for each of its employees and their family members. In terms of other accolades, we were conferred as part of 'Great Place to Work' for the third time in a row, and amongst the Top 30 BFSI, second time in a row. SCNL has been ranked 38th among the 'Top 100 India's Best Companies to Work for 2022' across all industries and has also been recognized as 'Best in Microfinance Industry' by Great Place to Work® Institute (India) in the month of June 2022.

Outlook for SCNL

Our range of strategic measures will help us implement our plans to expand our presence and invest in business growth through technology adoption and retention and development of talent over the coming years. We are also looking at driving values-based collaborations with other players to strengthen our value proposition.

In our quest to grow and do more, we are going to be decisive and continue to focus on what differentiates us. It is our specific expertise in the field of microfinance, the agility and dedication of our teams, our advanced technology, and our prudent approach overall.

I believe all of these goals are achievable because of the quality of our teams and the commitment I see reflected in our people. As we brave this pandemic and a fair bit of uncertainty on the international relations front, we shall continue to put in our best efforts to ensure our people are cared for, treated equitably and with respect, and have ample support to create professional success for our business.

I thank all our people for believing in us. I am grateful to all our investors for backing us. I am inspired by all our clients for showing unflinching commitment and resilience.

Warm Regards,

HP Singh

(GRI: 102-14, 23)

Definitive

in our commitment to our key stakeholders

At Satin Creditcare Network Limited, we have built a legacy of consistent growth and performance through unwavering adherence to our organizational values. We enjoy close, long-standing relationships with our clients, which has led to brand trust that endures.

Our performance at SCNL is constantly guided by our respect for strong business fundamentals. We continue to focus on enhancing the quality of our balance sheet while targeting economic recovery in the post-COVID-19 era.

Our business outcomes reflect the potential for growth for India's financially excluded population, driving value not just for individuals but also for society at large, and the nation above all. Championing the causes of our clients, ***we are definitive in our commitment to our key stakeholders.***

Highlights of our financial performance for 2021-22

During 2021-22, our Assets Under Management touched INR 7,617 Crores*, growing by 6% on quarter-on-quarter basis. As a business, we are firmly back into the growth phase. This growth was achieved based on growth in disbursements – touching INR 1,900 Crores* for Q4 2021-22, which touched pre-COVID-19 levels in March 2022.

We are constantly working to improve our asset quality, with cumulative on-book provision of INR 345 Crores as on March 31, 2022, which is 6.70% of on-book AUM. We have also maintained adequate provisions and write-offs for bad loans since provision as per RBI stood at INR 306 Crores.

Our cumulative collection efficiency too went up during Q4 2021-22 at 99.71%. Remarkably, the collection efficiency in the top 4 states of Uttar Pradesh, Bihar, Madhya Pradesh and Punjab, representing 53.74% of AUM, touched 101.47%.

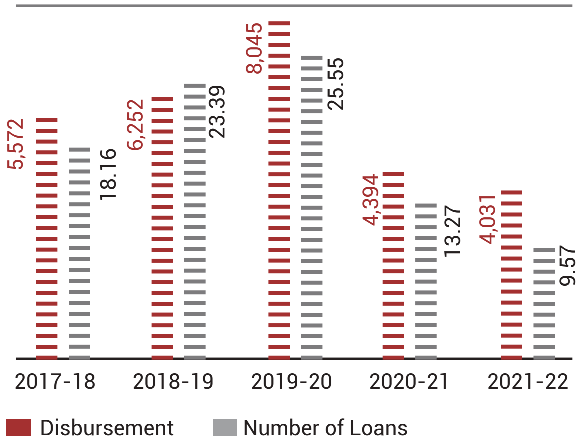
** On a consolidated basis*

Our key performance indicators

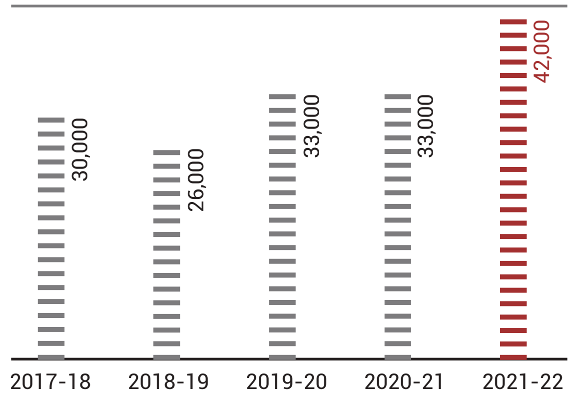
At SCNL, we are focusing on expanding our customer outreach through our pan-India network and our highly diversified portfolio of products and services.

Standalone Data

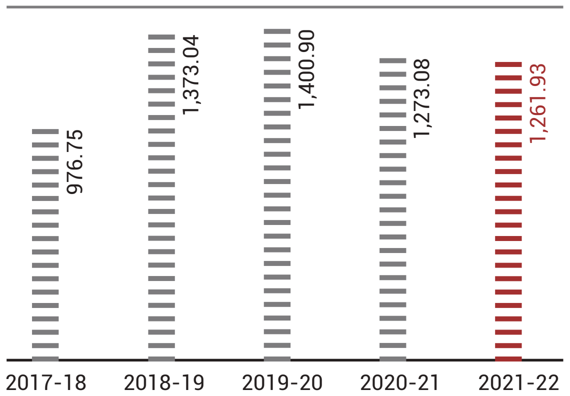
Disbursement (INR in Crores) and Number of Loans (lakhs)



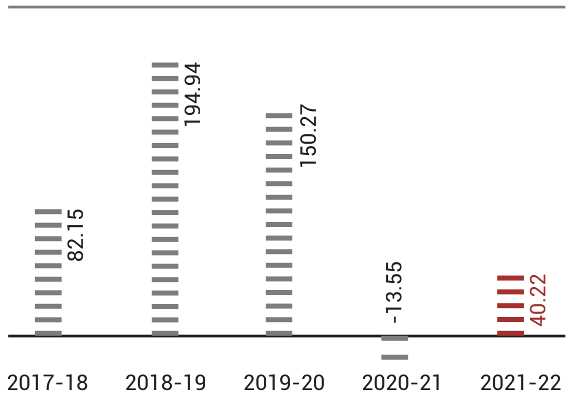
JLG Loans: Average Ticket Size (INR)



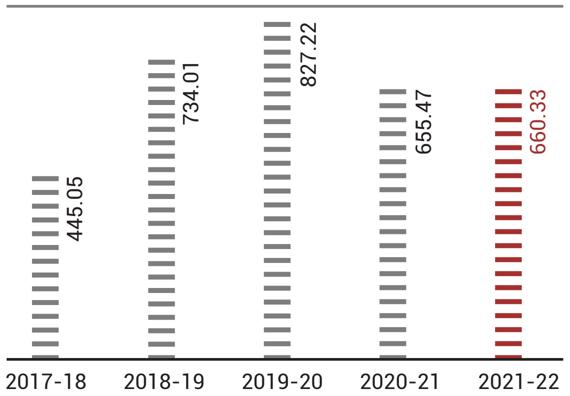
Gross Income (INR in Crores)



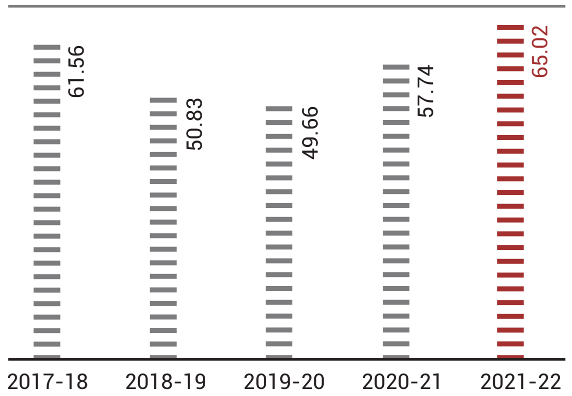
Profit After Tax (INR in Crores)



Net Interest Income for the year (INR in Crores)



Cost to Income Ratio (%)



Consolidated data for 2021-22

INR **1,381** Crores
Revenue

28 lakhs
Clients

1,224 branches
Across 23 States and UTs

INR **755** Crores
Net Interest Income

INR **7,617** Crores
Assets Under Management

0.26%
Return on Assets

1.35%
Return on Equity

INR **21** Crores
Profit after Tax

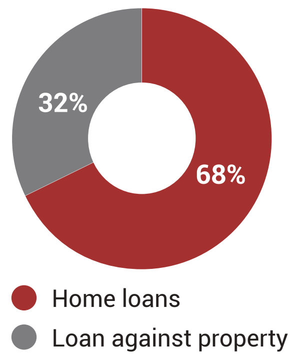
Performance of our subsidiaries

At SCNL, our three subsidiaries enable us to offer allied products as a means to achieve product diversification. Their consistently profitable performance during these challenging times has served to support the successes of SCNL, together with adding strength to our overall stakeholder value proposition.

Performance highlights of our subsidiaries

Satin Housing Finance Limited (SHFL)

100% retail book loan breakup



60.65%
CRAR

2.07x
Gearing

INR **101** Crores
Equity

INR **318** Crores
AUM

Satin Finserv Limited (SFL)

16 branches in **9** states
Geographical Reach

4,262
Active Loan Clients

INR **166** Crores
AUM

64.00%
CRAR

INR **108** Crores
Equity

Taraashna Financial Services Limited (TFSL)

INR **724** Crores
AUM

158 branches in **6** states
Geographical Presence

3.50 lakhs
Clients

Our value creation model

As one of the leading MFIs in the country, our business model is rooted in the values of the all-round development of the community that we serve. Our work has a wide-ranging impact in enabling financial empowerment. All our efforts are geared towards growing this impact in a sustainable manner.

CAPITAL INPUTS

Financial Capital
- Shareholders' funds
- External borrowings

Physical Capital
- Physical infrastructure
- Corporate office and other locations

Intellectual Capital
- Digital infrastructure
- Credit policy and underwriting skills
- Risk management framework
- Capacity building on ESG

Human Capital
- Workforce
- Learning & development
- Employee engagement initiatives
- Employee benefits

Social and Relationship Capital
- Our long-standing relationships with our Joint Liability Groups
- CSR programs
- Workforce engaged in CSR programs
- Partnership with government

Natural Capital
- Natural resources consumed – electricity, fuel, water, and paper, among others

Our Business Activities

Formation of groups → Documentation and paper work → Training of groups → Loan sanction → Center meeting and collection process → Follow-up loans

Our Comprehensive Offerings
- Income Generating Loans (IGL) through SCNL
- Water, Sanitation & Hygiene Loans (WASH) through SCNL
- Social Impact Financing of Solar Lamps, Bicycles, through SCNL
- Affordable Housing Finance through SHFL
- Micro Small & Medium Enterprises (MSME) Loans through SFL
- Business Correspondence through TFSL

Our Key Enablers
- Stringent/high compliance
- Effective risk management
- Advanced technology adoption
- Strong relationships with clientele
- Expertise in niche area of microcredit and finance
- Work culture
- Skilled workforce with specific skillsets

Our Strategic Objectives

Enhance Portfolio Quality → Diversify Operations in Existing Geographies → Work with Robust Digital Technology and Processes → Integrate Information Security as a Part of Client Confidentiality

OUTPUTS

Products
- Income Generating Loans (IGL) through SCNL: **25,70,946 loans**
- Social Impact Financing of Solar Lamps, Bicycles, Water and Sanitation Facilities through SCNL: **71,659 loans**
- Micro Small & Medium Enterprises (MSME) Loans through SCNL: **831 loans**
- Affordable Housing Finance through SHFL: **3,585 loans**
- Micro Small & Medium Enterprises (MSME) Loans through SFL: **4,262 loans**
- Business Correspondence through TFSL: **3,49,942 loans**

OUTCOMES

Financial (Consolidated)
- Gross Income: **INR 1,381 Crores**
- Profit after Tax: **INR 21 Crores**
- Return on Assets: **0.26%**
- Return on Equity: **1.35%**
- Net Interest Income: **INR 755 Crores**

Physical
- Total branches: **1,224**
- Districts covered: **404**
- Offices and presence: **1,290**

Intellectual
- Digital services being offered: From loan origination to loan management system, the whole process is digitized
- Adopted technologies such as:
  - **O–KYC:** OTP-based KYC for electronically verifying the customer's credentials
  - **Liveliness:** To ensure the integrity of face biometrics as a means of authentication or identity verification
- Developed in-house software: Expense management System – To simplify expense reimbursement and reconciliation process

Human
- Net additions: **6,921**
- Man-hours spent on L&D and T&D programs: **9,385 hours**
- Average tenure of senior management: **5 years**

Social and Relationship
- New customers acquired: **1,51,147**
- Total Business Correspondents (BCs): **1**
- Committed to CSR: **INR 3.34 Crores**

Natural
- Emissions reduction
- Going paperless
- Switched to the usage of glass bottles from plastic used earlier across the corporate
- Conducted plantation drives to contribute towards environmental preservation
- Added more plants in the head office premises to have positive benefits for employees and the organization

Stakeholder engagement and materiality

As a responsible organization, we value a continuous dialogue with our key stakeholders in order to suitably refine our value proposition. Our objective is to stay relevant by understanding the various needs of our key stakeholders. Essentially, what matters to them matters to us as a business.

As a result of our comprehensive and continual stakeholder engagement process, we have identified several topics that are of material importance to the various segments of our key stakeholders. Mapping these topics to our business priorities helps us drive soundness and confidence in our strategic business decision-making.

Our material topics

Presenting our material topics of importance:

Order of importance	Material topic	Description	Capitals impacted directly
1	Responsible Lending	We view our business as our responsibility to make available last mile credit facilities to people who exist at the periphery of the mainstream economic system. They lack access to formal finance for a multitude of reasons. At SCNL, we serve them in a manner that is truly supportive, ethical, fair and transparent, as well as reliable, aimed at enabling them to ably support their families and businesses to grow.	
2	Innovative Products	Our customers access credit for a multitude of reasons. Many of these reasons are unacknowledged by the standard approach to financing prevalent in the mainstream system of finance. At SCNL, therefore, we develop innovative products based on an in-depth understanding of our customers' needs as a key to building long-lasting relationship.	
3	Corporate Governance	Robust corporate governance serves to protect the interests and aims of each of the key stakeholders of the business. It helps to grow and maintain trust in the system. At SCNL, in addition to best practices in corporate governance, we have evolved multiple technology-based systems that enable us to track and monitor our operations 24x7 as well as assess them based on quality. Fairness, trust, transparency, and integrity are the pillars on which our Board and our senior leadership have established our governance framework.	
4	Compliance	Compliance is a core focus area under governance at any corporate organization. Compliance to rules and regulations set by the governing authority of the markets as well as the administration helps control and mitigate compliance risks. This is crucial for business stability and trust in the brand. At SCNL, we follow a policy of 100% compliance with the rules and regulations set by various authorities across the geographies where we operate.	
5	Customer Satisfaction	Customer satisfaction is critical for the growth of a business. It is a mark of delivering on customers' expectations, which contributes to a long-lasting relationship and growth in brand trust. At SCNL, for 59% of our customers, we are the single lending provider; 44% of our clients have been with us for a duration exceeding five years.	
6	Financial Performance	Strong financial performance enables a business to invest in growing its capabilities and add strength to the organization, aimed at benefitting its shareholders. It serves to attract more capital, which helps the business to expand its reach as well as enhance its portfolio of offerings. At SCNL, we continue to deliver on our commitments and attract investor interest through equity infusion. It is helping us to grow as an organization as well as serve the growing aspirations of our target customers.	

Order of importance	Material topic	Description	Capitals impacted directly
7	Technology-led Processes	In today's fast-paced world, businesses face an increasingly competitive environment on account of the rapid adoption of technology. It enables us to do more with less and optimize our business outcomes. Thus, technology is key to business resilience. At SCNL, throughout our journey, we have consistently upgraded our technological infrastructure for data-led governance, strategy, business decision-making, as well as engagement with our key stakeholders. Technology also helps enrich our human capital by enabling our people to work more efficiently, transparently, and effectively.	
8	Community Development	In microfinance, as the business follows the Joint Liability model, community development is critical for being able to build brand trust within the target consumer group. Our consumers have historically had very low awareness with respect to credit history, the need and uses of financing, investment, as well as how to grow their business. At SCNL, we invest key resources in helping our customers become more aware of the opportunities facing them. This helps to develop a community that is committed to efforts for its upliftment.	
9	Employee Engagement	A highly engaged employee is also highly motivated to drive business outcomes in a manner that respects the business values. At SCNL, particularly, our business operations rely heavily on the sense of trust and engagement that our employees are able to build with our target customers. An engaged workforce is key to the organization's ability to build and sustain long-term relationships with our customers. Therefore, we have put in place a host of measures, financial and otherwise, by which our employees feel motivated to do their best.	
10	Training and Development	A well-trained and highly-skilled workforce is very important for being able to efficiently serve the target customer and other key stakeholders. It enables the employee to conduct their duties with confidence, which enhances stakeholder trust in the brand, while helping the employee grow in their career. Thus, training and development are important for cultivating a highly engaged workforce. At SCNL, we are committed to a process of continuous learning aimed at helping each of our employees to maximize their potential for growth.	
11	Risk Management Framework	The ability to proactively identify, analyze and respond to risk as well as the need to monitor and manage risks on an ongoing basis is essential for a business to safeguard its operations. Business stability and growth result from having a robust risk management framework. At SCNL, we have managed to deliver consistent returns to our investors as well as growth for our employees and our customers by adhering to a robust risk management framework governed by the highest decision-making authority, the SCNL Board.	
12	Government Initiatives and Missions	In microfinance, our work is closely tied to the social need for financial inclusion of those segments of the society that are either underserved or unserved by the existing system for formal finance. Government initiatives play a key role in providing opportunities for our target customers to make a living by applying their strengths. At SCNL, we closely monitor such opportunities with the aim to help make our target customers aware of the existing avenues of growth and community development. We develop values-based partnerships with our Joint Liability Groups formed to benefit from these schemes through easy credit access. Thus, enabling the Government in its overall aim to promote financial inclusion.	
13	Customer Privacy and Data Security	Data protection and security is the cornerstone for the customer's trust in the business' ability to responsibly use their data. It is a crucial element of data governance structures pertaining to organizations. At SCNL, we take data governance extremely seriously. It is part of our corporate governance best practices, our risk management framework, our compliance processes, and our employee and customer engagement policy. We are the first MFI to be certified with ISO 27001:2013, due to the prevalence of our robust Information Security Management System.	
14	Energy Management	Optimal use of key resources such as power, water, space, and others is important to ensure that operational costs remain low and also being responsible while consuming resources. Energy is the main input for our operations from the point of view of resources consumption. It is a key requirement for our branches and our field staff using a variety of electronic hardware. At SCNL, we are consistently tracking our use of electricity. We have policies in place to ensure that devices are used efficiently.	
15	Environment Conservation	Conservation of the environment is a broad-based concern for general society and administrations globally. At SCNL, we believe climate change mitigation deserves to be one of the key commitments of any organization participating in the economic system. As India's leading MFI, we are firmly invested in the collective future of our customers. These are people who are financially disadvantaged and hence, most at risk from the adverse impacts of climate change. Thus, apart from optimizing our own resource use, we have initiated policies to encourage green lending and ESG-driven business outcomes.	

Our strategy for sustainable growth of business

Our Board at SCNL is responsible for framing our strategic priorities based on the key inputs reported to them by our senior leadership periodically. These priorities are framed based on market intelligence regarding evolving consumer needs and insights into material topics obtained through deep stakeholder engagement, while taking stock of the resources available to the business.

The Board has formed several committees to ensure we pursue these priorities in accordance with our organizational values by framing the policies necessary for their implementation. The implementation is conducted by the senior leadership under the keen supervision of the Board.

The new regulatory framework for microfinance institutions

The Board has taken into account the new regulatory framework for microfinance institutions namely 'Reserve Bank of India (Regulatory Framework for Microfinance) Directions, 2022,' provided on March 14, 2022. It has factored in these directions in framing its strategy for 2022-23 as these became applicable from April 1, 2022.

A snapshot of the changes applicable to the microfinance industry

Uniformity	Uniform regulations will apply to all microfinance lenders, including Banks, Small Finance Banks, NBFC and not-for-profit NBFCs to bring them all on a level playing field with NBFC-MFIs.
Reduced Pressure	The new rules uniformly apply a 50% fixed obligation to income ratio to all categories of borrowers, thus reducing the pressure. This will result in lower delinquency as well as lower credit costs for the industry.
Risk-Based Pricing	The interest rate cap has been removed to allow lenders to go for risk-based pricing. Increased competitiveness will benefit the borrowers immensely while giving the lenders a chance to play to their strengths.
Greater Outreach	The household income threshold has been raised to help MFIs reach many more households, ultimately enabling a wider customer base to benefit from microcredit offerings.
Credit History	Lending rate henceforth may be a little higher for new borrowers without credit history, while borrowers with robust repayment track record may enjoy softer rates.
Over-Indebtedness	The harmonized regulations will indirectly help to control the over-indebtedness seen among borrowers.

Case studies

Overcoming miles of struggle

Even today, access to clean water remains a prevalent issue for many and Guriya Devi and her family were no exception to it. Struggling to walk miles with her husband and daughter to fetch clean water, which would get worse for them during the night hours. These challenges affected the family's health and work life as well. Eventually, Guriya Devi took charge of the issue and decided to get the dysfunctional motor pump at her home repaired. She was a member of our Joint Liability Group (JLG) and connected with our loan officer, and gained information on WASH Loan and became certain to resolve her problem. She then applied for a loan and got the motor pump repaired upon loan approval. With this, Guriya Devi overcame the pertaining water accessibility concern, availing clean water and leading to better health conditions of her entire family.

Name : Guriya Devi
Location : Bariya, Uttar Pradesh
Loan Type: WASH

Integrating determination with success

Rumena Begum, earlier a daily wage earner, runs a grocery-cum-stationery shop with her husband, Md. Ata-ur-Rahman. The couple's current shop was once a distant dream for both of them due to the financial constraints to keep the shop operational. They were hesitant to go to a bank, concerned about the hassles of the process and waiting periods. Rumena did not bend before these challenges, and continued to find approachable ways to arrange funds for their shop. While doing so, she learned about microfinance, group concept and lending methodology in her locality. She joined a group and called the Branch Manager of SCNL's Gomariguri Branch, and went through the group nurturing process. Rumena took her 1st loan of INR 25,000 and bought some of the basic necessary grocery items. Gradually, their business grew, enabling them to add more stock. They also started selling stationery items. At present, she is into her 2nd cycle loan of INR 40,000 and is grateful to avail services from SCNL that led to the establishment of their dream business. Further, she expressed her joy stating "having an income source from one's own business has a different charm". With both the husband and wife running the shop with dedication day and night, they are able to earn INR 600-700 per day and lead a peaceful life.

Name : Rumena Begum
Loaction : Gomariguri Village, Assam
Loan Type: IGL

Inspiring lives

We often come across people with a strong will and urge to achieve something better in their lives. But the absence of resources holds them back to bring the change. Such was the story of Urmila, who had always aspired to become financially independent and to contribute more towards her family's welfare. Her association with SCNL, made this dream come true as she received a credit support of INR 15,000. With the loan amount, she opened her own *kirana* store and worked actively to make it a success in the area. The success of her store facilitated her to repay the loan on time. Further, she took five more loans from SCNL to infuse more stock in her store.

Eventually the store expanded to add further items of daily use. She makes sure her stock is in flow to meet the needs of her varied customers. Urmila Devi is among the SCNL's best clients. She is a huge inspiration for other women in the rural area who are willing to take the steps to make their lives better and earn more.

Name : Urmila
Location : Agra, Uttar Pradesh
Loan Type: IGL

Unwavering approach to a quality life

Kavitha is associated with SCNL since 2019, when she took an income generating loan of INR 25,000 to invest in her existing idli batter shop. At the time of taking the loan, her financial position was not very steady owing to the irregularity of her earnings. The loan helped her procure the necessary tools required. Gradually, her business manifolded profits which led to easy repayment of the loans. Additionally, increased popularity and income from the shop helped in improving the overall social and financial status of their household in the community as a whole. After a successful stint with SCNL, she thought of investing in enhancing the quality lives of her family members, leading to her taking the sanitation loan in 2021. Kavitha's story gives impression of an exemplary, strong-willed woman.

Name : Kavitha
Loaction : Sivagangai District, Tamil Nadu
Loan Type: IGL

Risk management framework

At SCNL, we have a comprehensive and robust risk management framework to oversee key functions that helps us to manage risks emanating from the operations' internal and external environments and percolating through the financial industry as a whole and the Company in particular. Risk management and compliance are the key elements of our risk-conscious culture and being in the financing business, all our employees are made aware of the types of risks they need to be aware of, in order to discharge their duties responsibly.

Risk management and compliance at SCNL are key responsibilities under the governance function of the Board. Our framework is based on the three lines of defence approach, where the first line comprises the various business and support functions, the second line is the risk and compliance function and the third line is the Audit function.

The Board has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The Committee frames a risk management plan and provides for continuous monitoring and reviewing. The Risk Management Team continuously monitors the risk emanating from the financial environment due to its dynamic nature and ensures that the total risk assumed remains within the broad contours set by the Board. The ALCO committee monitors mismatches of funds on a regular basis, manages liquidity on a day-to-day basis for operations, and arranges funds to satisfy the maturing liabilities. The Board-approved Audit Committee has additional overview in the area of financial risks and controls.

(Read more about Board-approved committees here: page 44)

Our risk management framework comprises:

Key business strategies are supported by business goal setting and direction provided for by the Board and the senior leadership.

Risk identification, analysis, response, and monitoring led by the senior leadership through a continuous monitoring of the various factors material to the business. This undergoes continuous overview and monitoring of the Board.

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

Key risks affecting our business

SCNL has identified the below risks as the most material to our business. Under the supervision of the Board, we continue to identify the various ways in which these risks can potentially impact our business along with the mitigation steps we require.

Risks	Mitigation strategy
Credit Risk - refers to the risk of default by our borrowers	We manage this risk through robust technology-backed underwriting mechanisms and well-established protocols for credit approvals, followed by close monitoring post-disbursal.
Market Risk - refers to adverse changes in the market that may inflict potential loss on the business	We recognize that our business cannot operate in isolation. We maintain robust policies to track market movements along with strong stakeholder engagement for vigilance on emerging trends. We focus on optimizing our business outcomes and profitability, while ensuring strong business fundamentals.
Compliance Risk - refers to risk of legal or regulatory sanctions resulting from failure to comply with applicable laws, regulations and standards	Compliance is at the core of governance at SNCL and is governed by the Board. Our compliance policy calls for 100% compliance with rules and regulations governing our operations as applicable across the various states in which we are present. We believe in complete adherence to rules and regulations as they may apply to our business.
Operational Risk - refers to risk arising from failed internal processes, systems or from people-centric external events as well as legal risk	We mitigate this risk through the application of a range of policies helping to streamline our operations across 23 states and UTs. These include people policies, policies for management of infrastructure and technology, as well as monitoring of frauds. These policies sit under the overall management framework provided for by the Committees formed by the Board.
Liquidity Risk - refers to the risk that the Company may not be able to meet its financial obligations under certain events	SCNL has a broad-based ALM policy and Liquidity Risk Management policy. The Liquidity Risk policy has the framework to monitor liquidity positions on a weekly or monthly basis. As a rule, SCNL is committed to maintaining healthy liquidity as well as capital adequacy over and above as directed by the RBI. The principle adopted is to have funds available for the liabilities maturing in coming months, meet the obligations for business growth, and cushion stresses.
Reputation Risk - Refers to adverse perception of the organization held by the stakeholders that may negatively impact our relationships with our customers and/or may expose us to litigation and regulatory actions	At SCNL, we remain in close contact with our customers through regular engagement with our JLG members. We communicate through appropriate channels and make sure to address the expectations of stakeholders in a transparent manner.

Decisive

in our actions to create shared value

At Satin Creditcare Network Limited, we are taking clear, well-thought-out decisions towards expanding our capacities as well as our capabilities to cater to our customers – our reason for being.

Our business sustainability is founded on our vision of financial inclusion for all. We continue to take steps that enhance our ability to impact more people with better products and services. Service to people who are historically disadvantaged is embedded in our very DNA.

Thus, we will continue to do things the SCNL way: securing a strong base on priority, even if it takes time, on which to further build a stronger business. Futureproofing it by being prudent in taking risks while strengthening its own systems and channels that bring growth.

Looking at a much brighter future for our clients, ***we are decisive in our actions to create shared value.***

Future proofing our business

At SCNL, we believe that business sustainability is about the value of our stakeholder proposition. Our focus is to keep delivering this value over the long term. This requires us to keep taking calculated risks to target newer avenues of growth while ensuring excellent products and services to our clients that uphold our brand perception.

To this end, we took the following steps during 2021-22:

- Successful fundraise of INR 4,093 Crores from various lenders during 2021-22
- Preferential allotment of shares and convertible warrants worth INR 225 Crores during 2021-22
- Consolidation of the two of our subsidiaries, TFSL and SFL into one to combine the synergies as well as operational resources of the two businesses providing allied products and services. It will help bring in more efficiency and drive positive impact on our margins.
- The new regulatory framework for MFIs: We wholeheartedly welcome the new regulatory framework for MFIs as directed by the Central Bank. We are re-strategizing some of the operational aspects of our business to keep delivering sustained value for our key stakeholders.

Our investment case

At SCNL, our view of business sustainability also includes our performance against the key parameters of environmental performance as well as social and governance aspects. This is an important part of our responsibility as a business.

We are glad to see that we continue to inspire confidence among our investors, who have backed us time and again and stood by us through the challenges we have faced. During the year under reporting, we have continued to engage closely with our investors for fundraising, an endeavor which has been successful on account of our powerful customer value proposition and strong brand value.

We continue to refine our customer value proposition. We also continue to steadily refine our investor value proposition. For instance, 2021-22 saw us introduce this ESG report as part of our stakeholder engagement. It provides a measure of our performance against key metrics that help us strengthen our investment case.

Our investment case

SCNL is a story of a business that grew into a big success by taking small steps in the right direction. We are constantly striving to present more value to our key stakeholders. Our investment case is backed by those aspects that help us stand out as a leader within our industry.

Our key differentiators

Diversified portfolio

SCNL targets various customer segments through a well-diversified portfolio of products and services – from microcredit for business growth as well as for social impact and WASH loans to financing for housing and MSME as well as business correspondent services.

Pan-India reach

We serve 28 lakh clients across India, with our presence in 23 states and union territories. We run 3.20 lakh centers under the supervision of 76 regional offices, manned by 8,774 loan officers across 404 districts. 59% of our clients have SCNL as their only lender[2]. And, 23% of our clients are first cycle clients[1].These figures indicate our clients' trust in our brand.

Over the years, we have managed to de-risk our business from concentration risk by growing our operations across newer states while reducing our concentration across traditional areas. Over the past five years, we have consciously brought down the share of the top 4 states from 68% to 54% and ensured that the number of states contributing 1%+ to our total AUM was maximized (17 states during 2021-22). Likewise, our Average exposure per district also came down from 0.35% in 2017-18 to 0.25% in 2021-22. In accordance, the percentage of top districts to AUM came down from 19% to 14% for the corresponding period.

Technology

We are committed to digital transformation as a way to ensure operations that are smoother, smarter, and safer than ever before. The Company uses advanced technology for KYC, obtaining real-time user data through geo-tagging, cashless collections digital payments, instant bank account verification, and more. By adopting digitalization, we have reduced the time taken for loan approvals and disbursements from 18 days to a few minutes.

SCNL is also the first MFI to be certified with ISO 27001:2013, which affirms the prevalence of robust ISMS (Information Security Management System) specifying the requirements for establishing, implementing, maintaining and continually improving ISMS within the organization.

[1]*Figures provided pertain to standalone JLG*

[2]*At the time of disbursement, data is for JLG Standalone only*

Robust underwriting capability

Our robust credit underwriting capabilities help us keep our credit risk to a minimum. It includes:

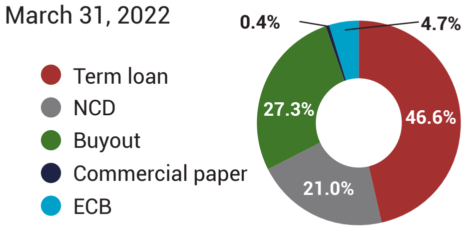
- Real time credit bureau checks
- Shuffling our CSOs every 12 months and transferring them every 21 months to reduce chances of human bias and to serve our clients in a fair and transparent manner
- Centralized share services that cover KYC verification, ensuring uniform processes
- Geotagging of 100% of our branches and 99% of our clients' houses
- Penny-drop verification along with strict KYC compliance.

In addition to this, we also have a fully in-house internal audit function in place with 106 zonal and regional auditors. The audit process is 100% digital and the function completed 3,916 audits during 2021-22.

Well-diversified liability profile

Supported by 56 active lenders, we are able to maintain a well-diversified liability profile both across products and lenders; it helps to insulate our business from turbulence in capital markets.

Our top 10 lending partners accounted for 60% of borrowings as on March 31, 2022



(GRI: 102-6)

Ample liquidity and positive ALM

With a healthy capital adequacy ratio and a positive asset-liability management, SCNL is well-capitalized to pursue growth opportunities.

Management team that combines expertise with experience

SCNL is led by a highly experienced team of well-regarded experts in their relevant fields. The senior leadership comprises 12 members with a total work experience of around 277 years. The team is united by their passion for SCNL's vision.

Spotlight: Our technological accolades for the year

Forever proud of our team's efforts and the work we do, the impact we create, each year brings us an opportunity to celebrate our success along the way. Here, we spotlight our success for the year...

Our emphasis on technology has enabled us to provide customized solutions to our customers at scale. We have invested key resources in building tech platforms and solutions that help us to increase our operational efficiency, provide services at competitive rates, as well as give our customers additional ease and transparency.

Conferred with the 'Adam Smith Awards Asia 2021' in the category of 'Best New Technology Solution', for the Unified Payment Interface (UPI) autopay technology

Winner of the 'Best Payments and Collections Solution' award at 'The Asset Triple A Treasury, Trade, Sustainable Supply Chain (SSC) and Risk Management Awards 2022' for implementing and being the first-to-market UPI AutoPay Solution in the microfinance sector

Recognized for our 'Digital Innovation Initiatives across Service Delivery And Customer Experience' by the Association of Micro Finance Institution – West Bengal at the 6th Eastern India Microfinance Summit 2022

Tech stack helping build consistent gains for our customers

Given the niche area we operate in and the unique profile of our customers, we believe in building our solutions at home. Our proprietary technology platforms and solutions factor in the unique life conditions of our clients and cater to their needs specifically.

Understanding our end users

Our approach to microfinance is centered on providing ease and comfort to our customers – a key unmet need for the customer profile we cater to. They face a general lack of choices that provide them with the ease of financing, access to resources and more. We built technology to bridge this gap.

Our other very important end user is the feet on street i.e. Community Service Officer or CSO, who has to deal with multiple transactions every day and we can make his/her life easier with the aid of technology.

We're taking new-age digital functionality to the very last mile.

Digital transformation journey at SCNL

Our systems and processes are geared to source data from the event-based tracking and geotagging of our branches and our clients' homes, helping us to process and approve loans in a matter of a few hours. We do instant bank account verification as well as real-time credit bureau checks. Our core accounting and financial system enables cashless disbursement at each of our branches as well as API-centric cashless collection processing across various touchpoints like AEPS, Debit card, UPI, and more. This process has also helped us go paperless and thus, run greener operations.

Not just our clients and CSOs but our employees too benefit from our technology-driven operations. Our HR Management Module enables online transfer, attendance, exit, and leave management among other functions, for our employees. They can engage with our systems in a fair and transparent manner.

Seamless loan approval and disbursal process

Our loan processing systems use digitized documents stored on the cloud, making the data easily accessible and versatile, to be used by the Centralized Shared Service (CSS) across Satin for effective cross-selling. The system is also equipped with an employee fraud detection & recovery module, a lender fund allocation module as well as a funder borrowing module, and a death case and insurance management module.

Centralization of these systems enables our banking correspondent subsidiary to reap the same benefits.

Our customer service applications for clients and for MFI business are developed in-house, along with the software for our subsidiaries.

Gold Standard Information Security at SCNL

As an ISO 27001:2013 Certified player, we are the very first MFI in India to establish a robust Information Security Management System to protect and maintain client confidentiality at par with global standards.

Our impact on E, S, and G

As a purpose-driven business organization, we value the opportunity to contribute to a range of aspects that help enhance the lives of communities we engage with. Our impact on the three pillars of sustainability i.e. Environment, Social and Governance (ESG) should be seen in the light of our business, which keeps service to the community at its core.

Environmental

Our work in this area is a result of not just us following environment friendly practices, but also enabling our clients to adopt the use of cleaner energy and experience better hygiene.

Awarded Certificate of Excellence in Clean Energy Finance as a part of the UNFCCC's Clean Development Program (CDM) in 2019

WASH loans

- AT SCNL, we lend to enable our clients to secure better water and sanitation infrastructure through Water, Sanitation and Hygiene (WASH) loans
- Our WASH loans clients are present in 35,000+ villages across ~121 districts across eight states and union territories of Bihar, Chhattisgarh, Karnataka, Puducherry, Sikkim, Tamil Nadu, Uttar Pradesh, and West Bengal
- During 2021-22, we disbursed ~37,031 WASH loans amounting to INR 5,502 lakhs

Clean energy loans

- We provide clean energy loans to our clients willing to invest in utilities that use modern sources of energy, such as solar products viz. solar bulbs, torches, bicycle, etc.
- During 2021-22, we disbursed more than 1 lakh loans in this category

Social

Our social impact is secured through our relationships with our clients, nearly all of whom are women from highly financially disadvantaged backgrounds.

Nearly all of SCNL clients are women, 74% of whom are based in rural and remote areas of the country; ~72% of our clients are also from the Below Poverty Line category.

Governance

Our Board upholds the highest standards of governance based on independence, integrity, fairness and trust.

Our 8-member Board comprises five independent directors, of whom one is a woman.

During 2021-22, 10 Board meetings were conducted which witnessed ~100% attendance.

Board-approved Committees	Number of Meetings During the Year
Audit committee	8
Risk management committee	4
Nomination and remuneration committee	2
Stakeholder relationship committee	1
CSR committee	2
IT strategy committee	3
Rights issue committee	4
Working committee meeting	29
ALM committee	4

Our contribution to SDGs

Corporate governance at SCNL

At SCNL, we see good corporate governance as fundamental to doing business responsibly. Our corporate governance philosophy is reflected in our organization's values, policies, and adherence to compliance. It is also reflected in our proactive adoption of the integrated reporting framework as well as the ESG approach to reporting through better and more integrated disclosures and communication on business sustainability.

Key aspects of corporate governance at SCNL

- **Independence of the Board:** The SCNL Board has an appropriate blend of Independent and Non-Independent Directors to maintain the independence of the Board and to separate the Board functions of governance from the Management of the Company. Our 8-member Board comprises 5 independent directors, of whom 1 is a woman. The Board proactively follows all the regulations framed by the regulating authority.
- **Virtual and paperless meetings:** The Board prioritizes judicious use of the Company's resources; it conducts virtual meetings as much as possible and has gone paperless with the use of the Board PAC software.
- **Policies for governance:** Our core polices include: 1. Code of Conduct 2. Prevention of Sexual Harassment (POSH) 3. Sustainability and many more
- **Committees of the Board:** The Board has formed various committees to help with its discharge of various duties. The committees are formed by subject matter experts and independent members brought together to create diverse teams.

As on March 31, 2022, the following committees were in operation:

Committees of the Board

- Audit Committee
- Risk Management Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Asset Liability Management Committee
- Working Committee
- IT Strategy Committee
- IT Steering Committee
- Executive Risk Management Committee
- Rights Issue Committee

(Read more in our corporate governance report: page 120)

The Board at SCNL

C C C M M C C

Mr HP Singh

Chairman cum Managing Director

Mr HP Singh, aged 61 years, is a law graduate and fellow of The Institute of Chartered Accountants of India since 1984. He has over three decades of microfinance experience to his credit and is responsible for pioneering the unique concept of daily collection of repayments of loans. Aside being an expert in lending, particularly in the microfinance field, Mr Singh also has a wealth of experience across auditing, accounts, project financing, advisory services and company law matters. It is his financial engineering acumen, honed over almost thirty years of experience that has helped SCNL achieve its success in operational strategy and efficiency. Mr Singh also participated in Harvard Business School's Accion 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. He is a part of industry forums like Sa-Dhan, where he serves as the Chairman and the Federation of Indian Chambers of Commerce and Industry (FICCI), where he lends his expertise as a banking and financial institution committee member. Mr Singh has been an inspiration right from the very beginning when the Company came into being in 1990, till today where he continues to be actively involved in the Company's day-to-day operations. Under his leadership, SCNL has grown into one of India's leading microfinance institutions in the North and is poised to further expand its operations across the country.

M M M

Mr Satvinder Singh

Non-Executive and Non-Independent Director

Mr Satvinder Singh, aged 56 years, holds extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for SCNL as Company Director. Associated with the SCNL since its inception in 1990, Mr Singh also acted as Managing Director between September 1995 and February 2011.

M M

Mr Christian Bernhard Ramm

Nominee Director

Mr Christian Bernhard Ramm, aged 46 years, is Investment Director at Nordic Microfinance Initiative (NMI), a public-private partnership investing in financial inclusion institutions in Asia and Africa.

He has experience as Finance Manager at the family office Ferd Social Entrepreneurs and Canal Digital Norway (Telenor Group) and Finance Manager and Country Director for Norwegian People's Aid in Angola. In addition, he has been Managing Director at Schibsted Publishing (Sweden) and held several management positions at the Schibsted Media Group in Norway. He has also worked as a journalist for Finansavisen, a major financial newspaper in Norway.

Mr Ramm holds a Master's degree in Finance from the Norwegian School of Economics (NHH) and University of Mannheim, Germany, and has completed studies in psychology at the University of Bergen, Norway.

- Audit Committee
- Nomination & Remuneration Committee
- Asset Liability Management Committee
- Executive Risk Management Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee
- IT Strategy Committee
- Rights Issue Committee
- Stakeholders Relationship Committee
- Working Committee
- IT Steering Committee

M – Member C – Chairman

The Board at SCNL

C C M M M

Mr Sundeep Kumar Mehta

Independent Director

Mr Sundeep Kumar Mehta, aged 60 years, is a science graduate from the University of Rajasthan and holds a PG Diploma in Business Administration from the Annamalai University. He has also earned numerous other certifications, degrees and diplomas in the fields of cyber law, history, labor laws, auto engineering and human resources. Mr Mehta joined the SCNL board in 2013 after a versatile career spanning 14 years that saw him working in high-capacity roles across organizations like the RKJ group, Escorts Ltd., Panacea Biotech, Bata India and Eicher Good Earth.

M M

Mrs Sangeeta Khorana

Independent Director

Mrs Sangeeta Khorana, aged 58 years, is a former Indian Civil Services officer with a Doctorate in International Economics from the University of St. Gallen in Switzerland and summa cum laude Masters' degrees from the Universities of Berne, Switzerland, and Allahabad, India. Dr Khorana joined the Board in August 2013. With a veritable treasure of experience spanning more than 15 years, Dr Khorana previously worked with the Indian Government, before moving to academia and consulting in Europe. Her expertise on international business is renowned across the globe and she has been invited by the European Parliament and the British media to offer her valuable comments on India-related issues. Dr Khorana has also published extensively in internationally ranked journals, authoring books and contributing chapters as well.

M M M

Mr Goh Colin

Independent Director

Mr Colin, aged 54 years, is the Founder/CEO of The RICE Co. Ltd, a company dedicated in harvesting the arts for the underserved children and youth in our community, a program he started in 2005. Today, the RICE co. (TRCL) is a highly-diversified group of companies that provides education and training for the underserved, content making and producing, phygital placemaking with a focus on emergent technology and an impact investment company with offices in Singapore, Malaysia, and the Philippines. The company intent will always be social but its means highly enterprising.

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

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

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

C M M M

Mr Sanjay Kumar Bhatia

Independent Director

Mr Sanjay Kumar Bhatia, aged 57 years, is a Chartered Accountant and Commerce graduate of the Delhi University. He has over 35 years of rich experience across leading corporates, startups and BAU environments, having worked in both sales management and strategy formation. 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. He also provides consultancy on income tax, corporate tax and corporate law matters to various organizations. In his past career, he has served as Vice President and Head of Strategic Initiatives (Revenue) at Max Life Insurance and worked at companies such as Max New York Life, Vikas Motors Limited, Dinker Portfolio Private Limited, DMA of Citibank N.A. and GE Countrywide.

C C M

Mr Anil Kumar Kalra

Independent Director

Mr Anil Kumar Kalra, aged 67 years, has 31 years of banking experience across leading companies in London and India. He is extremely well versed in the areas of banking, financial services, investment banking and infrastructure financing. He spent five years as the Chief Executive Officer in the Financial Services Company in London, UK, and has been associated with various well-known banks and financial Institutions across India and London, including public sector banks. Prior to this, Mr Kalra served as Senior Vice President in a leading NBFC engaged in providing financial services to corporates (including asset financing, debt syndication, corporate advisory, merchant banking among others) and support to sister companies within the group with focus on infrastructure projects financing. He holds a Finance MBA degree from the Faculty of Management Studies (FMS), Delhi University and B.Com (H) degree from the Shree Ram College of Commerce.

Audit Committee
Nomination & Remuneration Committee
Asset Liability Management Committee
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Working Committee
IT Steering Committee
M – Member C – Chairman

Our people

We are a people-first organization with a culture centered around the needs of our people. They are key to building and sustaining our relationships with our clients. We recognize their immense contribution in our growth as one of India's leading players in microfinance.

Trust, fairness, transparency, and career growth via learning and development form the pillars of our engagement with our people at SCNL. During the COVID-19 period, we took care to ensure that our people were healthy and safe; we took care to provide them with the facilities and the support they needed in case they contracted the virus.

We adopted the flexi work policy as and when needed too.

Great Place To Work

SCNL was awarded the 'Great Place to Work' certificate for the third consecutive year in a row. We were also featured among India's 30 Best Workplaces in BFSI, April 2022.

SCNL has been ranked 38th among the 'Top 100 India's Best Companies to Work for 2022' across all industries and has also been recognized as 'Best in Microfinance Industry' by Great Place to Work® Institute (India) in June 2022.

Steps taken to ensure well-being of employees during COVID-19

COVID Mediclaim policy for all our employees. It includes term life insurance, including pension, education assistance, job for family member and mediclaim cover for the entire family, as applicable.

Learning and development

We have created access to various channels of learning and development of our workforce, including employee trainings conducted virtually throughout the year under reporting as well as a YouTube channel 'SCNL Training'.

Social initatives for clients, society and employees

Distributed ration to those who were severely impacted with income sources due to the disruption caused by flood in West Bengal

Distributed masks, medicines, ration, and hygiene kits across the country

Conducted a 5-day skilling and financial literacy workshop in Faridkot district, Punjab. The female borrowers from rural communities were trained in tailoring and beauty parlor skills, along with coaching on financial literacy under its ambit

Conducted several health camps for employees throughout the year

Conducted blood donation drives

Conducted vaccination drive in our RMs

Recognition

The Smart Campaign was awarded in April 2021 for 'Smart Certified in Client Protection Principles' for the second time

Accorded as the 'Microfinance Company of the Year in NBFC & Fintech Excellence Awards 2022' organized by Quantic

The Company's Annual and Integrated Report for 2020-21 garnered the Gold Industry Spot in Financial – Diversified Services class at the 2020-21 Vision Awards, organized by the League of American Communications Professionals (LACP), USA

Conferred with Outstanding Concrete Structure 2021 for the head office building premises by the Indian Concrete Institute and UltraTech Cement Limited

Re-certified as Great Place To Work third year in a row for the period March 2022-February 2023 and featured in India's 30 Best Workplaces in BFSI – 2022

Ranked 38[th] among the 'Top 100 India's Best Companies to Work for 2022' across all industries and also recognized as 'Best in Microfinance Industry' by Great Place to Work® Institute (India) in the month of June 2022

Received a Certificate of Appreciation from the Central Board of Indirect Taxes and Customs in July 2022, for the second year in a row

Mr HP Singh, our CMD, was conferred as the 'Pillar of the BFSI Industry' in June 2022, bestowed at the Financial Express Modern BFSI Summit 2022

Mr HP Singh, our CMD, received the 'CEO of the Year – MicroFinance Company' award in December 2021 by Quantic

Mr Jugal Kataria, our Group Controller awarded with 'India's Inspiring Leaders Award' 2021 by Elets Technomedia Pvt. Ltd. for his exemplary contribution to the BFSI industry

Mr Subir Roy Chowdhury was conferred with the HR Leader Award – Commitment to Creating Great Place to Work in July 2021

Ms Aditi Singh, Head – Strategy, recognized among the 'Asia's 100 Power Leaders in Finance 2022' by White Page International for her exemplary performance in the finance industry throughout her professional journey

Ms Aditi Singh, Head-Strategy, was conferred with the Award of Excellence – Social Impact Leaders and Change Makers in April 2022 by BW Disrupt

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

It is our immense pleasure to present the 32nd Annual Report along with the audited financial statements of your Company for the financial year ended March 31, 2022. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL SUMMARY/HIGHLIGHTS, STATE OF AFFAIRS

(INR in lakhs)

Particulars	Standalone		Consolidated	
	March-22	March-21	March-22	March-21
Total Revenue	1,26,193.49	1,27,307.52	1,38,089.38	1,38,017.68
Total Expenses	1,18,914.42	1,26,982.48	1,33,097.50	1,37,485.44
Profit before Depreciation and tax	7,279.07	325.04	4,991.88	532.24
Depreciation and amortization expenses	1,343.04	1,301.32	1,574.02	1,507.63
Profit / (Loss) Before Tax	**5,936.03**	**(976.28)**	**3,471.86**	**(975.39)**
Tax Expense	1,913.52	379.21	1,347.97	422.83
Profit / (Loss) after Tax	**4,022.51**	**(1,355.49)**	**2,069.89**	**(1,398.22)**
Other comprehensive income	(2,921.73)	(3,473.87)	(2,915.31)	(3,492.17)
Total comprehensive income for the year	**1,100.78**	**(4,829.36)**	**(845.42)**	**(4,890.39)**

OPERATIONS, FUND RAISE, PROSPECTS AND FUTURE PLANS

Operational Highlights in brief (Standalone basis)

- The aggregate Assets under Management (AUM) of the Company stood at INR 6,40,933.54 lakhs as on March 31, 2022. This represents a quarter on quarter (QoQ) growth of 4.7% as compared to December 31, 2021 and year on year (YoY) de-growth of 11.9% as compared to March 31, 2021.
- Loan amount of INR 4,03,130.38 lakhs was disbursed in 2021-22, representing a decrease of 8.3% as compared to 2020-21.
- The Company disbursed 9,57,318 loans during 2021-22, a decrease of 27.9% over 2020-21.
- Average loan amount disbursed per account during 2021-22 was INR 0.42 lakhs as compared to INR 0.33 lakhs during 2020-21.
- The Company has operations spread across 23 states / union territories.

During the Financial Year under review, Company saw ~4 times increase in its profitability with a net profit of INR 4,022.51 lakhs for the year ended March 31, 2022 as compared to a net loss of INR 1,355.49 lakhs for the year ended March 31, 2021. Profit before tax increased by ~7 times to INR 5,936.03 lakhs. Total Income has decreased from INR 1,27,307.52 lakhs for the year ended March 31, 2021 to INR 1,26,193.49 lakhs for the year ended March 31, 2022 which is mainly due to decrease in Assets Under Management (AUM) of the Company. AUM of the Company reached INR 6,40,933.54 lakhs as on March 31, 2022 as against INR 7,27,459.78 lakhs as on March 31, 2021. The Return on Average Assets increased to 0.53% in 2021-22 as compared to (0.18%) in 2020-21. The cost of funds declined to 11.20% in 2021-22 as compared to 11.49% in 2020-21. Net Interest Margin improved to 9.65% in 2021-22 as against 9.04% in 2020-21. Company's strong liquidity position provides significant headroom for growth. The Company has a CRAR of 27.84% as on March 31, 2022 as compared to 25.28% as on March 31, 2021.

Credit Rating

Your Company believes that its credit rating and strong brand equity enables it to borrow funds at competitive rates. The credit rating details of the Company as on March 31, 2022 were as follows:

Company has Long term Credit Rating of A- from CARE, ICRA & BWR, Short term rating of A1 from CARE & ICRA; MFI grading of MFI 1 (MFI One).

REPORT OF THE BOARD OF DIRECTORS (Contd.)

Operation's highl ights are hereunder.

Particulars	March 31, 2022	March 31, 2021
Number of branches	1,029	1,011
Amount disbursed (INR in lakhs)	4,03,130.38	4,39,445.68
Number of active Clients	24,54,130	26,56,200
Total Assets under management (INR in lakhs)	**6,40,933.54**	**7,27,459.78**

Fund raised during 2021-2022:

(a) Resource Mobilisation:

During the year under review, your Company has continued to diversify the sources of funds and raised a total sum of INR 4,15,345.78 lakhs by way of Equity Issuances, short-term loans, long-term loans, issue of Non-Convertible Debentures, External Commercial Borrowings, Securitization and Assignments. Out of overall fund raised INR 10,500 lakhs were raised through equity issuances and INR 4,04,845.78 lakhs raised through borrowings, which includes INR 29,630 lakhs by issuance of Non-Convertible Debentures and INR 2,04,500 lakhs by way of term loan. Company also raised one term loan through External Commercial Borrowing (ECB) route of INR 7,431.53 lakhs. Subordinated Debts represented long term source of funds for the Company and the amount outstanding as on March 31, 2022 was INR 44,809.77 lakhs.

(b) Bank Finance:

Bank Finance remains an important source of funding for your Company. Commercial Banks continued their support to your Company. As of March 31, 2022, borrowings from banks were INR 3,10,809.72 lakhs as against INR 2,75,014.77 lakhs in the previous financial year.

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

(c) Rights Issue

During the 2020-21, Board of Directors of your Company on June 22, 2020 had approved fund raising by way of a Rights Issue and on July 30, 2020 had 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 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.

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.

On July 6, 2021, the Company called for the Second and 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 2, 2021.

Your 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.

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 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 Company.

There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the Offer document.

(d) Preferential Issue

In view of expanding business operations and to augment capital base to meet capital requirement also to maintain resource liquidity, your Company on January 25, 2022 had also raised INR 2,499.99 lakhs Equity Capital by way of Preferential Allotment and allotted 30,76,916 Equity Shares INR 10/- each to entities belonging to non-promoter group at an issue price of INR 81.25 per share and simultaneously issue and allot Fully Convertible Warrants ("Warrants") to entities belonging to promoter group and non-promoter group at an aggregate amount of INR 19,999.99 lakhs at an issue price of INR 81.25. Further, out of entire consideration payable towards Warrants i.e. INR 19,999.99 lakhs the Company has received INR 4,999.99 lakhs i.e., 25% of issue price before allotment of Warrants. Balance 75% shall be infused at the time of Conversion of Warrants i.e. within 18 months from the date of allotment of Warrants.

(e) Non-Convertible Debentures (NCDs)

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

During the financial year under review, the Company has successfully raised, by way of private placement, INR 14,230 lakhs from issue of 1,423 Secured NCDs having face value of INR 10,00,000 each and INR 5,700 lakhs from issue of 570 Un-secured NCDs having face value of INR10,00,000 each. The said Secured NCDs are listed on WDM segment of BSE Limited (BSE).

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

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

Company's Prospects, Future Plans and Business Overview:

FY 2021-22 can be viewed as the year of recovery, both from the perspective of financial as well as socio-economic health. The Company has been conscious of its roles and responsibilities to its key stakeholders throughout its journey during the pandemic period. Prudent decision-making and a long-term perspective have helped the Company keep its balance sheet healthy aimed at capitalizing on the growth opportunities expected in the post-pandemic era when normal economic activity resumes.

Business Overview

During FY 2021-22, the Company has affected a transition: stewarding itself away from the dip in business activity due to the pandemic towards preparing the ground for recovery and growth. Steadily increasing collection efficiency, the Company is looking at growing its disbursals, aided by a healthy CRAR and robust risk management practices. It is committed to improving its asset quality. It has successfully raised INR 225 Crore fundraise through the preferential allotment of equity shares and fully convertible warrants. The Company is well capitalized with a CRAR of 27.8% as on March 31, 2022. It is constantly upgrading its technology, which has helped the Company to consistently shore up its operational efficiencies. The Company's subsidiaries too are doing well to provide for diversification of portfolio.

Prospects

With several encouraging steps taken by the regulator towards helping the microfinance industry make further inroads into the society, the Company is focused on its growth prospects over the near- and the long-term. ICRA has revised its outlook for NBFC-MFIs from Negative to Stable, with the expectation of steady growth in the AUM and the improvement of profitability. The new RBI regulations have positively impacted the outlook for the industry, as they seek to level the playing field and create more room for the microfinance industry to have an impact. The removal of capping of ticket sizes and pricing by the MFI players further gives greater autonomy to the players to customize their offerings. The RBI master circular on scale-based Regulation, Income Recognition and Asset Classification, Prompt Corrective Action, and information security marks a push for further consistency and transparency in published accounts. The setting up of an account aggregator is aimed at further enhancing the interoperability of data and help the ecosystem in the long term, especially the customer through a smoother loan approval process.

Future plans

The Company's strategy for FY 2022-23 will be to reprise growth by growing its disbursal rate while improving its asset quality. From an operational perspective, it is aiming at expanding its reach and driving consistently better collection efficiency. From the perspective of stakeholder proposition, it is looking to continue its awareness outreach aimed at its target communities to help them understand the benefits of microfinance and the best way to harness its advantages. It is using advanced technology to track and understand customer needs and the challenges they face in accessing microfinance.

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

REPORT OF THE BOARD OF DIRECTORS (Contd.)

SHARE CAPITAL

Authorized Capital

During the year under review, Authorized Capital of your Company is increased from INR 1,70,00,00,000 consisting of 9,50,00,000 Equity Shares of INR 10/- each and 7,50,00,000 Preference Shares of INR 10/- each to INR 1,80,00,00,000 consisting of 10,50,00,000 Equity Shares of INR 10/- each and 7,50,00,000 Preference Shares of INR 10/- each, vide Shareholders approval in Extra-Ordinary General Meeting held on December 31, 2021.

Paid-up Share Capital

a. Equity Share Capital

The Paid up Equity Share Capital of the Company on April 1, 2021 stood at INR 66,89,70,672.50 divided into 5,20,38,194 fully paid Equity Shares of INR 10/- each and 1,97,26,605 partly paid Equity Shares of INR 10/- each (INR 7.50 paid-up) and 2,55,678 partly paid Equity Shares of INR 10/- each (INR 2.50 paid-up).

During the previous year, the Company had come up with the Rights Issue of equity shares amounting upto INR 12,000 lakhs and allotted 1,99,82,283 Partly Paid Equity shares of INR 10/- each at the price of INR 60/- per share (including premium of INR 50/-) on September 1, 2020 to existing shareholders of the Company on rights basis. The Company had received INR 15/- per Partly Paid Equity Share (comprising paid up value of INR 2.50 and premium of INR 12.50) on subscription of the aforesaid shares aggregating to amount of INR 2,997.34 lakhs.

Further, the Company had decided to make First Call of INR 30/- per share (including premium of INR 25/-) on 1,99,82,283 partly paid equity shares on eligible shareholders as on record date i.e. February 24, 2021 and the period for First call money was opened from March 3, 2021 to March 17, 2021. Thereafter, considering the pandemic situation due to Covid-19 and prevailing Lockdown in various states of India, the Rights Issue Committee has extended the payment period from April 1, 2021 to April 30, 2021 and further extended to May 11, 2021 to May 31, 2021 to provide last opportunity for payment of First Call Money, to the shareholders holding partly paid shares (INR 2.50 paid up). The Company had received INR 30/- per partly paid Equity Share (comprising paid up value of INR 5/- and premium of INR 25/-) on 1,99,27,917 partly paid Equity Share aggregating to amount of INR 5,978.38 lakhs. Due to non-receipt of First Call money, the Company had forfeited 54,366 partly paid Equity Shares (paid-up INR 2.50) and money already paid thereon.

Thereafter, on June 14, 2021, the Company has decided to make a Second and Final Call of INR 15/- per share (including premium of INR 12.50) on 1,99,27,917 partly paid Equity Shares to the eligible shareholders as on record date i.e. July 16, 2021 and the Second and Final Call money period was opened for period from August 6, 2021 to August 20, 2021. Further, considering the pandemic situation due to Covid-19, the Rights Issue Committee has further extended the payment period from September 7, 2021 to September 21, 2021. The Company had received INR 15/- per partly paid equity share (comprising paid up value of INR 2.50 and premium of INR 12.50) on 1,99,03,887 partly paid equity share aggregating to amount of INR 2,985.58 lakhs. Due to non-receipt of Second and Final Call money, the Company had forfeited 24,030 partly paid Equity Shares (paid-up INR 7.50) and money already paid thereon.

Further, your Company had also raised INR 2,499.99 lakhs Equity Capital by way of Preferential Allotment and allotted 30,76,916 Equity Shares INR 10/- each to entities belonging to non-promoter group at an issue price of INR 81.25 per share (comprising paid up value of INR 10/- and premium of INR 71.25) on January 25, 2022.

Thus, as on March 31, 2022, the Paid-up Equity Share Capital of the Company stood increased to INR 75,01,89,970/- divided into 7,50,18,997 fully paid Equity Shares of INR 10/- each.

b. Preference Share Capital

During the year under review, your Company had redeemed 2,50,00,000 12.10% Rated, Cumulative, Non-Convertible and Compulsorily Redeemable Preference Shares **("the Preference Shares")** on April 22, 2021, as approved by the Board in its meeting held on March 26, 2021 to those Preference shareholders whose names were appeared in the Register of Preference Shareholder of the Company as on April 7, 2021 (Record date) determined as per the Agreement dated June 10, 2016.

Thus, as on March 31, 2022, the Paid-up Preference Share Capital of the Company stood as Nil.

DIVIDEND

In order to undertake and carry on future plans, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend on equity shares for the year ended March 31, 2022.

AMOUNT TRANSFERRED TO RESERVES

An amount of INR 804.50 lakhs, being 20% of the profit after tax (PAT) was transferred to statutory reserve of the Company pursuant to Section 45IC of the Reserve Bank of India Act, 1934. Further, the closing balance of the retained earnings of the Company for 2021-22, after all appropriation and adjustments was INR 27,539.10 lakhs.

DEPOSITS

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

Since, the Company is Non- Banking Financial Company, the disclosures regarding particulars of the loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013 read with rules made thereunder, as amended. Further, the details of investments made by the Company are given in the Notes to the Financial Statements.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

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

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

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

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

MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no further material change and commitment affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2022 and the date of the Directors' Report.

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

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has following 3 (Three) Wholly owned subsidiaries as on March 31, 2022. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries-

1. **Taraashna Financial Services Limited ("TFSL")*:** The Company was incorporated on May 22, 2012 originally as private limited company with the name Taraashna Services Private Limited and became Wholly Owned Subsidiary of the Company w.e.f. July 27, 2018. TFSL is engaged in Business Correspondent activities. As on March 31, 2022, its paid-up capital stood at INR 1,604 lakhs.

2. **Satin Housing Finance Limited ("SHFL"):** The Company was incorporated on April 17, 2017, as a Wholly-Owned Subsidiary of the Company. It is registered with National Housing Bank and holds the Certificate of Registration (COR) as Housing Finance Company (not holding/ accepting of Public deposits) dated on November 14, 2017 to carry on activities of housing finance business under Section 29A of the National Housing Bank Act, 1987. SHFL is engaged in providing long-term finance for purchase, construction, extension and repair of houses for the retail segment along with loans against residential property, commercial property and plots. During the year under review, the Company has infused INR 500 lakhs by way of equity share capital due to which the paid up capital stood at INR 10,000 lakhs as on March 31, 2022.

3. **Satin Finserv Limited ("SFL")*:** The Company was incorporated on August 10, 2018 as Wholly Owned Subsidiary of the Company. It is RBI registered Non-Deposit taking Systemically Important Non- Banking Finance Company. SFL is engaged in providing business loans to Micro, Small and Medium scale Enterprises and to individuals. Further, also engaged in providing corporate loans. As on March 31, 2022 it's paid up capital stood at INR 10,250 lakhs.

****The Board of Directors of Taraashna Financial Services Limited ("TFSL") and Satin Finserv Limited ("SFL"), in their respective meetings held on August 03, 2021, have considered and approved the Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("Transferee Company") and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Consequently, the first motion application 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 6, 2022. The said order was pronounced on hearing date May 17, 2022 by Hon'ble NCLT. The both companies has filed joint second motion application with Hon'ble NCLT on May 25, 2022. The said joint second motion application is admitted by Hon'ble NCLT in its hearing dated July 08, 2022 and issued necessary directions of serving notices and newspapers advertisements which are under process.***

Business Highlights of Taraashna Financial Services Limited

Taraashna Financial Services Limited (TFSL) has achieved a gross turnover of INR 6,971.66 lakhs during the year mainly from business correspondent activity (against total gross turnover of INR 5,932.77 lakhs during the previous year). Disbursement under Business Correspondence arrangements for 2021-22 is INR 57,863 lakhs as against INR 43,908 lakhs in 2020-21, an increase of 32%. Its Net-worth stood at INR 2,391.91 lakhs as at March 31, 2022. TFSL has 3.50 lakhs unique active customers as at March 31, 2022 and Cost of Funds for 2021-22 at 13.75% same as in 2020-21. TFSL has partnered with seven (7) banks and three (3) NBFCs and has received the income from all the ten Principal Partners during the 2021-22. However, agreement with DCB Bank and Hiranandani Financial Services Private Limited has been terminated during the year.

As TFSL is under process of amalgamation with SFL, Management of your Company can see bright future of merged entity in long run.

Business Highlights of Satin Housing Finance Limited

Satin Housing Finance Limited's (SHFL) net worth stood at INR 10,123.87 lakhs for the year ended March 31, 2022. As on that date, regulatory Capital to Risk Assets Ratio (CRAR) was 60.65%. Further, during the year, National Housing Board sanctioned INR 3,000 lakhs under refinance facility to SHFL. SHFL's total income during the year ended March 31, 2022 is INR 3,804.37 lakhs as compared to previous year ended March 31, 2021 is INR 2,957.30 lakhs and earned net profit after tax during the year ended March 31, 2022 of INR 303.76 lakhs as compared to profit during previous year ended March 31, 2021 of INR 137.27 lakhs.

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

Business Highlights of Satin Finserv Limited

Satin Finserv Limited ("SFL") wholly owned subsidiary's net worth stood at INR 10,829.32 lakhs as on March 31, 2022. The Capital to Risk Asset ratio in terms of regulatory requirement is 64.04% which is well above the regulatory requirement of 15.00%. During the fourth year of operations, SFL has shown decent growth in terms of Sanctions & Disbursements of Loans. During the year under review SFL has Disbursed Loans of INR 9,561.50 lakhs, and thereby achieved AUM of INR 16,633 lakhs. SFL reported Total Income during the year ended March 31, 2022 is INR 2,758.29 lakhs and net profit after tax of INR 180.95 lakhs.

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

Consolidated Financial Statements

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

Further, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 also form part of the Annual Report. Further, the Company has neither any Associates nor any Joint Ventures as on March 31, 2022.

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

During the period under review, no company has become or ceased to be subsidiary, joint venture or associate of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

A. Directors

As on March 31, 2022, the Board of Directors of your Company consist of 8 Directors. Their details are as follows:

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

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

The Board was duly constituted in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended March 31, 2022 and there is no change in the Board during the financial year under review.

B. Retirement by Rotation

Mr Satvinder Singh

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

C. Key Managerial Personnel

During the year under review, Mr Vipul Sharma was appointed as Company Secretary & Compliance Officer and Key Managerial Personnel of the Company w.e.f. May 12, 2021 in place of Mr Adhish Swaroop who had resigned w.e.f. May 11, 2021 (close of business hours).

As on March 31, 2022, Mr Harvinder Pal Singh, Chairman cum Managing Director, Mr Jugal Kataria, Group Controller, Mr Rakesh Sachdeva, Chief Financial Officer and Mr Vipul Sharma, Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Meetings of the Board

During the period under review, 10 (Ten) Board Meetings were held, the detail of the same have been included in the Corporate Governance Report, which forms part of the Annual Report.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

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

Further, SEBI vide its circular (Ref. no. SEBI/HO/CFD/CMD/CIR/P/2017/004) dated January 5, 2017 issued a guidance note on Board Evaluation for listed companies. In view of the same and in terms of Board approved Nomination & Remuneration Policy of the Company, the Independent Directors in their separate meeting held on March 11, 2022 under Regulation 25(4) of the Listing Regulations and Schedule IV of the Companies Act, 2013 had:

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

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

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

Further, in terms of the provisions of Regulation 19(4) read with Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013, the performance evaluation process of all the Independent and Non-Independent Directors of the Company was carried out by the Nomination and Remuneration Committee in its meeting held on March 29, 2022.

Further, in terms of Regulation 17(10) of the Listing Regulations and Schedule IV of the Companies Act, 2013, the Board of Directors also in their meeting held on March 30, 2022, carried out the performance evaluation of its own performance and that of its Committees and of the individual Directors.

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

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit and loss of the Company for the year ended on that date;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts for financial year ended March 31, 2022 on a going concern basis;
5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the financial year ended March 31, 2022; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2022.

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

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

RELATED PARTY TRANSACTIONS

The Company has put in place a Policy on materiality of Related Party Transactions and dealing with Related Party Transactions **("RPT Policy")**, which has been approved by the Board of Directors in their meeting held on January 31, 2022. The Policy provides for identification, necessary approvals by the Audit Committee / Board, reporting and disclosure requirements in compliance with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

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

All RPTs entered into during the 2021-22 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during the 2021-22 by the Company as defined in the RPT Policy. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable. Further, details of Related Party Transactions as required to be disclosed as per Indian Accounting Standard - 24 "Related Party Disclosures" specified under Section 133 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

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

AUDITORS & THEIR REPORTS

Statutory Auditors & their Report:

Pursuant to the guidelines issued by RBI on April 27, 2021 for appointment of Statutory Central Auditor (SCA)/ Statutory Auditor (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide its circular No. RBI/2021-22/25 Ref. No DoS.CO.ARG/SEC.01/08.91.001/2021-22 **("RBI Circular")**, the Company had to appoint the Statutory Auditors for a continuous period of three years subject to the firm satisfying the eligibility norms each and these guidelines had to be adopted from the second half of 2021-22 onwards. As our existing Auditors M/s Walker Chandiok & Co LLP, Chartered Accountants (ICAI Registration 001076N/N500013) had already completed 4 years as a Statutory Auditors of the Company, therefore in terms of the aforesaid RBI Circular they were not eligible to continue w.e.f. October 1, 2021 i.e. w.e.f. applicability of the RBI Circular.

REPORT OF THE BOARD OF DIRECTORS (Contd.)

Further, in terms of the RBI Circular and in order to protect the independence of the auditors, the Board of Directors of your Company had recommended appointment of M/s S S Kothari Mehta & Company, Chartered Accountants, New Delhi, Firm Registration No. 000756N issued by Institute of Chartered Accountants of India, having a valid Peer review Certificate issued by the Peer Review Board of ICAI, as the Statutory Auditors of the Company on the recommendation of the Audit Committee, for a term of three (3) years in their meeting held on July 14, 2021.

Accordingly, M/s S S Kothari Mehta & Company, Chartered Accountants, New Delhi, Firm Registration No. 000756N, have been appointed as the Statutory Auditors of the Company at the Thirty First Annual General Meeting **("AGM")** of the Company held on August 11, 2021, on the recommendation of Audit Committee and Board of Director's (in conformity with the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (includes amendments thereto), for a period of 3 years from the conclusion of the AGM (for 2020-21) till the conclusion of the thirty fourth AGM (for 2023-24) subject to the applicable provisions from time to time. The Company had received their written consent and certificate that they satisfy the criteria provided under Section 141 of the Act and RBI Circular and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Statutory Auditors have confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company.

The Auditors' Reports for the 2021-22 does not contain any qualification, reservation, adverse remark or disclaimer. Further, there were no instances of any fraud reported by the Statutory Auditor to the Board pursuant to Section 143(12) of the Companies Act, 2013.

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

Secretarial Auditors & their Report:

In terms of Section 204 of the Companies Act, 2013 and Rules framed thereunder and based on the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s S. Behera & Co. Company Secretaries (ICSI PCS Registration No. 5980) as the Secretarial Auditors of the Company for 2021-22 in its meeting dated June 14, 2021. The Company provided all the assistance and the facilities to the Secretarial Auditors for conducting the Secretarial Audit. Secretarial Audit Report as provided by M/s S. Behera & Co., Company Secretaries is also annexed to this Report, in the prescribed Form MR-3, as **Annexure-I**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

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

Cost records and Cost audit:

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

Reporting of Frauds by Auditors

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

However, there have been few instances of misappropriation and criminal breach of Trust including embezzlement of cash by the employees amounting to INR 155.96 lakhs. In such cases, the action taken by the Company is, to terminate the services of such employees and also initiate legal action against such employees. In this course, the Company has recovered INR 53.19 lakhs from some of those employees.

AUDIT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During 2021-22, your Company has undertaken a long term project to Promote Education and Healthcare through making proposed contribution of INR 181.21 lakhs to S. Amar Singh Educational Charitable Trust towards construction of the girl's hostel premises in GNA University, Punjab, as an ongoing project. During the year, your Company has also contributed directly an amount of INR 3.30 lakhs towards the projects like flood relief CSR initiative in West Bengal and Supporting Educational Initiatives for Less Privileged Students in GNA university, Punjab by contributing an INR 150 lakhs through S. Amar Singh Educational Charitable Trust.

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

As per amended CSR Rules and CSR Policy of the Company, the funds required to be disbursed have been utilised for the purposes and in the manners as approved by the Board of the Company and confirmation to this effect have been received from Mr Rakesh Sachdeva, Chief Financial Officer and Ms. Aditi Singh, CSR Nodal Officer of the Company and such confirmations have been duly noted by the Board in its meeting held on May 4, 2022.

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

E-VOTING

To widen the participation of shareholders in Company's decisions pursuant to provisions of Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company has provided e-voting facility to its members, in respect of all member's resolutions required to be passed at General Meeting(s) of the Company. The Company is providing this facility to enable them to cast their votes electronically on all resolutions set forth in the Notice. The instruction(s) for evoting for ensuing Annual General Meeting is provided in its Notice to members. The Company has signed necessary agreements with National Securities Depository Limited and Central Depository Services (India) Limited to facilitate e-voting for member's approval in their general meetings or through postal ballots.

REGISTER E-MAIL ADDRESS

To contribute towards greener environment, the Company again proposes to send documents like general meeting notices/other notices, annual report, audited financial statements, boards' report, auditors' report or any other document, to members in electronic form at the e-mail address provided by them and/or available to the Company by the Depositories. Members who have not yet registered their e-mail address (including those who wishes to change their already registered e-mail address) may get the same registered/updated either with his/her depository participants or by writing to the Company / RTA.

EMPLOYEES STOCK OPTION PLAN

Pursuant to the approval accorded by members at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee (NRC) of the Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (**"ESOS 2017"**) in accordance with the erstwhile 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 NRC from time to time at its sole discretion.

Vesting of the options shall take place in the manner determined by NRC at the time of grant provided the vesting period. 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. The Exercise Price of each grant is determined by NRC at the time of grant.

Presently, stock options have been granted or shares have been issued under ESOS 2017.

Details of Options Granted, Vested and Exercise of Options

I. **ESOS 2009:** ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

REPORT OF THE BOARD OF DIRECTORS (Contd.)

II. **ESOS 2017:**

Date of Grant of Options	No of Options Granted	Vesting Date	Vested Option	No of Options Exercised
August 14, 2017	1,45,200	August 14, 2018	21,400	12,200
		August 14, 2019	15,800	13,500
		August 14, 2020	11,400	-
May 30, 2018	2,26,600	May 30, 2019	1,05,050	20,950
		May 30, 2020	96,850	-

A. **Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time:**

The disclosures are provided in the notes to the Standalone financial statements of the Company for the year ended March 31, 2022.

B. **Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time:**

INR 5.29 per share.

C. **Details related to ESOS 2017:**

(i) **A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS:**

Sl. No.	Particular	Satin ESOP 2009*	Satin ESOP I 2010*	Satin ESOP II 2010*	Satin ESOS Scheme 2017
a)	Date of shareholders' approval	June 01, 2009	March 26, 2010	December 15, 2010	July 6, 2017
b)	Total number of options approved under ESOS	4,25,000	1,00,000	1,50,000	3,61,400 and such other unvested options under existing ESOP Schemes
c)	Vesting requirements/ 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 ESOP 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 ESOP 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 ESOP 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
d)	Exercise price or pricing formula	INR 20/- being the Fair Value of the shares of the Company (Computed on the basis of Audited result 2008-09)	INR 22/- being the Fair Value of the shares of the Company. (Computed on the basis of Audited result 2009-10)	INR 25/- being the Fair Value of the shares of the Company. (Computed on the basis of Audited result 2009-10)	Nomination and Remuneration Committee is free to determine the exercise price based on Market Price
e)	Maximum term of options granted	3 Years	3 Years	3 Years	3 years and 2 years or as the Committee may deem fit

REPORT OF THE BOARD OF DIRECTORS (Contd.)

Sl. No.	Particular	Satin ESOP 2009*	Satin ESOP I 2010*	Satin ESOP II 2010*	Satin ESOS Scheme 2017
f)	Source of shares (primary, secondary or combination)	Primary	Primary	Primary	Primary
g)	Variation in terms of options	Not Applicable	Not Applicable	Not Applicable	Variations in Terms of Grants can be done by the Nomination and Remuneration Committee

**The said Scheme had been repealed vide Shareholders resolution dated July 6, 2017*

(ii) Method used to account for ESOS: Fair Value (Black Scholes Model).

(iii) As the Company has opted for expensing of the options using the fair value of the options,

Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value: **Not Applicable**

The impact of this difference on profits and on EPS of the Company: **Not Applicable**

(iv) Option movement during the year (For each ESOS):

Particulars	Satin ESOS Scheme 2017
Number of options outstanding at the beginning of the period	79,300
Number of options granted during the year	NA
Number of options forfeited / lapsed during the year	79,300
Number of options vested during the year	0
Number of options exercised during the year	0
Exercise Price (In INR)	160
Number of shares arising as a result of exercise of options	0
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	0
Loan repaid (INR) by the Trust during the year from exercise price received	0
Number of options outstanding at the end of the year	0
Number of options exercisable at the end of the year	0

(v) Weighted-average exercise prices and weighted-average fair values of options: Not Applicable

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

a. Senior Managerial Personnel: **Nil**

b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: **Nil**

c. Identified employee 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: **Nil**

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Method: Black Scholes

REPORT OF THE BOARD OF DIRECTORS (Contd.)

a. Significant Assumptions used to estimate the fair value are as follows:
   1. Expected volatility
   2. Risk free interest rate
   3. Returns are normally distributed
   4. Markets are perfectly liquid

Particulars	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Fair market value of option on the date of grant	INR 267.38	INR 267.38	INR 267.38	INR 386.65	INR 386.65
Exercise Price	INR 160.00	INR 160.00	INR 160.00	INR 160.00	INR 160.00
Expected Volatility	55.86%	62.90%	62.90%	45.31%	53.94%
Expected Life	3.08	1.50	2.50	3.50	1.50
Expected Dividend	Nil				
Risk Free Interest Rate	6.35%	6.40%	6.45%	7.53%	7.66%
Any other inputs to the model	N.A.				

b. The method used and assumptions made to incorporate the effects of expected early exercise:

   Not Applicable as all the options under Scheme lapsed during the year.

c. How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

   Not Applicable as all the options under Scheme lapsed during the year.

d. Whether and how any other features of the Options granted were incorporated into the measurement of fair value, such as a market condition:

   - The closing price of the Company's share on NSE on the date previous to the grant date.
   - The Company has not declared any dividend. Accordingly, no adjustment is made to the aforesaid closing price for the expected dividend yield over the expected life of the Options.
   - The expected life of the Options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.
   - The expected volatility reflects the assumptions that the historical volatility over a period similar to the life Options is indicative of future trends, which may not necessarily be the actual outcome.

D. Details of Employee Stock Purchase Scheme: Not Applicable

E. Details Related to Stock Appreciation Rights (SAR): Not Applicable

F. Details related to General Employee Benefit Scheme / Retirement Benefit Scheme: Not applicable

G. Details related to trust:

Sl. No.	Particulars		Details
1.	**General information on all schemes**		
	a)	Name of the Trust	SCNL Employee Welfare Trust
	b)	Details of Trustee	Mr Subir Roy Chowdhury Mr Amit Kumar Gupta Mr Manish Kumar Mittal Ms Aditi Singh
	c)	Amount of loan disbursed by Company / any Company in the group, during the year	INR 90,00,000
	d)	Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	INR 1,69,69,000

Sl. No.	Particulars	Details
	e) Amount of loan, if any, taken from any other source from which Company / any Company in the group has provided any security or guarantee	Nil
	f) Any other contribution made to the Trust during the year	Nil
2.	**Brief details of transactions in shares by the Trust**	
	a) Number of shares held at the beginning of the year	3,48,950 fully paid equity shares of INR 10/- each
	b) Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	**Primary Issuance:** 1,33,996 partly paid shares issued and allotted under rights issue were made fully paid up after receipt of final call money. **Secondary Acquisition:** Nil
	c) Number of shares transferred to the employees / sold along with the purpose thereof	Nil
	d) Number of shares held at the end of the year	4,82,946 fully paid equity shares of INR 10/- each
3.	**In case of secondary acquisition of shares by the Trust**	
	Held at the beginning of the year	Nil
	Acquired during the year	Nil
	Sold during the year	Nil
	Transferred to the employees during the year	Nil
	Held at the end of the year	Nil

ESOS Schemes Compliance Status

ESOS 2017 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**"SEBI (SBEB & SE) Regulations"**) and the Companies Act, 2013. The Company has received a certificate from the Secretarial Auditor of the Company certifying that ESOS 2017 Scheme of the Company is being implemented in accordance with the SEBI (SBEB & SE) Regulations and is in accordance with the resolution passed by the Members of the Company at a general meeting.

The ESOS Schemes are implemented in accordance with Indian Accounting Standards issued by ICAI and the relevant accounting pronouncements.

Administration of ESOS Schemes

The Nomination and Remuneration Committee of the Board administer the Employee Stock Option Schemes, formulated by the Company from time to time.

Pursuant to the provisions of SEBI (SBEB&SE) Regulations, above details are also available at https://satincreditcare.com/investor-relations-satin-creditcare/#AgmEgmPostalBallots

POLICIES

Vigil Mechanism/Whistle Blower Policy:

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

During the period under review, 2 (Two) complaints were received against same person and that was duly disposed-off.

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

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

In pursuance of the Company's policy to consider human resources as its valuable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company, to have diversified Board, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Rules/Regulations/Guidelines/Notifications issued by RBI and SEBI from time to time. The policy on Nomination and Remuneration was modified and approved by the Board of Directors in their Meeting held on October 29, 2021. The Nomination and Remuneration Policy is also available at https://satincreditcare.com/wp-content/uploads/2022/03/SCNL-NRC-Policy-Version-2.3-29.10.2021.pdf

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

Risk Management:

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

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

Your Company has in place a formal policy for prevention of sexual harassment of its employees at workplace. The Company is in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and has adopted a revised policy on Sexual Harassment (forms part of HR Manual of the Company) on August 14, 2017 (while HR Manual has been last reviewed/revised by the Board of Directors in their meeting held on March 30, 2022) to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

Further, during the calendar year 2021-22, following is the summary of complaints received and disposed off:

No. of complaints received : 4

No. of complaints disposed-off : 4

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

PARTICULARS OF EMPLOYEES

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

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

LISTING WITH STOCK EXCHANGES

The equity shares (ISIN INE836B01017) of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees payable to both the exchanges for the 2022-23 have been paid. The NCDs issued on Private Placement basis are listed on WDM segment of BSE.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act 2013, the Annual Return as on March 31, 2022 is available on the Company's website on https://satincreditcare.com.

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

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

DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Harvinder Pal Singh
Chairman cum Managing Director
DIN: 00333754

Place: Gurugram
Date: July 11, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

Calendar year 2021 marked the second year of the COVID-19 pandemic with far-reaching impacts on health and well-being, lives and livelihoods worldwide. The development of the COVID-19 vaccine by December 2020, helped bring relief along with expectations of getting back on the path to recovery during 2021.

New strains of COVID-19 virus continued to take a toll on health and well-being of people; economies were reeling under inflationary pressure created by global supply chain disruption and a general lack of activity. Jobs were lost and the cash flow dwindled, investments slowed down and the markets witnessed high volatility.

Yet, September 2021 onwards, green shoots of recovery began to appear as immunization programs began to accelerate and widen their reach across countries. In January 2022, the World Economic Outlook announced downward revision of its October 2021 projections of global growth moderating from 5.9% in 2021 to 4.4% in 2022.

In the last week of February, however, the start of a war between Ukraine and Russia dampened all expectations of a global economic recovery. This was followed by the WEO further revising its outlook, expecting the global growth rate to come down to 3.6%. The conflict brought about uncertainty in international relations, which added to the challenges persistent since 2020.

Commodity and fuel prices continue to rise, with inflation in the US touching 40-year highs, creating a broad-based impact across economies and sectors. Emerging economies are especially facing pressure in terms of ensuring essential services and social security for their people, sparking fears of civil unrest. In terms of economic progress, the conflict has set the world back by a few decades at least.

THE INDIAN ECONOMY OVERVIEW

The year 2021-22 began amidst an aggravating second wave of COVID-19, marking a period of severe stress on healthcare systems and uncertainty regarding lives and livelihoods.

The second wave came in April 2021, three months after India started its phased vaccination program, and ended up being far deadlier than the first. A sharp spike in the number of infected cases resulted in an acute shortage of hospital beds and access to high-flow oxygen. Yet, considering the economic impact of the pandemic, the country stopped short of an extended nation-wide lockdown witnessed exactly a year before.

The success of the immunization drive by the Government of India and festive season in the subsequent quarters lifted the sentiment and paved the way to recovery. Restrictions on mobility were localized and lockdowns were imposed intermittently, thus limiting the economic impact of the second wave.

In the post-war scenario, the International Monetary Fund (IMF) has projected global growth to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023, respectively, than projected in the January 2022 update of the World Economic Outlook (WEO) *(Source: International Monetry Fund)*.

Consumer sentiment is hit and has sparked worries over an uncertain future. India relies on imports for ~85% of the crude oil its consumes and thus, cannot isolate itself from the impact of the rise in prices of crude oil. As of March 31, 2022, India's oil import bill for 2021-22 was USD 119.2 billion, almost double the amount of USD 62.2 billion for 2020-21. This rise acts as a double whammy for a country's economy by putting pressure on its forex reserves, thus, weakening its purchasing power in the international market, while driving up Consumer Price Index (CPI) inflation, affecting prices of essentials including food grains, edible oil and more, threatening rise in poverty leading to social unrest. *(Source: The Economic Times)*

In March 2022, India's annual inflation rate touched 6.95%, the highest since October 2020. Food inflation also headed to 7.68%, after climbing for six months straight. The figure was at its highest since November 2020. Overall, close to double-digit price rise has been witnessed across categories of consumer durables, fuels, and housing as well. More importantly, however, consumer food price has witnessed a 100% increase from March 2021 to March 2022, up from 3.94% to 8.04% respectively, in rural areas and from 4.61% to 7.66%, respectively, in urban areas. This is creating increasing stress on consumer spending across the country. *(Source: DownToEarth)*

Riddled with these challenges as it is, there exists a silver lining. During fiscal year 2021-22, India witnessed continued growth in its GST collections. The Gross Goods and Services Tax (GST) revenue in March 2022 stood at INR 1,42,095 Crores, crossing the levels witnessed in pre-pandemic times. GST Compensation Cess crossing INR 10,000 Crores in a month for the first time ever in the previous month i.e. February 2022, is significant; among other things, it is a sure sign of recovery of certain key sectors. *(Source: mint)*

At its core, growth in GST collections signifies a rebound in consumption spending. Collections from direct taxes, including income tax and corporation tax touched a record INR 14.10 lakh Crores – INR 3.02 lakh Crores higher than the budgeted estimates – clocking a growth of 49% y-o-y compared to the last fiscal. *(Source: Economic Times)*

India's merchandise exports touched a record high of USD 418 billion during 2021-22, as compared to USD 292 billion in 2020-21 – significant movement on the backdrop of goods trade that crossed USD 1 trillion.

Finally, COVID-19 continues to be under control despite the third (Omicron) wave witnessed during January 2022. It was relatively milder than the second wave witnessed in 2021. With this, the travel and hospitality industries which bore the brunt of the pandemic, started to come out of the woods in a staggered manner. Besides, through increased regulatory and financial support from the Government and the Reserve Bank of India (RBI), the NBFC sector's role as a supplemental channel of credit intermediation alongside banks continued to become even more pronounced than before.

OUTLOOK

The outlook for the Indian economy, along with other world economies has been revised to factor the impact of the Russia-Ukraine conflict along with the ongoing expectations of recovery post the COVID-19 pandemic. Meanwhile, the Reserve Bank of India (RBI) has clarified on continuation of its accommodative policy stance in view of the persistent challenges and the rising inflationary pressure. However, with the fundamentals of the country being intact, with higher vaccination coverage, gains from the supply-side reforms, regulatory easing out, healthy export growth, and availability of fiscal headroom is likely to lead India's march as the fastest-growing economy in 2022-23 as well.

INDUSTRY OVERVIEW

The all-time high capital adequacy at all of the country's tier-I banks should have a trickle-down effect on the overall health of the BFSI sector. With balance sheets reflecting robustness, granularity and liquidity, risk appetite is expected to return. Credit issuance is set to grow as systemic credit growth seems to have bottomed out. Thus, competition is expected to intensify as providers increasingly focus on retail lending.

The regulator continues to periodically stress test the overall sector's performance to check for soundness and resilience; it continues to maintain a strong watch over the performance of NBFCs, some of which were found to be vulnerable to liquidity shocks. The regulator has also continued its accommodative policy stance put in place since June 2019, which continued even post the commencement of the COVID-19 pandemic.

Since H1 2020-21, loans and advances have started to rebound, showing growth in the balance sheets of the NBFCs, coming on the back of tumultuous two-year period of liquidity crunch. The macroeconomic uncertainty prevailing has moderated expectations of a dramatic recovery. However, as alternate channels of credit, NBFCs and MFIs continue to play a critical role in fulfilling credit demand. The outstanding Gross Loan Portfolio of NBFC-MFIs grew by 18.3% during H1 2021-22 over the corresponding year-ago period. *(Source: CareEdge Research)*

Key enablers on the policy front:

Targeted liquidity measures: The RBI, since 2020, has provided for broad liquidity measures aimed at enhancing the liquidity at NBFCs. These include moratorium on term loans, easing of working capital financing, and more.

Microcredit sector

The microcredit industry serves the customer in a myriad of ways by enabling easy financing options.

The microfinance industry has a diverse supply side with multiple lenders nearly 194 including - Banks, NBFC-MFIs (Non-Banking Finance Company-Microfinance Institutions), SFBs (Small Finance Banks), NBFCs (Non-Banking Finance Companies) and others. Three broad lending models have been adopted under the microfinance sector including Self Help Group (SHG), JLG (Joint Liability Group) and SHG Bank Linkage. However, the models vary amongst the different players.

As per the latest Micrometer data as on March 31, 2022, based on loans originated after February 2017, the microfinance industry had a total loan portfolio of INR 2,85,441 Crores, as on March 31, 2022, including DPD 180+ portfolio of INR 23,624 Crores. The total number of active loans accounts were 11.3 Crores with 5.8 Crores unique borrowers as on March 31, 2022. The total Loan Portfolio grew by 10.0% year-on-year between March 31, 2021 and March 31, 2022 As on March 31, 2022, 12 Banks help the largest share of portfolio in microcredit with total loan outstanding of INR 1,14,051 Crores, which is 40.0% of the total microcredit universe. NBFC-MFIs are second largest provider of microcredit with a loan amount outstanding of INR 1,00,407 Crores, accounting to 35.2% of the total industry portfolio. SFBs have a total loan amount outstanding of INR 48,314 Crores with total share of 16.9%. NBFCs account for another 6.9% and other MFIs account for 1.0% of the universe.

Other growth trends in the microcredit sector indicate an overall growth of NBFC-MFI portfolio by 24.7%, banks by 0.7%, SFBs by 17.4%, and other MFIs by 9.5% while NBFCs portfolio decreased by 9.1%. NBFC-MFIs and NBFCs have witnessed a decrease in their Portfolio At Risk (PAR) figures, indicating portfolio health that is on the mend.

(Source: MFIN)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

New Regulatory Framework by RBI

The RBI on March 14, 2022, issued directions namely 'Reserve Bank of India (Regulatory Framework for Microfinance) Directions, 2022 which came into effect from April 1, 2022. The new Regulatory Framework was required to match the changing dynamics of the MFI sector. The Company believes that the RBI's new regulations will provide a stronger framework with a level playing field for all lenders. Overall, the new framework is positive for NBFC-MFIs as caps on ticket sizes and pricing have been withdrawn and there is a move towards self-regularization and harmonization.

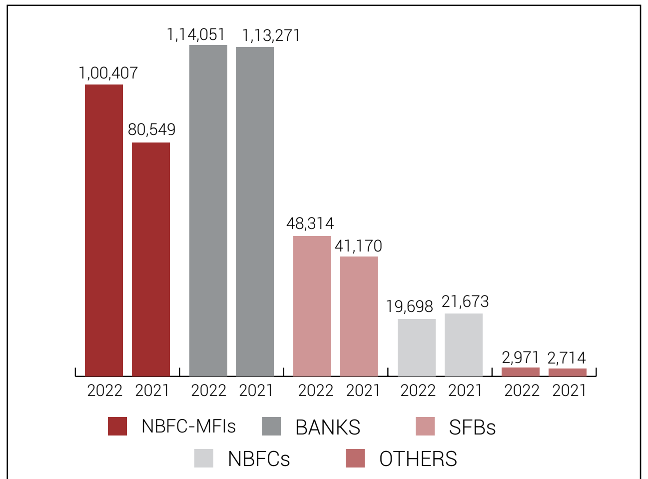
MICROFINANCE INSTITUTIONS (MFI)

The Indian microfinance industry plays a vital role in promoting inclusive growth by easing access to finance for those sections of the society underserved or unserved by formal banking channels. It has enabled last mile connectivity through its presence across India's rural sector and serves as an effective channel for credit access to people from the low-income strata and those who are engaged in the informal sector.

NBFC-MFIs form a major chunk of the sector. As on March 31, 2022, the on-balance sheet portfolio of 84 NBFC-MFIs was INR 1,00,407 Crores, spread across 611 districts of 35 states and union territories; their portfolio grew by 24.7% year-on-year. NBFC-MFIs disbursed INR 29,506 Crores in Q4 2021-22, which is significantly higher than INR 26,272 Crores disbursed during the same period last year. The average loan size too has grown 9.6% during the same period to touch INR 38,647 Crores. As on March 31, 2022, aggregate Gross Loan Portfolio of NBFC-MFIs stood at INR 96,561 Crores, growing by 19.4% in comparison to March 31, 2021.

(Source: MFIN Micrometer March 31, 2022)

Portfolio Outstanding of the Microfinance Industry (Crores)



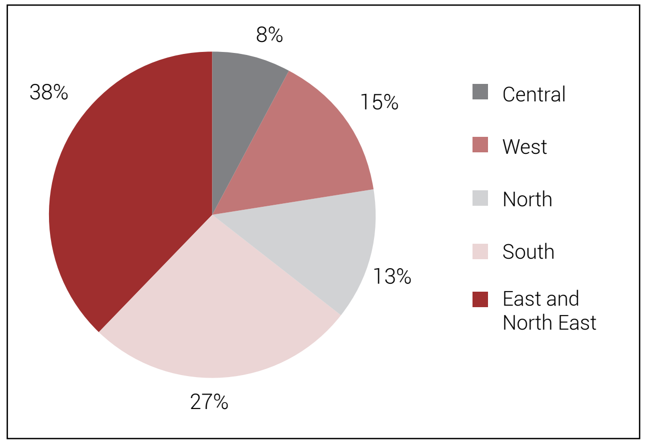
(Source: MFIN Micrometer March 31, 2022)

Market Share of Financial Institutions in Outstanding Loan Portfolio (%)

Financial Institutions	March 31, 2022
NBFC-MFIs	35
BANKS	40
SFBs	17
NBFCs	7
OTHERS	1

(Source: MFIN Micrometer March 31, 2022)

Regional Distribution



(Source: MFIN Micrometer March 31, 2022)

NBFC MFI Industry Review

Particulars	Q4 2021-22	Q4 2020-21	Y-o-Y Change (%) (2021-22 over 2020-21)
Branches	16,890	14,530	16.2
Employees (lakhs)	1,42,811	1,18,653	20.4
Clients* (Crores)	3.4	3.1	8.3
Loan Accounts (Crores)	3.9	3.7	3.8
Gross Loan Portfolio (Crores)	96,561	80,906	19.4
Balance Sheet Portfolio (Crores)	82,458	68,344	20.7
Loans Disbursed During the Year (Crores)	2.3	1.7	33.5
Loan Amount Disbursed During the Year (Crores)	83,354	57,524	44.9

(Source: MFIN Micrometer March 31, 2022)

**The clients' number here is the aggregate of clients of member MFIs. Given some degree of overlaps, it does not reflect the number of unique clients.*

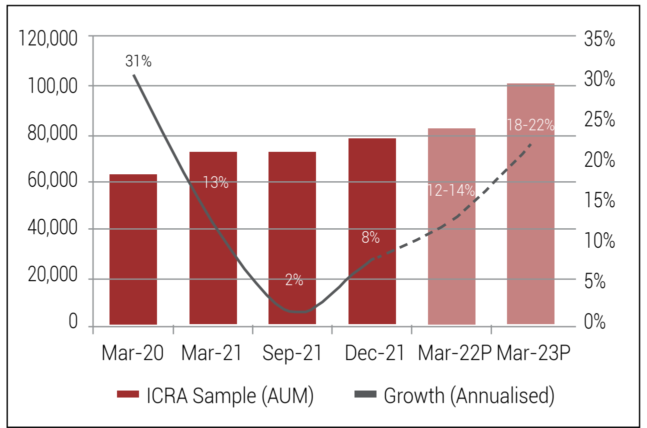
Outlook for the MFI segment

MFIs are expected to witness a steady pick-up in loan disbursements driven by higher demand from low-income groups and small enterprises as they seek to reprise growth. ICRA expects the long-term outlook for the NBFC-MFI industry to remain robust with near-term expectations of growth in Assets Under Management pegged at 18-22% during 2022-23.

ICRA has revised the outlook for Non-Banking Financial Companies Microfinance Institutions (NBFC MFIs) from negative to stable with the expectation of steady growth in the Assets Under Management (AUM) and improvement in profitability[1].

Growth recovers in Q3 2021-22; expect further improvement in Q4 2021-22

MFIs AUM & Growth Trend (ICRA Sample*)



**Comprises 17-18 NBFC-MFIs with AUM aggregating 85-90% of industry. The growth rate observed in the ICRA sample for the current fiscal is slightly lower than that of the industry; however, the projected growth rates are given for the NBFC-MFI industry*

The future course of the industry will be determined by the ability of players to forge new partnerships, develop new products, create new investment channels and leverage technology to meet the demands of consumers.

CHALLENGES

Global rise in commodity prices

Prices for crude oil, metals, grains and other internationally traded commodities are climbing at the fastest rate since 1995, fuelling concerns about economic slowdown and political instability in several countries. Key reasons for the price rise range from the uncertainty over international relations and security, to the release of pent-up demand post COVID-19 pandemic to the measures adopted by countries in order to provide relief during the two years of the COVID-19 period. This macroeconomic environment dominated by rising inflation and fuel costs threatens to push people from low economic strata back into poverty.

COVID-19 challenges

While the third wave of the COVID-19 virus in India witnessed in January 2022, sparked by the Omicron variant, turned out to be not so intense as the second wave in April 2021, concerns regarding health and safety continue. Scientists and healthcare professionals expect the virus to continue mutating even as widespread vaccination helps to resume normalcy of travel and economic activity.

India's high vaccination rate provides an impetus for economic recovery and growth, and has been a key enabler in securing the livelihoods of people from lower economic strata. During 2021-22, a vast majority of people, falling under the rural and employed in 'essentials' category, sustained and resumed incomes as essential economic activities returned to normalcy.

Lack of credit history

A major challenge faced by financial institutions catering to low-income borrowers is their lack of credit history and adequate documentation. It hampers the ability to assess their credit risk accurately while escalating credit costs for the customers. A host of digital technologies is helping such institutions to create and share data in real time, helping to ease operations as well as credit flow to the customers even as crucial gaps remain. MFI lenders are submitting daily credit data to the credit bureaus to help build customer credit profiles.

Low financial literacy

Nearly 20% of the world's population resides in India, which is nearly 1.3 billion people and yet, just 24% of it is considered financially literate. This is significant because India also has the largest pool of young people within the age bracket of 25-44 years, most likely to be engaged in professional activities. With such dismal rates of financial literacy, India is witnessing a strong push for awareness programs, especially aimed at rural populations where information penetration is significantly lower than urban areas. It makes them vulnerable to small-time loan sharks and scams. *(Source: IBEF data)*

Geographic concentration risk

Microfinance companies that tend to be active within localized clusters or communities due to a number of factors limiting their expansion face the risk of geographic concentration. Any untoward event that is political or social in nature as well as natural calamities stand to impact their operations, curtailing their ability to cater to their customers and deliver on their commitments. Thus, microfinance companies target geographic expansion to broadbase their growth and effectiveness.

OPPORTUNITIES: GROWTH DRIVERS

Diversification of portfolio

MFIs, with their strong presence in the country's rural areas, are often the only channels available for their customers to source affordable finance for a variety of uses ranging from education to healthcare and infrastructure, insurance and more. This provides for an opportunity for MFIs to diversify their products and services. It brings with it the added benefit of cross-selling and servicing a large customer base.

2021-22 witnessed RBI releasing new guidelines for microfinance institutions, aimed at enhancing the sector coverage that will ultimately benefit the target customer. Under the new guidelines, the distinction between rural and urban segments has been removed; instead, there is a standardized capping of INR 3 lakhs income per household. This will bring many more households under the target consumer segment for MFI providers, thus providing opportunities to widen the customer base.

Moreover, the new guidelines have also lifted the price cap on loan amount, allowing for market forces to take over, enabling healthy competition among MFI institutions. Providers will now be able to respond to the unique needs of their specific target segments with greater granularity and design products more innovatively. It will also enable them to cross-service multiple customer segments.

Financial inclusion

The RBI bulletin released on September 16, 2021, pegged the annual Financial Inclusion Index of India at 53.9%, indicating the large head room for growth for the microfinance sector. Given the growth trajectory of the sector so far, there is ample space for multiple players to scale with low chances of saturation for at least a decade. This points to a large window of opportunity as well as for creating a lasting impact on the economy.

Collaboration with fintech players

Technology is playing a vital role in democratizing information, education, governance, and more at low cost and with last mile connectivity. The tech revolution has particularly revolutionized the financial sector and is set to have long-term impact on the way that products are conceptualized and services are delivered. Technology is helping microfinance companies to automate certain standard processes while enabling more convenient, faster and more secure operations. It is helping them generate, protect, and analyze customer data for insights aimed at business growth.

Onward march with digital India

Since the launch of the Digital India campaign in 2015, the Government has progressively rolled out a slew of measures aimed at facilitating, supporting, and encouraging adoption of digital technology to provide services to citizens.

The Union Budget 2022 has recognized the promotion of digital economy, fintech, and technology-enabled development as one of its key goals under the 'Amrit Kaal' vision of India @100, which is the 25-year lead-up period to 100 years of India's Independence. A number of digital platforms and schemes benefiting farmers, skilled workers and start-ups are envisioned.

Digital banking and fintech has received a strong impetus as the digital payments ecosystem announced in Budget 2021, continues to receive financial support. The Budget also announced the introduction of Central Bank digital currency supported via blockchain and other technologies, in 2022-23. *(Source: Business Today)*

In addition to these measures, the formation of an accounts aggregator by four financial regulators – Sahmati, as announced by the RBI, SEBI, the IRDAI, and the PFRDA, will add further ease to accessing credit. The Data Protection & Empowerment Architecture developed as part of the consent framework of Sahmati will ensure that the user need not furnish a wide range of documents when applying for a loan.

[1]The information contained herein has been taken from a report released by ICRA Limited in March 2022, titled 'Indian Microfinance Sector - AUM growth and profitability to revive in FY2023' which has been prepared basis the information procured from sources believed by ICRA Limited to be accurate and reliable. Although ICRA Limited has taken reasonable care to ensure that the information contained in the said report is true, such information is provided 'as is' without any warranty of any kind, and ICRA Limited in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information.

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They only need to grant explicit consent to the approving authority for their credit history and other data to be shared. The key highlights of the accounts aggregator ecosystem are that apart from the total control it gives the user over the sharing of their data as well as the efficiency with which loan processing can be done, it provides scalability and flexibility, making it possible for more and more offerings to be covered under it.

Untapped MSME Sector

The MSME sector, comprising 6.3 million units and providing employment to over 11 Crores of the Indian populace, contributes to over 28% of the Indian GDP. Thus, it is rightly celebrated as the growth engine of the country's economy. The sector has close linkages to the informally employed workforce in the country and is also a major source of demand for microcredit. It was deeply impacted by the COVID-19 pandemic as it hurt cash flow cycles as well as livelihoods of many workers at a large scale. As the Indian economy looks to reprising growth in the new normal, the MSME sector is bound to play a critical role.

(Source: IBEF)

Demand growth for affordable housing

Affordable housing has long been a priority focus area for the Government with schemes like Pradhan Mantri Awas Yojana aimed at 'Housing for all'. The COVID-19 pandemic dented growth in this segment, disbursements by NBFC-HFCs which had plunged in Q1 2021-22 have made a sharp recovery since with 9% year-on-year growth within the first half of the year under review. With demand for affordable housing expected to witness a continuous rise over the near-term, the role of MFIs and NBFCs will continue to expand as they help to service customers who experience challenges with regard to valid documentation and availability of formal financing options.
(Source: The Economics Times)

Business Correspondents (BC)

Business Correspondents perform a crucial function in augmenting the capabilities of banks and financial institutions to service their customers. They act as third-party agents helping to identify borrowers, processing loan applications, engaging with them to advice and educate them, as well as promoting, nurturing, and monitoring of Self-Help Groups or Joint Liability Groups and recovery of funds. MFIs work closely with BCs to grow and maintain their customer outreach.

COMPANY OVERVIEW

Satin Creditcare Network Limited (hereafter referred to as 'SCNL' or 'the Company'), was established in 1990. The Company got registered as an NBFC in 1998 and in November 2013, attained the status of an NBFC-MFI. Today, it is one of the country's leading NBFC-MFIs with a pan-India presence, catering to more than 28 lakhs active customers through 1,224 branches (as on March 31, 2022) in 404 districts and 23 states and union territories (on a consolidated basis).

SCNL launched its operations as a provider of individual loans to small businesses and now its business is primarily based on the Joint Liability Group model, which allows it to provide collateral-free, microcredit facilities to economically active women in both rural and semi-urban areas. It also finances the purchase of solar products, bicycles, home appliances, consumer durables and safe water and sanitation facilities, among others. A large majority of the Company's customers for microfinance loans are women entrepreneurs, who are underserved or unserved by the traditional banking network or other channels of finance.

The Company is well-recognized for its financial inclusion efforts and is trusted for its purpose as a brand to enable better quality life for its customers. SCNL, through its customized microfinance loans and services, fulfils the financial needs of those underserved by the formal finance ecosystem. These products and services are backed by best-in-class digital customer experience. The Company scaled its capabilities during the COVID-19 period, through focused strategic measures to embrace technology.

2021-22 at SCNL

The Company looks back at 2021-22 as the year of having successfully navigated challenges thrown by the two waves of pandemic and reclaiming the growth trajectory. During the year under reporting, the Company successfully raised INR 225 Crores by way of allotment of equity shares and fully convertible warrants to the promoter and non-promoter entities on January 2022. The Company successfully managed to achieve a fundraise of INR 4,093 Crores from various lenders as at the end of March 2022, which was further lent to its clients.

The Company maintained sufficient liquidity of INR 1,291 Crores as on March 31, 2022, along with a strong balance sheet. Its Gross NPA stood at 8.01%, with adequate provisioning of 6.70%. It maintains a strong capital base with a capital adequacy ratio of 27.84%, which is well above regulatory requirements.

The Company navigated the highly challenging times of the COVID-19 period with prudence and sense of initiative. The Company's collection efficiency bounced back to pre-COVID-19 levels, touching 99.71% overall in quarter four of 2021-22. The collection efficiency in top four states (UP, Bihar,

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Madhya Pradesh and Punjab) – accounting for 53.74% of the Company's AUM – stood at 101.47% in the same period.

Throughout the year, the Company was cautious in loan disbursements and strategically focused on disbursing loans to existing customers with a regular track record of repayment in order to ensure a healthy portfolio. As a result, the average ticket size of MFI lending was INR 42,000 Crores for the year, up from INR 33,000 Crores during the previous year. Disbursals during the year were INR 4,031 Crores as compared to INR 4,394 Crores during the previous year. The Company's consolidated Assets Under Management stood at INR 7,617 Crores as on March 31, 2022.

The Company continues to digitalize its operations through the use of UPI auto debit, website payments option and QR code on loan card, which enable greater transparency and ease of use, enhancing operational efficiency overall.

As a responsible corporate, the Company believes in being actively involved in contributing to the well-being of the less fortunate and crisis impacted in our society. During the year, the Company continued to provide COVID-19-specific support measures to its communities, including distribution of masks, medicines, ration, and hygiene kits across the country. The Company also undertook a flood relief activity in Tarakeshwar, West Bengal, in which it provided ration to those who were severely impacted with income sources and a conducted a financial literacy workshop in Punjab, India.

The Company is committed to facilitating finance for adoption of clean energy and improving hygiene and sanitation infrastructure in rural areas. It disbursed more than 1 lakh clean energy loans as well as more than 37,031 Water Sanitation and Hygiene (WASH) loans during the year.

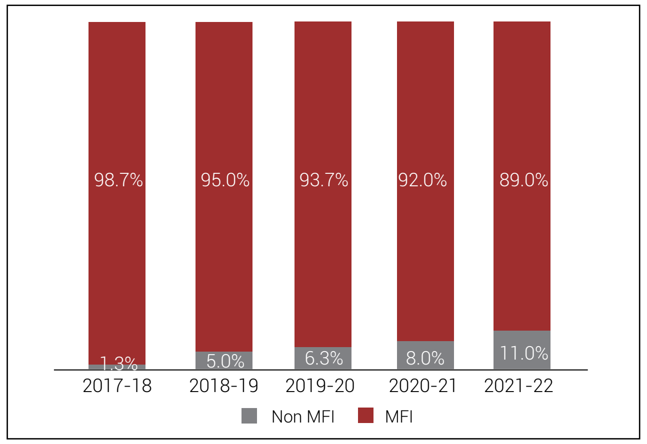
SCNL's wholly-owned subsidiaries: Over the years, the Company has diversified its product offerings, expanded geographical presence, leveraged distribution outreach and increased the secured lending portfolio. As a part of these strategies, the Company formed three wholly-owned subsidiaries as follows:

Taraashna Financial Services Limited (TFSL): As a business correspondent, TFSL provides credit to customers in rural and semi-urban areas. This is done in partnership with few reputed Banks and NBFCs. TFSL's business model is low-risk and highly capital efficient. With an AUM of INR 724 Crores as on March 31, 2022 and presence across 6 states, the Company operates through 158 branches and has more than 3.50 lakh clients.

Satin Housing Finance Limited (SHFL): Established in 2017, SHFL is engaged in providing affordable home loans to customers from middle and low-income groups in peripherals of tier-II and below cities. On the back of excellent portfolio quality, the Company reported a profitable year with an AUM of INR 318 Crores as on March 31, 2022 and standalone credit rating of BBB (Stable) from CARE. Presently, the Company has 15 active lenders, including NHB Refinance.

Satin Finserv Limited (SFL): Incorporated in August 2018, SFL is mainly engaged in providing secured retail loans to MSMEs, and others. The Company had a gross loan portfolio of INR 166 Crores as on March 31, 2022. SFL currently has 16 branches across 9 states with 4,262 active loan clients.

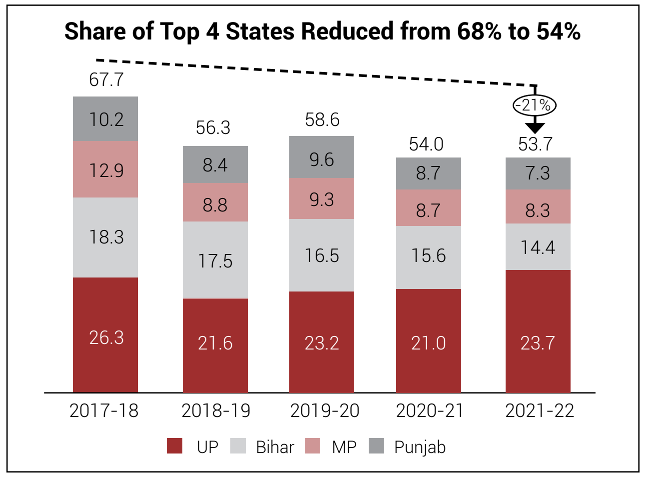
During the year under reporting, the Company moved for the amalgamation of its two wholly-owned subsidiaries Taraashna Financial Services Limited and Satin Finserv Limited. Consequently, the first motion application was filed before Hon'ble NCLT, Chandigarh Bench after obtaining requisite NOCs from shareholders and creditors of TFSL and SFL. The said first motion application was reserved and allowed by the said Hon'ble NCLT on hearing dated April 06, 2022, and pronounced on May 27, 2022. Both the companies filed joint second motion application with the Hon'ble NCLT on May 25, 2022. The said joint second motion application was admitted by the Hon'ble NCLT in its hearing dated July 08, 2022, and issued necessary directions for serving notices and newspaper advertisements which are under process.



Operational Parameters (Standalone)

AUM

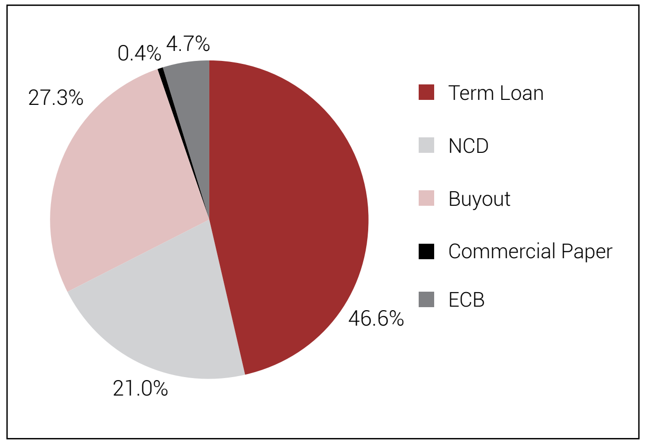
- The AUM of the Company stood at INR 6,409 Crores witnessing a growth of 4.67% on a quarter-on-quarter basis.
- The Company believes it is back on growth phase with focus on disbursements.



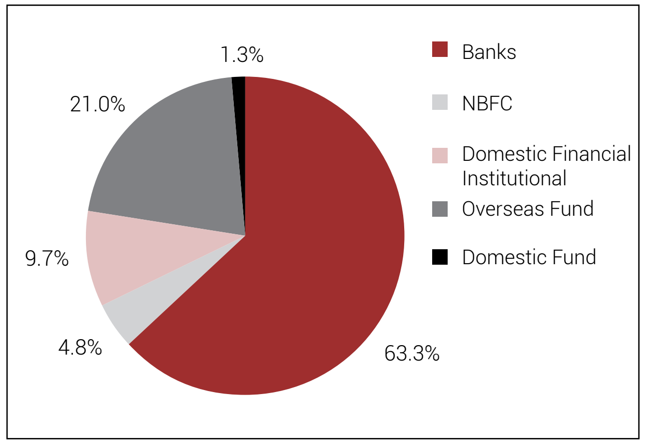
Funding Profile

- The Company has a well-diversified funding profile.
- It raised INR 4,093 Crores during the year from various sources.
- The Company maintained adequate liquidity of INR 1,291 Crores as on March 31, 2022.

Product-wise



Lender-wise



Opportunities

The Company continually recognizes potential growth and development that can enhance market share and brand value.

Shift in customer behaviour: As an economy targeting rapid growth, India is looking at rapid formalization of services and its job sector overall. Institutions are being set up to formally organize the variety of workforce engaged in informal employment and make them aware of the need for documentation and financial literacy. This phenomenon is enabling demand growth for formalized financing options. In this scenario, SCNL enjoys a first-mover advantage aided by its wide reach and recognized brand name.

Technology adoption: The Company is rapidly scaling technological platforms and services to offer customized products and a smooth customer experience.

Diversifying geographical presence: The Company has placed its focus on growing the business in its existing geographical presence so that it can make its service accessible to more people.

Process excellence: The Company continues to invest in technology-driven growth of systems and solutions. It will help to grow its market share through ease of operations, better understanding of customers' needs, and resilience in the face of increased digitalization overall.

Leveraging robust fundamentals: Strong business fundamentals is a strategic priority at SCNL. The Company is committed to maintaining a healthy balance sheet and capitalization through robust risk management practices. Its performance on maintaining a capital adequacy ratio above that mandated by the regulator and its robust liquidity will act as a competitive advantage, enabling the Company to invest its financial resources towards business expansion and growth.

Threats

The identification and assessment of potential threats to the Company's business is a part of SCNL's robust risk management and governance framework. It is the primary responsibility of the Board and senior leadership. The Company is involved in risk identification and assessment on a continuous basis; its response underpinned by its agile culture and empathy for its customers.

Competition from banks and fintech companies: Banks and fintech players are targeting growth in the microfinance space as a part of retail outreach. This has led to competition intensifying in the microcredit space. However, large tech companies which have entered into the provision of financial services could potentially be another source of disruption to the financial services and poses systematic reach as stated by the RBI governor.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Over-borrowing pattern: Majority of borrowers depend on more than one lender such as local moneylenders, co-operatives, peers and relatives, and other informal financing channels. It is among the key reasons for loan defaults and thus, there is a need for stringent regulatory oversight.

Financial Performance

Particulars	March 31, 2022	March 31, 2021
Gross Yield (1)	18.44%	17.57%
Financial Cost Ratio (2)	8.79%	8.52%
Net Interest Margin (3)	9.65%	9.04%
Operating Expense Ratio (4)	6.28%*	5.22%
Loan Loss ratio (5)	2.51%	3.96%
RoA (6)	0.53%	(0.18%)
RoE (7)	2.60%	(0.92%)
Leverage (Total Debt/Total Net Worth) (8)	3.44 times	4.09 times
Cost to Income Ratio (9)	65.02%	57.74%

Opex is temporarily high due to lower business volumes leading to lower base

1. Gross Yield represents the ratio of total income in the relevant period to the average AUM
2. Financial Cost Ratio represents the ratio of interest expense in the relevant period to the average AUM
3. Net Interest Margin represents the difference between the gross yield and financial cost ratio
4. Operating Expense Ratio represents the ratio of the operating expenses (expenses including depreciation but excluding credit cost and interest expense) to the average AUM
5. Loan Loss Ratio represents the ratio of credit cost (including FLDG on BC) to the average AUM
6. RoA represents the ratio of PAT to the average total assets
7. RoE represents PAT to the average Net Worth (i.e., Net Worth excluding Preference Share Capital)

Preferential issue with fundraise of INR 225 Crores

The year under review saw the Company raising INR 225 Crores by way of a preferential issue via allotment of equity shares and fully convertible warrants to the promoter and non-promoter entities in January, 2022. The allotment was completed on January 25, 2022. As on the date of allotment, the Company had already received INR 75 Crores and the balance INR 150 Crores is due on conversion of warrants into Equity Shares within 18 months i.e. on or before July 24, 2023. The preferential issue is a strategic development aimed at capitalization of growth helping the Company achieve its business growth objectives over the medium-term as well as set it on a path of sustainable growth over the longer term.

For further details of Preferential Issue, please refer the Directors' Report, forming a part of this Annual Report.

Technology Initiatives Leading to Process Excellence

O-KYC

The Aadhaar-based O-KYC is a process of identification and addresses verification of our clients, which depends on the information provided by an individual to UIDAI to receive the unique 12-digit Aadhaar number or QR Code. CSOs ask the customer to provide his/her Aadhaar number and an OTP is sent to his/her registered mobile phone number, which gets validated by UIDAI.

O-KYC verification solution secures the Company against identity fraud

- Match user documents with government data
- Capture related customer information from authorized sources
- Augment customer data from other sources to increase accuracy

Liveliness

Facial liveness has emerged as a way to fight fraud and ensure the integrity of face biometrics as a means of authentication or identity verification. Facial liveness detection works with facial recognition to determine if a biometric sample is being captured from a living subject who is present at the point of capture. As such, it stops fraudsters from using presentation attacks to spoof a facial recognition system. Most of today's facial liveness technologies are 'active', requiring users to blink, turn their heads or move their phone back and forth.

GPS & Address Profiling

The Company captures the latitude and longitude of each customer touch point and at the time of clicking the profile picture using that latitude and longitude, we get the address and print that address on the profile picture with the date stump.

As of March 31, 2022, 100% branches and centers and ~99% clients' houses are geo-tagged.

Fraud detection

The Company detects fraud based on Area/Customer profiling and validate the customer's mobile using OTP.

Digitalization of loan repayment facilities

The Company has partnered with renowned fintech players and banks to offer digital loan repayment services to its customers, including Aadhaar Pay, UPI, UPI-QR, and Debit Card, among others. During the lockdown, the Company

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

brought in Website Payment Gateway, enabling customers to pay via debit card and UPI 2.0 with auto debit option. These steps, together, led to secured transactions by preventing fraud risk for customers as well as field staff.

SCNL has adopted cashless collections through Aadhaar Enabled Payment System (AePS) across all its branches, ensuring secured collections and enhancing the repayment experience for its borrowers.

Customer service application

A year since the launch of our Customer Service Application in May 2020, the Company has on boarded 4,10,336 users, which amounts to around 17% of its customers. The app was developed in-house to provide a one-stop solution to our customers for post-loan services and continues to help the clients view and manage active loans, make payments, as well as download statements on-the-go.

Information Technology (IT)

The Company makes use of advanced technologies to enable financial inclusion at scale for its clients across the country. It has developed platforms to orchestrate digital customer journeys for its clients in an easy and transparent manner. These technologies have also helped SCNL to significantly enhance the accessibility of its services. The Company's digitally enabled Loan Management System has successfully reduced loan processing time of 18 days to a few minutes. It has eased operations, lowered the cost of customer acquisition and enhanced customer loyalty. The system is designed to collect, process, and track large tracts of data and features comprehensive capabilities, audit trails and logs, credit histories, transaction reports, decision-making reports, numerous management analysis and real-time dashboards and more.

Benefits of technological progression

- Cashless disbursements at all branches
- Features such as SMS, OTP, QR Code scan-enabling brand recall value
- Last mile technology penetration launched through TABS presents real-time visibility of loan status
- Event-based capturing, recording, and tracking of geo-location
- Instant customer identification and bank account verification, real-time CB checks
- Integration with Fingpay for cashless collection and UPI payments and also caters to various other integrations with cross sell partners like Hospicash (TATA), D-Light and Solar Sunking (for solar products)
- Centralized cash management integration with large banks like PNB, SBI, ICICI and Axis Bank

HRMS suite

The Company uses an in-house developed Human Resource Management System, called 'SATIN ESS' for effectively managing its workforce. It has features like attendance and branch visit, leave management, employee self service, portal, reports, employee performance management, expense management, employee exit, HR admin portal, and employee creation, confirmation and employee dashboard. equipped with the latest tech stack, it is based on the concept of micro services – making the product more agile, scalable and flexible, leading to superior performance. The mobile application and web application for HRMS is available across Google Play Store and App store (iOS).

Information Security System

SCNL has put in place a rigorous system based on advanced technology covering all divisions to protect against unauthorized disclosures of data. The Company's Information Security Management Systems (ISMS), which is ISO 27001:2013-certified, is committed to continually upgrading the established administration frameworks. The accreditation has 14 spaces and 114 controls. It emphasizes that ISMS has been incorporated in all activities and embodies that information security client confidentiality are an integral part of its strategies.

Risk Management and Concerns

Sound risk management practices are key to business viability and sustainability in the lending sector. SCNL, therefore, boasts of a well-established system of proactive risk identification and assessment as well as monitoring and response, fine-tuned over the 30 years of its legacy.

Its agile, systems-driven approach has helped the Company grow and thrive in the face of challenges, both systemic and event-based, the recent ones being the impact of demonetization on the availability of cash, liquidity crunch in 2019-20, COVID-19 in the past two years.

Risk management at SCNL is governed by the Board in the form of a robust framework put in place in consultation with the senior leadership, backed by policies that are implemented by the senior leadership offering their oversight and guidance as well as corrective mechanisms along with 100% adherence to compliance-related aspects of the business.

The SCNL Board of Directors maintains supervision of the implementation of the Company's risk management framework through its various committees dedicated to the mitigation of various types of risks. Besides, the risks are periodically reported and monitored.

Execution of risk mitigation strategies is delegated to the Risk Management Committee (RMC) of the Board. It is further sub-delegated to the Executive Risk Management Committee (ERMC) and the Asset Liability Management Committee (ALCO). The RMC takes appropriate risk mitigation actions post discussing with the Audit Committee. Effective risk management framework helps the Company in navigating through turbulent times.

Risk Management Framework

The Company follows the approach of maintaining three lines of defence for proactive threat vigilance and response. The various business and support functions comprise the first line of defence, while the Risk Management Department comprises the second line of defence. The Audit function acts as the third line of defense and is under the direct guidance of the senior leadership and the committees set up by the Board.

SCNL's Risk Management Framework comprises the following key processes:

- **Key Business Strategies:**
  Business goal setting by the Management and the Board
- **Risk Identification:**
  Determining uncertainties that could potentially impact the achievement of business objectives
- **Risk Assessment:**
  Evaluating risks identified and possible impact
- **Risk Treatment:**
  Migrate, transfer, tolerate, terminate or exploit identified risks
- **Monitoring and Reporting:**
  Scrutinizing and reporting of risks and treatment plans

Material Risks and Mitigations:

Risks	Mitigation Strategies
Credit Risk: This refers to the borrower's inability to repay the loan	The Company's prudent lending strategies and robust credit appraisal system and underwriting processes minimize the probability of default.
Regulatory Risk: Non-compliance of regulations lead to stringent actions and penalties from the Regulator or the Statutory Authorities	The Company complies 100% with all the regulatory framework imposed by the respective authorities, along with timely reporting.
Operational Risk: Risk of possible losses, arising due to the inadequate controls over the internal processes, people, systems and operations	The Company has established controls and checks in place and a real time reporting structure, the losses due to failed processes is mitigated.
Information Technology/Cyber Security Risk: Unavailability of systems and/or loss or manipulation of information or information data security	The Company is ISO 27001:2013-certified, stating prevalence of robust Information Security Management System (ISMS) which helps safeguard sensitive customer data.
Liquidity Risk: Liquidity squeeze due to a skewed asset-liability profile could result in significantly higher costs of funds	The Company has a prudent asset-liability management and well-diversified liability profile which insulates it from the market turbulences.
Climate Risk: Adverse climatic of regions may impact the income level of borrowers negatively and converse into credit risk	The Company has a distributed network of operations across 23 states, adverse impact of climatic conditions in specific regions on overall performance are limited.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Internal Control System and Adequacy

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

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

The Audit Committee of the Board of Directors, comprising Independent Directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls, and ensure compliances. The Audit Committee also meets with the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, adequacy and effectiveness of the internal controls and systems followed by the Company.

The Company regularly invests in IT systems including back-up systems. This helps the Company achieve better operational efficiency, customer service and decision-making process. The Company is ISO 27001:2013 certified post qualifying two stages of audit by third party certification body – Documentation audit and Control Testing audit. Additionally, an Integrated and Robust Information Security Management System (ISMS) exemplifies that information security and client confidentiality are vital part of the Company's strategic goals.

Outlook

SCNL is looking at robust growth in the future, aided by macroeconomic factors and strategic decisions that has taken to consolidate assets and drive higher operational efficiencies. The Company is getting back on the growth path with disbursements reaching pre-COVID levels and sequential growth experienced on AUM levels.

The increase in fresh disbursals backed by its robust liquidity and capital adequacy as well as technology-led processes for underwriting and digital payments will help the Company in achieving its targets. It is also looking at enhancing its focus on cross-selling its various products to its existing clients and growing its own competitive advantage by leveraging its large tracts of customer data for more effective engagement.

With collection efficiency reaching back to pre-COVID levels, the Company anticipates asset quality to be improve going ahead. Further, with increase in AUM and henceforth income levels, the Company expects its cost ratios to come down.

Going ahead, SCNL intends to re-establish its growth trajectory and recoup the lost ground. It remained sanguine about the overall economy and lending activity, especially in the micro-finance segment. The Company is getting positive feedback from on-ground force for the enquiry generation, which it hopes will drive the growth in disbursements.

Improved demand scenario in the rural markets coupled with the RBI's new regulations will provide a level playing field for all the lenders. These directives, along with frameworks such as Scale-based Regulation, Income Recognition and Asset Classification, Prompt Corrective Action, and information security, will ensure the industry has healthy growth in a risk-adjusted manner, and SCNL, as one of the industry's leading players, expects to rebound strongly, both financially and operationally.

Human Resource Management

At Satin, we believe in nurturing the lives of people through our people. SCNL views its people as its biggest strength and its competitive advantage. Our core values define the culture of our organization as well. It is based on trust, equity, respect for all, fairness, and transparency. We believe in providing equal opportunity and compensation based on performance, following meritocracy. The growth of our employees is enabled by structured evaluation processes. These processes are supported by our HR policies and initiatives that bring out the best in them. Our business model requires employees to interact with female clients on a daily basis. The Company ensures that these interactions are positive, productive, equitable, mutually respectful and successful at serving their clients in a satisfactory manner.

While combating COVID-19 has been a battle, there were a few challenges that we faced during the year. The appraisal had to be done virtually and that was marked as a driving force for employees during hard times. Working from home had already been a new normal that employees had became friendly with, but the crisis the pandemic brought was irreplaceable. Mental health became of huge importance after the second wave during the year. During the month of July & September, we gave all our employees the benefit to get themselves vaccinated for COVID-19, free of cost. 209 employees including the Group Company's employees got vaccinated during this drive at HO and 3,500 employees across regions got vaccinated. Not only this, employees were encouraged to contribute their one day's salary for COVID-19 relief to help employees in need of extra funds for themselves and their family. Engaging employees through such initiatives virtually and spreading positivity was the aim for the months to follow.

Learning and development:

During 2021-22, the Company's digital-led learning and skill development initiatives delivered and trained 48,208 participants (14,691 unique employees) through 3,590 training sessions involving 9,001 hours of training with an average batch size of 14 participants.

Various programs such as Step-Up, DYK, and E-learning modules are helping to enhance knowledge. SCNL also provides for the 'Satin Learn Application', encouraging digital learning methods. We have moved to complete digital induction for all our frontline employees having 10 comprehensive modules for learning about the organization. It also has different modules for brushing up the soft skills of employees.

'SCNL Training' is a YouTube channel to facilitate 'Learning on the Move' and 'Ease of Learning' for the field staff. With 1,200 subscribers, about 11,400 views and more than 400 hours of viewership, it has proved to be a handy platform during the lockdown period to facilitate learning. Not only this, we have created and published video tutorials in 11 vernacular languages after every change.

Apart from this, our BM Step Up Program is an On the Job Training Program under which participants are closely monitored and their training evaluation is done on the basis of their business performance and day-to-day activities on a set of 40 parameters. Total 180 BMs have been certified through this 6 days' classroom training.

Employee engagement initiatives:

The Company continues to follow a hybrid way of engaging its people, intensifying the digital mode during the COVID-19 period. Celebrating the little things at Satin has always been big. The diversity that our organization holds binds everyone together with the different culture employees share. Diwali, Raksha Bandhan, Durga Pooja, Dussehra and Ganesh Chaturthi were celebrated across all regions with different traditions. At HO, employees' family members were included in the celebration for the feeling of being a part of an extended family. On Christmas, employees were encouraged to bring their kids to office. The nit and grit engagements done on Holi, Mental Health Day, International Yoga Day, Women's Day, Men's Day and other International Days are also accounted for.

'You Say We Care' was an added initiative under engaging employees to make them feel the connect with their HR Manager for not only helping them with any official grievances but also personal issues.

Performance assessment:

The Company follows a holistic, merit-based approach towards performance evaluation and recognition for the employees. The process is well established on the pillars of transparency and mutual trust with its primary goal being the enhancement of the quality of its workforce.

The Company ensures transparency of the process of assessment through score cards and online Performance Management System (PMS). The Company's launch of UDAAN to evaluate the performance of field employees is an industry benchmark for forming the first line of leaders. This mechanism ensures to cover every aspect of the performance from disbursements to collections and cross sell to cashless percentage. Additionally, attendance discipline is also a part of this goal sheet. Weighted average is given to every parameter after aligning the business and a score is calculated. Buckets from Platinum to PIP are defined on the total score. The UDAAN goal sheet comprises the growth path as it makes them eligible for bi-annual promotion. 336 employees were promoted in the last financial year through UDAAN. We do internal promotions at all levels as well to keep inspiring the employees. The parity and other factors are checked, however, Satin goes an extra mile to form the internal promotion philosophy apart from the annual appraisals.

We make sure that our vintage employees are encouraged for better and more. Satin recognizes such employees with Service Award (for completing 5 years at Satin) and Long Service Award (for completing 10 years at Satin).

People-centric policies:

SCNL prioritizes work-life balance, thorough implementation of HR policies at its workplace. While it is important to execute policies, it is also important to make amendments as per requirement. The Company practices robust governance practices through well-defined zero-tolerance policy and anti-sexual harassment policies. Catering to the needs of its women employees, the Company provides maternity leaves, and Satin Ease menstrual leave as well.

With the pandemic, it was important to provide our employees with the best possible health benefits and **'Satin Sahyog'** proved to be an insurer in unexpected and tough times. As per the Satin Sahyog policy, family of employees are provided with support in case of normal or accidental death of employee during service. As a part of following the value of nurturing lives, the organization helps to support the families with life supporting major benefits – Pension to parents of INR 10,000 till one of the family members gets a job, education for 2 children, offering job for one family member and lifetime mediclaim cover for maximum 5 family members. These benefits help the family of the deceased to sustain their livelihood. This creates a sense of security in the employees and build their trust. At present, we are helping 30+ families under this scheme.

The number of leaves has been increased for regional offices. Besides giving a free hand to IT employees for their exemplary effort in keeping the office operations going in terms of infrastructure and technology, we provided them work-from-home for an extended duration to stay at par with the industry standards.

SCNL scored a hattrick with 'Great Place to Work' having a trust index score as high as '92'. Not only that, the Company scored 90+ in every parameter of the audit. Pride being the highest at 95, which summarizes the pride of the employee in being associated with the Company. Credibility of the management, respect for people and fairness were all rated at 92. This is a huge jump from previous years as we started off from 80 as a score. The Company was also recognized among 'India's 30 Best Workplaces in BFSI' in April 2022, for the second time in a row. Recently, the Company has also been ranked 38th among the 'Top 100 India's Best Companies to Work for 2022' across all industries and has also been recognized as 'Best in Microfinance Industry' by The Great Place To Work Institute - India. SCNL's total number of employees as of March 31, 2022 stood at 10,736 as compared to 10,612 in the previous year.

Reserve Bank of India: Registration and Directions

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

Corporate Governance

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

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

The Company ensures that all the decisions are taken in a fair and transparent manner, well within an ethical framework espoused by the senior management. The organizational governance structure, practices and processes are actively monitored and revised periodically to reflect the best ethical practices. The Central Board of Indirect Taxes and Customs conveyed its appreciation to the Company for the prompt filing of returns and payment of Good and Services Tax during the 2021-22, which is a testament to Company's robust compliance practises.

SCNL is required to adhere to the applicable regulations/ provisions prescribed by the Reserve Bank of India ('RBI'), Securities and Exchange Board of India ('SEBI'), the Ministry of Corporate Affairs ('MCA') and other applicable statutory authority(ies). The corporate governance structures and

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

practices are predominantly impacted by the respective regulations issued by the said ruling bodies. The Compliance Certificate by Mr Sheshdev Behera from M/s S. Behera & Co., Company Secretaries, regarding compliance of conditions of Corporate Governance and to certify that none of the directors have been debarred or disqualified from being appointed or continuing as directors of the Companies by the SEBI/MCA or any such statutory authority, under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for 2021-22, is annexed to the Corporate Governance Report, provided separately in this Annual Report. A report on Corporate Governance, forming part of the Directors' Report, is also enclosed herewith.

ANNEXURE-I

SECRETARIAL AUDIT REPORT (FORM MR-3) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 and made available to us, according to the applicable provisions/clauses of:

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

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

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

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

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

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

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

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

   d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 upto August 12, 2021; and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 w.e.f. August 13, 2021;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 upto August 8, 2021; and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 w.e.f. August 9, 2021

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

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 upto June 9, 2021; and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 w.e.f. June 10, 2021; and

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

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

ANNEXURE-I (Contd.)

vii. Employees' State Insurance Act, 1948 ;

viii. Maternity Benefit Act, 1961;

ix. Minimum Wages Act, 1948;

x. Payment of Bonus Act, 1965

xi. Payment of Gratuity Act, 1972;

xii. Delhi Shops and Establishments Act, 1954; and

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

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

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

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

We report that, during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, and Guidelines mentioned above to the extent applicable.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, we have noticed that there is not any change in the composition of the Board of Directors of the Company.

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

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

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

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

Shesdev Behera
Company Secretary in practice
CP.No. 5980
M. No. 8428
UDIN: F008428D000150878

Date: April 18, 2022
Place: New Delhi

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

ANNEXURE-A

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our examination.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records, we believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance with applicable laws, rules, regulations and guidelines and happening of events etc.
5. The compliance with the provisions of corporate and other applicable laws, rules, regulations and guidelines and secretarial standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Shesdev Behera
Company Secretary in practice
CP.No. 5980
M. No. 8428
UDIN: F008428D000150878

Date: April 18, 2022
Place: New Delhi

ANNEXURE-II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FINANCIAL YEAR 2021-22

1. **Brief outline on Corporate Social Responsibility Policy of the Company:**

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

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

2. **Composition of Corporate Social Responsibility Committee:**

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

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

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

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

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

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)** N.A.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in INR)	Amount required to be setoff for the financial year, if any (in INR)
1.	2020-21	5.01 lakhs	5.01 lakhs

6. **Average net profit of the Company as per section 135(5)** - INR 16,976 lakhs

7. (a) **Two percent of average net profit of the Company as per section 135(5)** - INR 339.52 lakhs

   (b) **Surplus arising out of the CSR projects or programs or activities of the previous financial years** - Nil

   (c) **Amount required to be set off for the financial year, if any** - INR 5.01 lakhs

   (d) **Total CSR obligation for the financial year (7a+7b-7c)** – INR 334.51 lakhs

ANNEXURE-II (Contd.)

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
153.30 lakhs	181.21 lakhs	April 7, 2022	N.A.	Nil	N.A.

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in INR)	Amount spent in the current financial year (in INR)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in INR)	Mode of implementation – Direct (Yes/No)	Mode of implementation – (through implementing agency)	
				State	District						Name	CSR registration number

Nil – Your Company has not spent against any ongoing projects during the 2021-22, as after reviewing various proposals the Board of the Company on the recommendation of CSR Committee, had approved contribution towards construction of the girl's hostel premises as an ongoing project on March 16, 2022 with an outlay of INR 181.21 lakhs and transferred the said amount to the Unspent CSR account of the Company on April 7, 2022.

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in INR)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Supporting Educational Initiatives for Less Privileged Students	Promotion of Education	Yes	Punjab	Kapurthala	150 lakhs	No	S. Amar Singh Educational Charitable Trust	CSR00004062
2	Towards flood relief CSR initiative in Tarakeswar, West Bengal	Disaster Management, including Relief, Rehabilitation and Reconstruction activities	Yes	West Bengal	Hoogly	3.30 lakhs	Yes	N.A.	-

(d) **Amount spent in Administrative Overheads**- Nil

(e) **Amount spent on Impact Assessment, if applicable** - Nil

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e)** - INR 153.30 lakhs

(g) **Excess amount for set off, if any** - N.A.

ANNEXURE-II (Contd.)

Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	INR 339.52 lakhs (including INR 5.01 lakhs- excess CSR amount spent during 2020-21)
(ii)	Total amount spent for the Financial Year	INR 153.30 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding financial years	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting financial year (in INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in INR)
				Name of the Fund	Amount (in INR)	Date of transfer	
1	2020-21	Nil					
2	2019-20						
3	2018-19						

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.**

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): N.A.**

    (a) **Date of creation or acquisition of the capital asset(s): N.A.**

    (b) **Amount of CSR spent for creation or acquisition of capital asset: Nil**

    (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.**

    (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.**

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.**

For **Satin Creditcare Network Limited**

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

ANNEXURE-III

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.

Sl. No.	Name of Director(s)	Annual Remuneration (in INR) for 2021-22	Median Annual Remuneration of Employees for 2021-22 (in INR)	Ratio of remuneration of each director of the median remuneration of the employees for 2021-22
1	Mr Harvinder Pal Singh	1,54,71,108	2,34,708	65:1

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

Sl. No.	Name of Director(s) Chief Financial Officer, Company Secretary	Annual Remuneration during 2020-21 (In INR)	Annual Remuneration during 2021-22 (In INR)	Percentage increase in remuneration since last year
1	Mr Harvinder Pal Singh, Chairman cum Managing Director	1,54,71,108	1,54,71,108	0%
2	Mr Adhish Swaroop, Company Secretary & Compliance Officer upto May 11, 2021	17,64,401	3,10,486	-
3	Mr Vipul Sharma, Company Secretary & Compliance Officer w.e.f. May 12, 2021	-	17,74,430	-
4	Mr Rakesh Sachdeva, Chief Financial Officer, w.e.f. December 13, 2020	20,09,160	74,18,073	-

(iii) The percentage increase in the median remuneration of employees in the financial year.

Median Annual Remuneration (In INR) of employees for 2020-21	Median Annual Remuneration (In INR) of employees for 2021-22	Percentage increase in Median Annual remuneration of employees
1,88,340	2,34,708	24.6%

(iv) Number of permanent employees on the rolls of the Company as at March 31, 2022– 10,736

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

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

For and on behalf of the Board of Directors

Harvinder Pal Singh
Chairman cum Managing Director
DIN: 00333754

Place: Gurugram
Date: July 11, 2022

ANNEXURE-IV

Information as per clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with sub-rule (3) of Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the financial year ended March 31, 2022:

(A) Conservation of Energy: (i) the steps taken or impact on conservation of energy: (ii) the steps taken by the Company for utilizing alternate sources of energy: (iii) the capital investment on energy conservation equipment's: **(B) Technology Absorption:** (i) the efforts made towards technology absorption: (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): (iv) the expenditure incurred on Research and Development:	As the nature of the business of the Company is providing loans, consumption of resources is limited to running the operations. However, the Company is cognisant of the importance of conservation of energy and use of technology in its operations. As a responsible organization, we are gradually adopting electronic document management and other digital tools to go paperless. We have continuously increased our usage of tablets for our fieldwork to on-board new clients and manage the end-to-end loan processing. The Company's corporate office premises is a green building as it has varied energy conservation features viz double glass panes on façade, windows and doors, solar panels on rooftop, radiant cooling, etc. to harness solar power and reduce electricity consumption. The premises also has a sewage treatment plant and a deep pit well to harvest rain water. The Company also engages in providing solar loans to facilitate access to solar power-driven home lighting systems and enable its customers to engage in productive activities. The Company is a member of MicroEnergy Credits (MEC); till June 2022 the Company has received 14,301 CER units and through its solar loans led to reduction of 27,781 tons CO2e. The Company continuously strives to enhance its efforts towards conducting its operations in a sustainable manner.
(C) Foreign Exchange Earnings and Outgo:	
(i) Foreign Exchange Earnings :	INR 7,441.34 lakhs on account of Reimbursement of Expenditure and External Commercial Borrowing (previous year INR 7,403.22 lakhs).
(ii) Foreign Exchange Outgo :	INR 1,411.30 lakhs on account of Interest Payment, Sitting Fee, Processing Fee, etc. (Previous year INR 2,252.43 lakhs).

For and on behalf of the Board of Directors

Harvinder Pal Singh
Chairman cum Managing Director
DIN: 00333754

Place: Gurugram
Date: July 11, 2022

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity:	L65991DL1990PLC041796
2. Name of the Listed Entity:	Satin Creditcare Network Limited
3. Year of incorporation:	October 16, 1990
4. Registered office address:	5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110 033
5. Corporate address:	Plot No. 492, Udyog Vihar, Phase – III, Gurugram, Haryana – 122016, India
6. E-mail:	info@satincreditcare.com
7. Telephone:	+91 124 471 5400
8. Website:	www.satincreditcare.com
9. Financial year for which reporting is being done:	2021-2022
10. Name of the Stock Exchange(s) where shares are listed:	• National Stock Exchange of India Limited (NSE) – NSE Ticker: SATIN • BSE Limited (BSE) – BSE Ticker: 539404
11. Paid-up Capital:	INR 75,01,89,970
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	• DIN: 00333754 • Name: Mr Harvinder Pal Singh • Designation: Chairman cum Managing Director • Telephone number: 0124-4715400 • E-mail Id: hpsingh@satincreditcare.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures under this report are made on a standalone basis.

II. Products/services

Current Product Offerings:

1. **Microfinance Services**
   - Income Generation Loan (IGL)
   - Water, Sanitation & Hygiene Loan (WASH)
2. **MSME Loan**
   - Lending to Merchants, Retailers, Service Providers, Salaried and Self-Employed Professionals.
   - Lending to Corporate Institutions.
3. **Financing Third party products**
   - Solar Lamps
   - Consumer Durables viz home appliances, mobile phone, etc.
   - Bicycle Loans

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

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the Entity
1	Microfinance Services	Providing loans for income generation activities to the economically weaker sections.	93.57%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

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

S. No.	Product/Service	NIC Code	% of total Turnover Contributed (2021-22)
1	Microfinance Services	64990	93.57%

Operations

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

Location	Total number of offices
National	1,095
International	0

17. Markets served by the entity:

a. Number of locations

Location	Numbers
National (No. of States)	23
International (No. of Countries)	0

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

Not Applicable

c. A brief on types of customers

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

Employees

18. Details as at the end of Financial Year.

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	10,736	10,399	97%	337	3%
2.	Other than Permanent (E)	405	400	99%	5	1%
3.	Total employees (D + E)	11,141	10,799	97%	342	3%

b. Differently abled Employees. Nil

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	0.12%
Key Management Personnel	4	0	0.00%

18. Turnover rate for permanent employees and workers

	2019-20			2020-21			2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	41%	38%	42%	44%	38%	46%	43%	51%	45%

Holding, Subsidiary and Associate Companies (including joint ventures)

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

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

Sr No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) *
1.	Taraashna Financial Services Limited	Subsidiary Company	100.00%	Yes
2.	Satin Housing Finance Limited	Subsidiary Company	100.00%	Yes
3.	Satin Finserv Limited	Subsidiary Company	100.00%	Yes

CSR Details

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

Yes

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

- Community-wide welfare initiatives to ensure that the poorest members of society receive the most benefit
- Contribution to society as a whole through social and cultural development, imparting education, training, and social awareness, particularly to the economically disadvantaged, for their development and generation of income in order to avoid any employment liability
- Protection and safeguarding of the environment and maintaining ecological balance

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism In Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)	2021-22			2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	NA					
Investors (Other than shareholders)	Yes	Nil					
Shareholders	Yes	4	0	-	29	0	-
Employees & workers	Yes	1,184	6	-	1,274	0	-
Customers	Yes	11,093	51	-	6,101	5	-
Value Chain Partners	NA						

The grievance redressal policy of the Company is available on its official website at https://satincreditcare.com/policies-practices/#Policy-on-Grievance-Redressal-Mechanism.

Certain policies which are internal are placed on the intranet of the Company.

The complaints pending are those complaints which are reported towards the end of the financial year and are resolved subsequently by the grievance team.

23. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications.

Refer to page 80 of this Annual Report

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://satincreditcare.com/policies-practices/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company is fully compliant with applicable rules and regulations.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company strives towards its mission and vision of working towards the underserved and unserved section of society by providing a comprehensive range of products and services. The Company believes in gender empowerment by leveraging technology and innovation to forge sustainable strategic partnerships								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company diligently oversees the progress against its action plan. Our client base comprises of around 99% of women entrepreneurs ensuring gender empowerment. About 74% of our portfolio exposure is from rural areas. Around 78% of our portfolio is to minority, OBC and SC & ST.								
Governance, leadership and oversight									
7. Statement by Director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Refer to page 17 of this Annual Report									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	(Mr Harvinder Pal Singh) Chairman cum Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	(Mr Harvinder Pal Singh) Chairman cum Managing Director Chairman of the CSR Committee								

10. Details of Review of NGRBCs by the Company:

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

11.

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

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

Not applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Business should conduct and govern itself with ethics, transparency and accountability	Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Principle 3: Business should promote the well-being of all employee
Principlel 4: Business should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Principle 5: Business should respect and promote human rights	Principle 6: Business should respect, protect and make efforts to restore environment
Principle 7: Business, when engaged in influencing public and regulatory policy/policies, should do so in a responsible manner	Principle 8: Business should support inclusive growth and equitable development	Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

PRINCIPLE 1

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	-	-	-
Key Managerial Personnel	-	-	-
Employees other than BoD and KMPs	• Training Sessions (2021-22)- **3,608** • Training Sessions delivered digitally (2021-22) - **2,565 sessions conducted on VC (Video Conference)** • Training Sessions Conducted in Regional Offices (21-22)– **451** • Training sessions at Branches: **574**	• Basic information of organization, micro finance, organizational process, product and policies, skill development and branch level trainings to improve branch audit ratings and field operations • Induction, collection and Disha training conducted for newly hired candidates which help them to operate in fields as per process. • Step up training, which is a promotional training is conducted for branch managers, which includes behavioural, soft skill training as well as functional training followed by online assessment as well on the job training • Standard practises training are given to CSOs to BM level	96.73%

The Independent Directors are familiarized with their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. through structured familiarization program. The details of the familiarization program for the Independent Directors is available on the Company's website at below link:

Web Link: https://satincreditcare.com/policies-practices/#1611050197222-fdc295ab-84a2

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

   Nil

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

   Nil

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

   Yes. The Company has an anti-corruption and anti-bribery policy in place and the same is a part of the HR Manual of the Company. The policy establishes a set of norms and principles that emphasize our goals and values while also establishing a professional conduct standard. It aids in the fight against corruption while conducting business in a trustworthy and ethical manner.

   The Company takes a stance of zero tolerance towards bribery and fraud practices and our Company's Whistleblower Policy provides the necessary safeguards. It enables our employees to voice their concerns about unethical behavior, actual or suspected fraud, or to report them.

   Any 'Breach of Integrity' and/or fraud is a very important issue for any microfinance institution like ours and so the Company has evolved a policy guideline to deal with directors, employees, channel partners, customers, service providers or others who are reported to have breached integrity or committed fraudulent act(s).

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

   2021-22: Nil

   2020-21: Nil

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

   2021-22: Nil

   2020-21: Nil

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

   Nil

Leadership Indicators

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

   Not Applicable

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

   Yes

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

As per the provisions of the Companies Act, 2013, the Directors of the Company, annually provide details of Entities/ Relatives in which they have interest.

Based on which, the Company maintains the register and put a check during any proposal with any entity / person whether any of the Director of the Company is having interest or not.

In case, if there is any interest of any Directors then he/she is not allowed to participate in that particular proposal.

Further, the Company also have policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions to take care of Related Party Transactions which can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders.

Web Link : https://satincreditcare.com/wp-content/uploads/2022/03/Policy-on-Materiality-of-RPT-and-Dealing-with-RPT.pdf

PRINCIPLE 2

Essential Indicators

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

	2021-22 (INR)	2020-21 (INR)	Details of Improvements in environmental and social impacts
R&D	27,50,000	31,62,500	Refer to page no. 41 of this Annual Report
Capex	1,38,34,059	3,00,05,977	

2. **Does the entity have procedures in place for sustainable sourcing?**

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

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

   E-waste - The Company engages with certified e-waste handlers (vendors) for disposal of the e-waste. The Company has received an e-waste disposal certificate from its vendor certifying disposal in an environmentally friendly manner.

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

   Not Applicable

Leadership Indicators

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

   Not Applicable

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

   Not Applicable

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

   Not Applicable

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

   Not Applicable

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

   Not Applicable

PRINCIPLE 3

Essential Indicators

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

Category	Total (A)	% Of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	10,339	2,665	26%	10,339	100%	-	-	-	-	-	-
Female	337	114	34%	337	100%	5	1%	-	-	-	-
Total	10,736	2,779	26%	10,736	100%	5	1%	-	-	-	-

   b. **Details of measures for the well-being of workers: Not Applicable**

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

Benefits	2021-22			2020-21		
	No. of employees covered as a % of total employees	No. of workers covered |as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % Of total employees	No. of workers covered as a % Of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	98%	NA	Y	99%	NA	Y
Gratuity	100%	NA	NA	100%	NA	NA
ESI	77%	NA	Y	77%	NA	Y

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

3. **Accessibility of workplaces**

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

   Yes. The Company ensures the safety and easy accessibility for differently abled people. In our corporate office, we have ramps and elevators for easy movement of differently abled person.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.** Not Applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male			NA	
Female	3	60%	NA	
Total	3	60%	NA	

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

   Yes, the Company has an Employee Grievance Redressal Mechanism with an Interactive Voice Response System (IVRS) or Atoot Bandhan, resulting in a shorter time to resolve issues and a better employee experience.

	Yes/No (If yes, give details of the mechanism)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:** Not Applicable

8. **Details of training given to employees and workers:**

   Our people policies are intended to promote the development of a workforce that is prepared for the future. We are dedicated to providing a caring environment in which our employees can reach their maximum potential. To develop a long-term leadership talent pipeline, regular training workshops and leadership programmes are held at all levels. To deliver high-quality learning programmes, SCNL has curated a variety of learning modules – digital and interactive classroom trainings – that are easily accessible to our staff.

   Learning and development programmes are critical in enabling our staff to obtain specialized skill sets and putting our objectives into action. We've put together a collection of learning modules, including digital and interactive classroom trainings created in-house and through accredited training firms.

   Training Initiatives undertaken in 2021-22

   - Conducted 442 batches which includes 6 days Induction training, Disha Training and Collection Training wherein we have trained 4,850 newly joined staffs.
   - The period of COVID made us aware of the importance of cashless collection, keeping this in view, we have delivered cashless training on different mode of cashless used by organization, such as Letzpay with 3,751 participants, collection using different UPI methods with 7,129 participants.
   - Published 97 DYK across nation and basis on 97 DYK mailer training team sent 24 quizzes to check the awareness.
   - 'SCNL Training' YouTube channel to facilitate "Learning on the Move" and "Ease of Learning" for the field staff. With 1,200 subscribers, about 11,400 views and more than 400 hours of viewership.
   - BM Step Up Program is an On the Job Training Program under which participants are closely and their training evaluation is done on the basis of their business performance and day to day activities on a set of 40 parameters.

- E-learning questionnaire designed for digital learning which will help field staff for skill enhancement.

Category	2021-22					2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	10,736	5,774	54%	5,790	54%	10,302	4,027	39%	8,672	84%
Female	405	103	25%	152	38%	310	138	45%	144	46%
Total	11,141	5,877	53%	5,942	53%	10,612	4,165	39%	8,816	83%

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

A progressive and transparent culture is being developed across the firm, thanks to score cards and an online Performance Management System (PMS). The Company has set an industry milestone for forming first line leaders with the launch of UDAAN. UDAAN is a field employee appraisal concept that uses their performance as the basis for making them eligible for bi-annual promotion.

Category	2021-22			2020-21		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	8,528	1,036	12%	6,574	1,770	27%
Female	167	25	15%	206	72	35%
Total	8,695	1,061	12%	6,780	1,842	27%

10. Health and safety management system:

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

Yes, we have the following health and safety management system in place

- Group Mediclaim Policy
- Group Term Life Policy
- Personal Accident Policy
- Employee State & Insurance Policy

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

Not Applicable

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

Not Applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

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

Yes

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

Safety Incident/Number	Category	2021-22	2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NA	NA
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	4	6
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

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

Measures taken by the Company to ensure a safe and healthy workplace:

Sexual harassment-

The Company emphazises on the significance of maintaning a safe and healthy workplace for all the stakeholders and take the adequate mesures for the same.

During the year, for COVID-19 prevention, the Company took necessary precautions in the head office, zonal offices and branches, which included vaccination for all the employees and their families, sanitization facilities, temperature check of every employee, etc. The Company adhered to directives issued by the government related to COVID-19.

The Company holds health camps and fire safety drills on a frequent basis and assesses the health and safety performance across all its offices.

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

	2021-22			2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	NA
Working Conditions	NA

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

Leadership Indicators

Welfare Initiatives taken by the Company in 2021-22:

The Company has taken all the necessary corrective actions like regular fire drills to prepare all employees for any fire or emergency related measures and for health and safety practices at the workplace, various measures like medical check ups, yoga sessions etc. are being organized under the aegis of HR teams, etc.

Leadership Indicators

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

   Yes. We have well defined policy known as Satin Sahyog.

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

   A well-defined statutory compliance tracker is in place, which acts as a reminder for our payroll team to make sure we adhere with all the statutory dues & obligations.

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

   As a Company that cares, SCNL pleged to stand by the employees and their family who succumb to fatal accidents.

   As a part of following the value of nurturing lives, the organization helps to support the families with life supporting major benefits – Pension to parents of INR 10,000 till one of the family members gets a job. Education for 2 children, offering job for one family member; lifetime mediclaim cover for maximum 5 family members. These benefits help the family of the deceased to sustain their livelihood. This creates a sense of security in the employees and build their trust.

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	2021-22	2020-21	2021-22	2020-21
Employees	4	6	NA	NA
Workers	NA	NA	NA	NA

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

   Yes. Career assistance is provided to employees to facilitate continued employability.

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

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

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

   The Company has taken all necessary steps to contain the COVID-19 epidemic and is adhering to the government's and authorities' directives and recommendations to preserve the health and safety of its employees and borrowers. Because the company prioritizes the safety and security of its employees, it has opted to insure over 13,000 of them under the Covid insurance, which includes medical treatment for the deadly Corona Virus. With an average of 300 to 350 patients in each state, the organization also held numerous financial empowerment workshops for clients in Assam, Jharkhand, Karnataka, Madhya Pradesh, and Odisha.

PRINCIPLE 4:

Essential Indicators

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

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

   The key stakeholder groups of the Company are:

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Yes	• Customer care channels – Telephone, Email, Website • Centre meeting • Customer relationship managers • Financial literacy program • Engagement through business correspondent network • Customer satisfaction surveys	Ongoing and need based engagement	• To provide affordable financial services • Quality and convenience of access to our products and services • To promote digital literacy • World-class Customer service • To address the issues of the customers • Transparency in process and the operations
Stakeholders & Investors	No	• Investor meets and calls • Investor grievance channels • Dissemination of information through - financial results, investor presentations and press releases • Annual general meeting • Website • Various media channels	Annual, Quarterly, Need-based and Ongoing	• Updating on business performance and developments in the Company and its subsidiaries • To ensure ethical business practices • Transparent and timely reporting
Government and Regulatory Bodies	No	• Engagement at industry platforms and meetings • Presentations • Regulatory reporting practices • E-mail and postal communications	Periodic and need-based engagement	• Compliance with all legal and regulatory requirements • Effective governance • Responsible tax payment • Discussion in regard to various regulations and amendments • Inspections

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Leadership connect • Performance reviews • Town halls • Training and development programs • E-learning modules • Employee grievance redressal platform • Employee engagement Initiative • Management VC's • Emails/Calls	Need-based and ongoing engagement	• Career advancement opportunities • Job security • Adequate training to match new business requirements • Transparent feedback • Fair remuneration and incentives • Recognition Alignment of company's objectives
Communities	Yes	• Financial empowerment • Programs • Disaster relief initiatives • Education initiatives • Medical insurance & health • Camps • Employee volunteering through our CSR activities viz (Financial empowerment Programs, disaster relief & education initiatives and medical insurance & health Camps	Need-based and ongoing engagement	• Advancing lives • Community investment development • Environment preservation
Lenders, Media, Rating Agencies, Analysts and Other business partners	No	• Meetings • Calls • Website • Newspaper • Email	Need-based and ongoing engagement	• Updating on business performance and outlook • Financial results • Industry developments • Addressing key issues & concern

Leadership Indicators

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

The Company frequently interacts with its stakeholders and any material feedback received from the stakeholders is communicated to the board on an ongoing basis.

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

As mentioned above, the Company continuously interacts with its stakeholders and is open to enact upon and incorporate any suggestions received from the stakeholders. During the period, the Company did not receive any material suggestions from any of the stakeholders.

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

Understanding the needs

The Company specializes in providing financial services to low-income rural Indian households for their fundamental requirements. Through simple access to collateral-free microcredit, the Company assists these households in carrying out economic activities.

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

Focusing on Development and Empowerment

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

Grievance Module

We have a dedicated grievance cell to address the queries, request and complaints of the clients.

Feedback on Products and Services

The Company take timely feedback from the customers with regard to the products and services and in staff interactions to understand their satisfaction level.

PRINCIPLE 5

Essential Indicators

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

The Environmental & Social Policy addresses human rights issues and ensures that the Company is working and exceed international labor standards.

Our company's Social Policy will ensure that:

- There is no force of decision and and employment is freely chosen
- The right to freedom of association is respected and encouraged by the employer
- No child labor is used
- No harsh treatment or discrimination is used
- Employees are not pressured to do overtime that they do not want to do
- Safe and sanitary working environment is maintained
- The Company works towards creating safe and healthy working environments, as well as protect and support the health of all employees

Category	2021-22			2020-21		
	Total (A)	No. employees/ workers covered (B)	% (B/A)	Total (C)	No. employee/ workers covered (D)	% (D/C)
			Employees			
Permanent	10,736	10,736	100%	10,612	10,612	100%
Other than permanent	405	405	100%	0	0	0%
Total Employees	11,141	11,141	100%	10,612	10,612	100%

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

Category	2021-22					2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
					Employees					
Permanent	10,736	99	1%	10,637	99%	10,612	2,364	22%	8,248	78%
Male	10,399	86	1%	10,313	99%	10,302	2,329	23%	7,967	77%
Female	337	13	4%	324	96%	310	35	11%	281	91%
Other than Permanent	405	0	0	405	100%	0	N/A	N/A	N/A	N/A
Male	400	0	0	400	100%	0	N/A	N/A	N/A	N/A
Female	5	0	0	5	100%	0	N/A	N/A	N/A	N/A

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (INR)	Number	Median remuneration/ salary/ wages of respective category (INR)
Board of Directors (BoD) (Chairman cum Managing Director)	1	1,54,31,508	-	-
Key Managerial Personnel (Other than BOD)	3	74,17,596	-	-
Employees other than BoD and KMP	10,395	2,52,000	337	3,36,000

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

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

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

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

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

	2021-22			2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	4	0	-	2	2	-
Discrimination at workplace	0	0	-	0	0	-
Child Labor	0	0	-	0	0	-
Forced Labor/Involuntary Labor	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human Rights related Issues	0	0	-	0	0	-

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

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

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

No

9. **Assessments for the year:**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	NA
Forced or Involuntary Labour	NA
Sexual Harassment	NA
Discrimination at workplace	NA
Wages	NA
Others – please specify	NA

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

Not Applicable

Leadership Indicators

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

Not Applicable

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

Not Applicable

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

Yes

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NA
Discrimination at workplace	NA
Child labour	NA
Forced Labour/ Involuntary labour	NA
Wages	NA
Others – Specify	NA

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

Not Applicable

PRINCIPLE 6

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: As the nature of the business of the Company is providing loans, consumption of resources is limited to running the operations.**

Parameter	2021-22	2020-21
Total electricity consumption (A) (KWH)	4,33,338	94,684
Total fuel consumption (B)	2,145	1,400
Energy consumption through other sources (C) (KWH)	1,15,744	11,241
Total energy consumption (A+B+C)	5,49,082	1,05,371

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

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

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

The Company's water usage is restricted to human consumption purpose only.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

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

Not Applicable

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & Its intensity, in the following format:**

   Not Applicable

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.** Not Applicable

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

Parameter	2021-22	2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	6.95	0.17
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	6.95	0.17
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	No	No
(ii) Re-used	No	No
(iii) Other recovery operations	No	No
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	No	No
(ii) Landfilling	No	No
(iii) Other disposal operations	6.95	0.17
Total	6.95	0.17

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

No

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

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

   The Company does not generate any hazardous waste.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:** Not Applicable

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.** Not Applicable

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

Leadership Indicators

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

Parameter	2021-22	2020-21
From renewable sources		
Total electricity consumption (A) (kWh)	1,09,302	7,181
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C) **(kWh)**	NA	NA
Total energy consumed from renewable sources (A+B+C)	1,09,302	7,181
From non-renewable sources		
Total electricity consumption (D) (kWh)	4,33,338	94,130
Total fuel consumption (E)	2,145	1,400
Energy consumption through other sources (F) **(kWh)**	6,442	4,060
Total energy consumed from non-renewable sources (D+E+F)	4,41,925	99,590

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

   No

2. **Provide the following details related to water discharged:** Not Applicable

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

   For each facility / plant located in areas of water stress, provide the following information: Not Applicable

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:** Not Applicable

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

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

   Not Applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format: Not Applicable**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)
1	Going Paperless. Growing Sustainable.	We promote and encourage extensive use of technology in our everyday lives. Our aim is to significantly bring down the use of paper, contributing to a healthy environment. As a responsible organization, we are gradually adopting electronic document management and other digital tools to go paperless. We have continuously increased our usage of tablets for our fieldwork to onboard new clients and manage the end-to-end loan processing.
2	Clean Energy Solution	Partnered with leading solar providers to facilitate access to solar power-driven home lighting systems and enable customers to engage in productive activities Installed solar panels on the rooftop of our new corporate office building to harness solar power and reduce electricity consumption.

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

   Yes, the Company has a Business Continuity Plan (BCP) in place. The Company has assessed the potential crisis and their likely impact on its business. For instance, at the time of COVID-19, the Company did a 360 degree impact assessment to take stock of any eventuality in case of a complete shutdown. The Company undertook various measures to ensure the well-being of its employees.

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

   Not Applicable

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

   Not Applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2021-22 (Contd.)

PRINCIPLE 7

Essential Indicators

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

   The Company is a member of the following associations:

   - Microfinance Institutions Network (MFIN)
   - Sa-Dhan
   - Association of Microfinance Institution – West Bengal (AMFI-WB)
   - Uttar Pradesh Microfinance Association (UPMA)
   - Association of Karnataka Microfinance
   - Odisha State Association of Financial Inclusion Institutions (OSAFII)

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

   Same as above

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

   No such case has been filed so far.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

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

PRINCIPLE 8

Essential Indicators

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

   The Company during the period had got an impact assessment of its operations done by an external party. The impact assessment survey provided insights into how the lives of customers have changed since joining Satin Creditcare. Further, there were several positive changes and improvements that customers reported, which provide validation for Satin about its commitment towards fulfilling its mission. Also, there are some challenges and feedback that customers provided, which the Company will look into and further improve its products and services.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not applicable

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

   The Company has various mechanisms for receipt and redressal of grievances. Details of such mechanisms and policy is detailed elsewhere in this report.

4. **Percentage of input material (Inputs to total inputs by value) sourced from suppliers: Local Vendor distributor**

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

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):** Not Applicable

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

   Refer to page 89 of this Annual Report

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):** Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:** Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:** Not Applicable

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

   Refer to page 89 of this Annual Report

PRINCIPLE 9

Essential Indicators

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

   Process to address consumer complaints:

   The Company has developed the redressal mechanism to solve its customer' grievances/complaints on the basis of priority.

   There are different methods through which customers can register their complaints with us.

   1. Toll-free number
   2. Complaint section in the centre meeting register
   3. Complaint registers at branches and regional offices
   4. Complaint boxes at branch and regional offices
   5. Direct escalation to the head office through
      a. Office landline number
      b. Email ID- clientgrievance@satincreditcare.com
      c. Surface mail to SCNL's Grievance Redressal Officer (GRO) based at the head office

   We maintain a proper log of complaints and ensure that they are shared with regional and head office level operations team. Internal audit team check ensures that the customer is verified to measure their satisfaction of service.

   Web Link: https://satincreditcare.com/wp-content/uploads/2022/01/Policy-on-Client-Grievance-Redressal-Mechanism_Ver-4.0.pdf

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

	As a percentage of Total Turnover
Environmental & Social Parameters relevant to the product	0.02%

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

	2021-22		Remarks	2020-21		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Not Applicable					
Advertising						
Cyber-security						

4. **Details of instances of product recalls on account of safety issues:** Not Applicable

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company has a policy on cyber security and risks related to data privacy. The same is available on the intranet of the Company.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Web Link: https://satincreditcare.com/product-portfolio/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The customers are provided with adequate training during on-boarding and assistance to ensure appropriate usage of the loan products available to support various lifecycle needs. At the time of customer on-boarding, Compulsory group training is conducted over 2 days to educate customers on the responsible usage of various loan products. This is followed by a group recognition test and interaction with the branch manager to ensure customer understanding. Further, at the time of loan disbursement, the branch manager reiterates the importance of credit discipline and responsible usage of loan to the customers. Furthermore, the minutes book captures the details of every center meeting and in the case of any deviations identified, corrective steps are taken to educate the customer.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.** Not applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes. The Company is in full compliance with the display requirements. All the terms and conditions related to the loan products are mentioned in our loan application, acknowledgment receipt and loan card. Details of different loan products and ticket sizes are also displayed in all our offices and uploaded on the Company's website as well.

   Loan card mention details about the rate of interest, loan tenure, repayment cycle and repayment instalment, processing fees, insurance and other terms and conditions for all loan products.

5. **Provide the following information relating to data breaches:**

   The Company is ISO 27001:2013 certified, stating prevalence of robust Information Security Management System (ISMS) which helps safeguard sensitive customer data.

   a) **Number of instances of data breaches along-with impact:** Nil

   b) **Percentage of data breaches involving personally identifiable information of customers:** Nil

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

At Satin Creditcare Network Limited **("Company")**, the philosophy on Corporate Governance is aimed at value creation, keeping interest of all stakeholders protected in most inclusive way and to comply with the combination of laws, regulations, procedures, implicit rules and good corporate practices which ensure that a Company meets its obligations to optimize shareholders value and fulfil its responsibilities toward all stakeholders including customers, government authorities, lenders, employees, members/shareholders and the community at large which ultimately contribute to overall governance.

Your Company has an active, experienced and a well-informed Board. Through the governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities towards all its stakeholders by encompassing best practices to support effective and ethical leadership, sustainability and good corporate citizenship. Corporate Governance has always been an integral element of the Company and your Company believes in sustainable corporate growth that emanates from the top management down through the organization to the various stakeholders which is reflected in its sound financial system and enhanced market reputation.

Over the years, your Company has complied with the Companies Act, 2013 **(the "Act")**, SEBI Regulations, RBI Directions/ Circulars, IND-AS (Accounting Standards), Secretarial Standards, etc., strong governance practices have rewarded the Company in the sphere of valuations, stakeholders` confidence, market capitalization and high credit ratings in positive context apart from obtaining of awards from appropriate authorities. Your Company makes all efforts to comply with such standards.

2. BOARD OF DIRECTORS

Keeping with the commitment to the Management, the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of Independent and Non–Independent Directors to maintain the independence of the Board and to separate the Board functions of governance from Management of the Company.

(a) Composition and category of the Board of Directors

The Company is managed and controlled through a professional body of Board of Directors, which comprises of an optimum combination of Executive and Non- Executive Directors. The strength of Board of Directors as on March 31, 2022 is 8 (Eight) out of which 5 (Five) are Independent (including one Women Director) and 3 (Three) are Non-Independent Directors (including one Executive Promoter Director, one Non-Executive Promoter Director and One Nominee Director). The Company's Board consists of eminent persons with considerable professional expertise and experience. The Independent Directors do not have any pecuniary relationship or transactions with the Company, Promoters and Management, which may affect independence or judgement of the Directors in any manner.

The dates for the Board meetings are fixed after taking into account the convenience of all the Directors and sufficient notice, in terms of applicable laws, is given to all of them. All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis via e-mail to all the Directors at least seven days in advance from the date of Board Meeting and Committee Meetings. During the year under review, few meetings with shorter notice were also convened as per the consent of all Board Members. At the Board meetings, the Executive Director(s) and Senior Management make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc. The Company actively uses the facility of video conferencing permitted under Section 173(2) of the Act read with rules made thereunder, thereby saving resources – cost to the Company, valued time of the Directors and due to lock-down imposed under pandemic. All the information required for decision making are incorporated in the agenda. The Board reviews the performance of the Company and sets the strategy for future. The Board takes on record the actions taken by the Company on all its decisions periodically. The minutes of the board meetings of the subsidiary companies of the Company are placed in the board meetings of the Company on a quarterly/regular basis.

Furthermore, towards digitization, the Company has using Board PAC Software, a paperless meeting solution that offers the highest standards of confidentiality and security for ease of Board Members to access agenda document properly through a web/phone based application.

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as Independent Director (ID) in more than seven listed entities; and
- who are the Executive Director(s) serves as IDs in more than three listed entities.

The composition of the Board of Directors of the Company is in conformity with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter, **"SEBI LODR"**) and the Act and also in terms of Guidelines as issued by Reserve Bank of India.

(b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

Name of the Director	DIN	Category	Designation	No. of Board meetings during the year 2021-22		Whether Attended the last AGM held on August 11, 2021	Total Number of other Directorship held*	Number of Directorship held in listed entity	Total no. of Chairmanship/ Membership of Board Committee**	
				Held during their tenure	Attended				Chairman	Member
Mr Harvinder Pal Singh	00333754	Promoter and Executive Director	Chairman cum Managing Director	10	10	Yes	5	-	-	2
Mr Satvinder Singh	00332521	Promoter, Non-Executive and Non-Independent Director	Director	10	10	Yes	-	-	-	1
Mr Sundeep Kumar Mehta	00840544	Non-Executive and Independent Director	Director	10	10	Yes	2	-	1	4
Mrs Sangeeta Khorana	06674198	Non-Executive and Independent Director	Director	10	9	Yes	-	-	-	-
Mr Goh Colin	06963178	Non-Executive and Independent Director	Director	10	10	Yes	-	-	-	1
Mr Sanjay Kumar Bhatia	07033027	Non-Executive and Independent Director	Director	10	9	Yes	1	-	1	2
Mr Anil Kumar Kalra	07361739	Non-Executive and Independent Director	Director	10	10	No	2	-	0	3
Mr Christian Bernhard Ramm	08096655	Non-Executive and Non-Independent Director	Nominee Director (Representing NMI Fund III KS)	10	9	No	1	-	-	-

Notes:

1. **The Directorships held by Directors as mentioned above, do not include Alternative Directorship, Directorships in Foreign Companies, Companies registered under Section 8 of the Act and Private Limited Companies.*
2. ***In terms of Regulation 26 of the SEBI LODR, Membership(s) / Chairmanship(s) of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies (including Satin Creditcare Network Limited) have been considered.*
3. *None of the Director on the Board is a Director in any other listed entity.*

(c) Number and Dates of Board meetings

During the year under review, the Board met 10 (Ten) times on May 11, 2021, June 14, 2021, July 14, 2021, August 9, 2021, September 27, 2021, October 29, 2021, December 6, 2021, January 31, 2022, March 7, 2022 and March 30, 2022. The maximum gap between any two consecutive meetings was less than 120 (one hundred and twenty days), as stipulated under Section 173 of the Act, Regulation 17 of the SEBI LODR and Secretarial Standards - 1 as issued by The Institute of Company Secretaries of India (ICSI). As per applicable laws, minimum 4 (four) Board meetings are required to be held every year. The Company has convened additional Board meetings to address specific needs of the business. In case of any exigency/ emergency, resolutions are passed by circulation also. For the resolution to be approved through circulation, all the requisite inputs/ documents etc., circulated over email which assist the Board to take informed decision. Further, the resolutions approved through circulation are taken on record by the Board in the next Board Meeting.

(d) Disclosure of relationship between Directors inter-se

Mr Harvinder Pal Singh, Chairman cum Managing Director of the Company, is related with Mr Satvinder Singh. Mr Satvinder Singh is a Promoter, Non-Executive and Non-Independent Director and is brother of Mr Harvinder Pal Singh. No other Director is related to each other.

(e) Number of shares and convertible instruments held by non- executive directors as on March 31, 2022:

Name	Category	Number of Fully paid Equity shares held	Number of Convertible Instruments held
Mr Satvinder Singh	Promoter, Non-Executive and Non Independent Director	3,85,703	-

(f) Training and Familiarization for Independent Directors

The Independent Directors are familiarized about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarization programme for the Independent Directors. The details of the familiarization programme of the Independent Directors are available on the website of the Company at https://satincreditcare.com/wp-content/uploads/2021/06/Details-of-Familiarization-Programme.pdf.

(g) Skills/expertise/competence of the Board of Directors

In the table below, the specific areas of focus or expertise of individual Board Members as on March 31, 2022 have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Name of Director	Area of expertise						
	Financial	Global Business	Leadership	Technology	Mergers & Acquisitions	Board service & Governance	Sales & Marketing
Mr Harvinder Pal Singh	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr Satvinder Singh	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr Sundeep Kumar Mehta	Yes	Yes	Yes	Yes	Yes	Yes	No
Mrs Sangeeta Khorana	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr Goh Colin	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr Sanjay Kumar Bhatia	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr Anil Kumar Kalra	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr Christian B. Ramm	Yes	Yes	Yes	Yes	Yes	Yes	No

(h) Confirmation regarding Independence of Independent Directors

In the opinion of the Board, Independent Directors, fulfil the conditions of independence specified in the SEBI LODR, and are independent of the Management of the Company.

(i) Independent Directors Meeting

In accordance with the requirement of Schedule IV of the Act and Regulation 25 of the SEBI LODR, during the year under review, one separate Meeting of the Independent Directors was held on March 11, 2022 to discuss:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors; and
- assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that was necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

(j) Detailed reasons for the resignation of an Independent Director

During the year under review, there is no change in Independent Directors of the Company.

(k) Performance Evaluation of Board Members

Pursuant to the provisions of Section 134(3)(p) of the Act, read with Regulations 17(10) and 25 of the SEBI LODR and relevant Schedules, the annual performance evaluation has been made of all individual Directors, the Board, Chairman of the Board and the working of mandatory committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee in accordance with the guidelines prescribed under SEBI Guidance Note dated January 5, 2017.

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The Company has devised a process and criteria for the performance evaluation, which has been recommended by the Board approved Nomination and Remuneration Policy, framed in terms of applicable provisions in this regard. The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings etc. Similarly, the Director's evaluation was carried out on the basis of questionnaire containing criteria such as level of participation by individual Directors, independent judgement by the Director, understanding of the Company's business etc.

The performance evaluation of the Board and mandatory Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee were done by all the Directors and the respective members of the committee as the case may be. The performance evaluation of each Independent Director was carried out by the entire Board excluding the Independent Director being evaluated. The performance evaluation of the Chairman and Non-Executive Directors was carried out by the Independent Directors.

(l) Code of conduct

The Company has adopted the Code of conduct as per Regulation 17(5) of the SEBI LODR and is applicable to all its Board Members and Senior Management Personnel. Pursuant to Regulation 26(5) of the SEBI LODR, all members of Senior Management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI LODR, all the Board Members and Senior Management Personnel of the Company as on March 31, 2022 have affirmed compliance with their respective code of conduct. A declaration signed by the Chairman cum Managing Director of the Company is published in this Report is enclosed as **Annexure - 1**.

The Copy of code of conduct is also available on the website of the Company on web link https://satincreditcare.com/wp-content/uploads/2018/06/Code-of-Conduct-for-Board-of-Directors-Senior-Managment.pdf.

3. COMMITTEES OF THE BOARD/MANAGEMENT

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set/actions directed by them as agreed with the Management are reviewed periodically and mid-course corrections are also carried out. The minutes of the meetings of all Committees of the Board are placed before the Board for discussion/noting.

The composition and functioning of these Committees are in compliance with the applicable provisions of the Act, SEBI LODR and also in consonance with the Corporate Governance Master Directions issued by the Reserve Bank of India and applicable to the Company. As on March 31, 2022, the following committees were in operation:

(A) Audit Committee;

(B) Risk Management Committee;

(C) Stakeholders Relationship Committee;

(D) Corporate Social Responsibility Committee;

(E) Nomination and Remuneration Committee;

(F) Asset Liability Management Committee;

(G) IT Strategy Committee; and

(H) Working Committee.

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

(A) AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the SEBI LODR read with Section 177 of the Act and the RBI Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Act. The primary objective of the Audit Committee is to assist the Board in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal financial controls and risk management established in the Company, appointing, retaining and reviewing the performance of independent auditors/ internal auditors and overseeing

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the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

a) Composition and Meetings

As on March 31, 2022, the Audit Committee comprised of 4 (four) Directors, out of which 3 (three) are Independent Directors and 1 (one) is Promoter, Non-Executive and Non-Independent Director. Company Secretary & Compliance Officer of the Company, officiates as the Secretary to the Committee. All members of the Committee are financially literate and have relevant finance and/or audit exposure. Mr Sanjay Kumar Bhatia, Chairman of the Committee is a qualified Chartered Accountant. The quorum of the Committee is two members or one-third of its members, whichever is higher with atleast two Independent Directors.

The composition of the Audit Committee is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/.

During the year under review, the Audit Committee met 8 (eight) times on June 7, 2021, June 14, 2021, June 24, 2021, July 14, 2021, August 9, 2021, September 27, 2021, October 28, 2021 and January 31, 2022. The maximum gap between any two meetings was less than 120 days. Generally, the Chairman cum Managing Director, Statutory Auditors, Group Controller, Chief Financial Officer, Chief Audit Officer, Head-Accounts and Head-Strategy of the Company, were invitees to the meetings of the Committee.

The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Member	Designation/Category	No. of meetings held/attended during the Financial Year 2021-22		% of attendance
		Held during their tenure	Attended	
Mr Sanjay Kumar Bhatia	Chairman (Non-Executive & Independent Director)	8	8	100
Mr Goh Colin	Member, Non-Executive & Independent Director	8	8	100
Mr Satvinder Singh	Member (Promoter, Non-Executive & Non-Independent Director)	8	8	100
Mr Sundeep Kumar Mehta	Member (Non-Executive & Independent Director)	8	8	100

The Chairman of Audit Committee, Mr Sanjay Kumar Bhatia attended the last Annual General Meeting held on August 11, 2021.

b) Terms of Reference

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI LODR, as amended.

Terms of reference for the Audit Committee includes:

- Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statements is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: (a) matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transaction; (g) modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background etc., of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the audit committee, in terms of any other applicable guidelines or any other applicable law, as amended from time to time;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding INR 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Any other matters as delegated by the Board of Directors from time to time in terms of the applicable guidelines or any other applicable law, as amended from time to time;

The audit committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

c) Management letters/ letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

f) Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(B) RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company has been constituted in line with the provisions of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with Regulation 21 of the SEBI LODR, as amended.

a) Composition and Meetings

As on March 31, 2022, the Committee comprised of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Promoter, Non-Executive & Non-Independent Director, Company Secretary & Compliance Officer, officiates as the Secretary to the Committee. The quorum of the Committee is 3 (three) members. The Company especially focuses on improving its sensitivity to the assessment of risks and improving methods of computation of risk. The functions of the Committee include monitoring and reviewing risk management plan, Operational risk, Credit risk, Integrity risk etc., and taking strategic actions in mitigating risk associated with the business.

The composition of the Risk Management Committee is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/.

During the year under review, the Risk Management Committee met 4 (Four) times on June 28, 2021, September 22 2021, December 27, 2021 and March 26, 2022.

The Composition of the Risk Management Committee and the details of meetings attended by its members are given below:

Name of Member	Designation/Category	No. of meetings held/attended during the Financial Year 2021-22		% of attendance
		Held during their tenure	Attended	
Mr Anil Kumar Kalra	Chairman (Non-Executive & Independent Director)	4	4	100
Mr Satvinder Singh	Member (Promoter, Non-Executive & Non-Independent Director)	4	4	100
Mr Sundeep Kumar Mehta	Member (Non-Executive & Independent Director)	4	4	100

b) Terms of Reference

The terms of reference of the Risk Management Committee are wide enough to cover the matters specified for Risk Management Committee under Regulation 21 of SEBI LODR and in terms of RBI Master Directions, are as follows:

- Approve/ recommend to the Board for its approval/ review of the policies, strategies and associated frameworks for the management of risk;
- Approve the risk appetite and any revisions to it;
- Sub-delegate its powers and discretions to executives of the SCNL;
- Ensure appropriate risk organization structure with authority and responsibility clearly defined, adequate staffing, and the independence of Risk Management functions;
- Provide appropriate and prompt reporting to the Board of Directors in order to fulfil the oversight responsibilities of the Board of Directors;
- Review reports from management concerning the SCNL's risk management framework (i.e. principles, policies, strategies, process and controls) and also discretions conferred on executive management, in order to oversee the effectiveness of them;
- Review reports from management concerning changes in the factors relevant to the SCNL's projected strategy, business performance or capital adequacy;
- 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;
- Ensure adherence of the extant internal risk policy guidelines and also regulatory guidelines;
- Review performance and set objectives for the SCNL's CRO and ensure he has unfettered access to the Board;
- Oversee statutory/ regulatory reporting requirements related to risk management;
- Monitor and review capital adequacy computation with an understanding of methodology, systems and data;
- Approve the stress testing results/ analysis and monitor the action plans and corrective measures periodically; and
- Monitor and review of non-compliance, limit breaches, audit/ regulatory findings, and policy exceptions with respect to risk management.

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company has been constituted in line with the provisions of Section 178(5) of the Act read with Regulation 20 of the SEBI LODR. The purpose of the Committee is to assist the Board and the Company in maintaining healthy relationships with all stakeholders and consider and resolve the grievances like share transfers, transmissions, issue of duplicate share certificates, dematerialization of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of Annual Reports and other complaints related to share transfers etc.

a) Composition and Meetings

During the year under review, the Committee comprised of 3 (three) Directors, all of them are Independent Directors. Company Secretary & Compliance Officer, officiates as the Secretary to the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher.

The composition of the Stakeholders Relationship Committee is also disseminated on the website of the Company at https://satincreditcare.com/board-of-Directors/. Further, Grievances relating to Stakeholders/ Investors may also be forwarded to the Company Secretary & Compliance Officer of the Company at secretarial@satincreditcare.com.

During the year under review, the Stakeholders Relationship Committee met 1 (one) time on February 2, 2022.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name of Member	Designation/Category	No. of meetings held/attended during the Financial Year 2021-22		% of attendance
		Held during their tenure	Attended	
Mr Sundeep Kumar Mehta	Chairman (Non-Executive & Independent Director)	1	1	100
Mr Sanjay Kumar Bhatia	Member (Non-Executive & Independent Director)	1	1	100
Mr Anil Kumar Kalra	Member (Non-Executive & Independent Director)	1	1	100

The Chairman of Stakeholders Relationship Committee, Mr Sundeep Kumar Mehta attended the last Annual General Meeting held on August 11, 2021.

b) Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are wide enough to cover the matters specified under Regulation 20 read with Part D of Schedule II of the SEBI LODR, as amended, are as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Investors Complaints

During the year under review, the Company has received 4 (four) complaints which were duly resolved within the period and no complaint was pending as on March 31, 2022.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee **("CSR Committee")** of the Company has been constituted in accordance with the provisions of Section 135 of the Act and the rules made thereunder, with powers, inter alia, to make donations/ contributions to Corporate Foundation or other reputed Non- Governmental Organization, of at least two percent of the Company's average net profit during the three immediately preceding financial years in pursuance of its Board approved Corporate Social Responsibility Policy **("CSR Policy")** of the Company. The functions of the CSR Committee include formulation and monitoring of CSR Policy, recommending CSR Projects and budgets thereof, review of CSR initiatives undertaken/ to be undertaken by the Company and to do such other things as directed by the Board, and in compliance with the applicable laws.

The Company has also in place a CSR Policy as required under the provisions of Section 135 of the Act and rules made thereunder indicating therein the activities to be undertaken by the Company as specified in Schedule VII of the Act. The CSR Policy is uploaded on the Company's website with the link https://satincreditcare.com/wp-content/uploads/2021/03/CSR-Policy-Version-3-01.03.2021.pdf

a) Composition and Meetings

As on March 31, 2022, the Committee comprised of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Promoter, Executive and Non-Independent Director of the Company. Company Secretary & Compliance Officer, officiates as the Secretary to the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher.

The Company has also appointed Ms. Aditi Singh as CSR – Nodal Officer of the Company.

The aforesaid composition of the CSR Committee is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/.

During the year under review, the CSR Committee met 2 (Two) times on September 22, 2021 and March 7, 2022.

The Composition of the CSR Committee and the details of meetings attended by its members are given below:

Name of Members	Designation/Category	No. of meetings held/attended during the Financial Year 2021-22		% of attendance
		Held during their tenure	Attended	
Mr Harvinder Pal Singh	Chairman, Promoter, Executive & Non-Independent Director	2	2	100
Mr Goh Colin	Member (Non-Executive & Independent Director)	2	2	100
Mrs Sangeeta Khurana	Member (Non-Executive & Independent Director)	2	2	100

The Chairman of the CSR Committee, Mr Harvinder Pal Singh attended the last Annual General Meeting held on August 11, 2021.

b) Terms of Reference

The terms of reference of the CSR Committee are wide enough to cover the matters specified under Section 135(3) of the Companies Act, 2013, are as follows:

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

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(E) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company has been constituted in line with the provisions of Section 178 of the Act, read with Regulation 19 of the SEBI LODR. The Committee ensures/determines fit and proper attributes/ qualifications of proposed/existing Directors and Key Managerial Personnel through which the Company recruits, motivates and retain outstanding senior management and oversees the Company's overall approach to human resources management.

The Committee under the guidance of the Board has formulated the criteria and framework for the performance evaluation of every Director on the Board, including the Executive and Independent Directors.

a) Composition and Meetings

As on March 31, 2022, the Committee comprised of 6 (Six) Directors, out of which 4 (four) are Independent Directors, 1 (one) is Non Executive, Non Independent and Nominee Director, and 1 (one) is Promoter, Executive and Non-Independent Director. Company Secretary & Compliance Officer, officiates as the Secretary to the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher with atleast one independent Director.

During the year under review, Board of Directors, in their meeting held on October 29, 2021, has appointed Mr Goh Colin as a member of the Committee. The composition of the Committee is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/.

During the year under review, the Nomination and Remuneration Committee met 2 (two) times on May 10, 2021 and March 29, 2022.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of Members	Designation/Category	No. of meetings held/attended during the Financial Year 2021-22		% of attendance
		Held during their tenure	Attended	
Mr Sundeep Kumar Mehta	Chairman (Non-Executive & Independent Director)	2	2	100
Mr Harvinder Pal Singh	Member (Promoter, Executive & Non-Independent Director)	2	2	100
Mr Sanjay Kumar Bhatia	Member (Non-Executive & Independent Director)	2	2	100
Mr Christian B. Ramm	Member (Non-Executive and Nominee Director)	2	2	100
Mr Goh Colin	Member (Non-Executive & Independent Director)	1	1	100
Mrs Sangeeta Khorana	Member (Non-Executive & Independent Director)	2	2	100

The Chairman of Nomination and Remuneration Committee, Mr Sundeep Kumar Mehta attended the last Annual General Meeting held on August 11, 2021.

b) Terms of Reference

The terms of reference of Nomination and Remuneration Committee are wide enough to cover the matters specified under Regulation 19(4) read with Part D of Schedule II of the SEBI LODR, as amended, are as follows:

- 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;
- 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;
- 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;
- 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 program in place

for new Directors and members of Senior Management and other employees of the Company and reviewing its effectiveness;

- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision and formulating detailed terms and conditions in accordance with SEBI Guidelines;
- Decide/approve details of fixed components and performance linked incentives (if any) along with the performance criteria;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 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;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board;
- 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;
- 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;
- 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;
- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- 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;
- 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;
- To develop a succession plan for the Board and to regularly review the plan;
- Formulation of criteria for evaluation of Independent Director and the Board;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To implement and monitor policies and processes regarding principles of corporate governance; and
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.

POLICY LAID DOWN BY THE NOMINATION AND REMUNERATION COMMITTEE FOR REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT & OTHER EMPLOYEES AND THE CRITERIA FORMULATED BY THE COMMITTEE FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTOR

Pursuant to Section 178 of the Act read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended, the Board of Directors of the Company has in place the Policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP) & Senior Management and other Employees.

Further, in consonance with the amended provisions of SEBI LODR, the Board of Directors of the Company in their meeting held on October 29, 2021 has modified this Nomination & Remuneration policy. The policy is also available on the website of the Company at https://satincreditcare.com/wp-content/uploads/2022/03/SCNL-NRC-Policy-Version-2.3-29.10.2021.pdf

CORPORATE GOVERNANCE REPORT (Contd.)

(F) ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee **("ALM Committee")** of the Company has been constituted in accordance with RBI Master Direction - Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The functions of the ALM Committee include addressing concerns regarding asset liability mismatches, interest rate risk exposure, and achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects and adhering to the relevant policies and regulation.

Composition and Meetings

As on March 31, 2022, the ALM Committee comprised of 5 (five) Members out of which 1 (one) is Promoter, Executive and Non Independent Director and 4 (four) are other officials of the Company. Company Secretary & Compliance Officer, officiates as the Secretary to the Committee. The quorum of the Committee is 3 (three) members.

During the year under review, the ALM Committee met 4 (four) times on June 15, 2021, August 11, 2021, November 1, 2021 and February 2, 2022.

(G) IT STRATEGY COMMITTEE

The IT Strategy Committee of the Company has been constituted in terms of "Master Direction - Information Technology Framework for NBFC Sector" issued by RBI on June 8, 2017.

Composition and Meetings

As on March 31, 2022, the Committee comprised of 6 (six) Members out of which 1 (one) is Promoter, Executive and Non Independent Director, 1 (one) is Independent Director, 1 (one) is Non-executive, Non Independent and Nominee Director and other 3 (three) are officials of the Company. Company Secretary & Compliance Officer, officiates as the Secretary to the Committee. The quorum of the Committee is one half of total strength with mandatorily presence of Chairman of the Committee who shall be an Independent Director.

During the year under review, the Committee met 3 (three) times on June 29, 2021, October 20, 2021 and January 25, 2022.

(H) WORKING COMMITTEE

The Working Committee of the Company broadly consider, review and approve routine matters of the Company which includes but not limited to evaluation and approval of various proposals for borrowings, issue of securities and investments etc. in ordinary course of business within the limits authorized by the Board/ shareholder. Moreover, the Committee also consider and approve various Banking operations for smooth functioning and other general purposes of the Company as may be authorized/ delegated by the Board from time to time.

The Committee comprised of 6 (six) Members, out of which 1 (one) is Promoter, Executive and Non Independent Director, 1 (one) is Promoter, Non-Executive and Non Independent Director and 4 (Four) are other officials of the Company.

During the year under review, the Committee met 29 (Twenty Nine) times.

The Working Committee of the Company has been constituted in line with the provisions of Section 179(3) of the Act.

4. REMUNERATION PAID TO DIRECTORS

The disclosure in respect of remuneration paid/payable to Managing Director/Whole Time Director of the Company for the financial year 2021-22 is given below:

Particulars	Mr Harvinder Pal Singh, Chairman cum Managing Director (In INR)
Salary	1,19,93,400
Provident Fund	14,39,208
Gratuity	0
Leave Encashment	0
Approximate value of perquisites	19,98,900
Total	**1,54,31,508**
Present period of agreement for remuneration	October 1, 2020 to September 30, 2025
Present period of agreement of appointment	October 1, 2020 to September 30, 2025

Considering the time and efforts made by the Non-Executive Directors, it is necessary that appropriate sitting fees are paid to the Non- Executive Directors for attending the meetings of the Board and its Committees.

During the year under review, the Company is paying only the sitting fees to all the Non-Executive Directors within the ceiling of INR 1,00,000 per meeting as prescribed under the Act, and the rules made thereunder. The structure for payment of sitting fees for attending Board and Committee Meetings is as follows:

Sl. No.	Type of Meeting	Sitting Fees
1	Board	INR 30,000 (Indian Rupees Thirty Thousand) per meeting
2	Audit Committee and Risk Management Committee	INR 25,000 (Indian Rupees Twenty Five Thousand) per meeting
3	Other Statutory Committee	INR 20,000 (Indian Rupees Twenty Thousand) per meeting

Detail of payments made to Non-Executive Directors towards sitting fee during the financial year 2021-22 is as under:

(Amount in INR)

Sl. No.	Name of Non-Executive Directors (Other than Investor's nominees)	Sitting Fees (Financial Year 2021-22)		Total
		Board Meeting	Committee Meeting	
1	Mr Sundeep Kumar Mehta	3,00,000	4,60,000	7,60,000
2	Mr Satvinder Singh	3,00,000	3,00,000	6,00,000
3	Mr Anil Kumar Kalra	3,00,000	2,00,000	5,00,000
4	Mr Goh Colin	3,00,000	2,80,000	5,80,000
5	Mrs Sangeeta Khorana	2,70,000	1,00,000	3,70,000
6	Mr Sanjay Kumar Bhatia	2,70,000	3,40,000	6,10,000
	Total	**17,40,000**	**16,80,000**	**34,20,000**

In addition, the Non-Executive Directors will be paid travelling expenses including air fare, hotel stay and car on rental basis for attending the meetings of the Board/Committee and such other expenses as are incurred, if any by the Non-Executive Directors and allowed to be reimbursed as per the provisions of the Act. There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company during the Financial Year ended March 31, 2022 other than those disclosed in the Financial Statements. Also, none of Directors of the Company except Mr Harvinder Pal Singh Chairman cum Managing Director is taking remuneration as approved by Board/Members of the Company.

Furthermore, none of the Non-Executive Directors of the Company is taking any salary, benefit, bonuses, stock options & pension from the Company. The Company pays only sitting fee for attending the Board or Committee meetings and there is no fixed component and performance linked incentives involved therein, also Company has not signed any service contracts, notice period or severance fees contract with any of the Directors.

CORPORATE GOVERNANCE REPORT (Contd.)

5. ANNUAL GENERAL MEETINGS, EXTRA-ORDINARY GENERAL MEETINGS AND POSTAL BALLOT

The details of the Annual General Meeting held in the last 3 (three) years are as follows:

Annual General Meetings (AGMs):

Year	Location	Date	Time	Whether any Special Resolution(s) passed
2020-21	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	August 11, 2021	11:00 A.M	1. Issue of Non-Convertible Debentures (NCDs), in one or more series/tranches on Private Placement basis. 2. Provision of money by the Company for Purchase / Subscription made or to be made of its own shares by the Trust / Trustees for the benefit of employees under Satin Employees Stock Option Scheme – 2017
2019-20	Meeting conducted through VC / OAVM pursuant to the MCA	August 5, 2020	10:30 A.M.	1. Issue of Non-Convertible Debentures (NCDs), in one or more series/tranches on private placement basis. 2. Re-appointment of Mr Anil Kumar Kalra (DIN:07361739) as an Independent Director of the Company
2018-19	Little Theatre Group Auditorium 1, Copernicus Marg, Mandi House, Opp. Doordarshan Bhavan, Near Connaught Place, New Delhi – 110001	July 06, 2019	10:30 A.M.	1. To consider, discuss and approve the issuance of non-convertible debentures, in one or more series/tranches pursuant to Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 2. To increase the borrowing power of Board of Directors u/s 180(1)(c) of the Companies Act, 2013. 3. Creation of Charges on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1)(a) of the Companies Act, 2013. 4. Re-appointment of Mr Rakesh Sachdeva (DIN: 00333715) as an Independent Director. 5. Re-appointment of Mr Sundeep Kumar Mehta (DIN: 00840544) as an Independent Director. 6. Re-appointment of Mrs Sangeeta Khorana (DIN: 06674198) as an Independent Director. 7. Re-appointment of Mr Goh Colin (DIN: 06963178) as an Independent Director. 8. Re-appointment of Mr Sanjay Kumar Bhatia (DIN: 07033027) as an Independent Director.

All resolutions moved at the last AGM were passed by means of electronic voting only by the requisite majority of members.

Special Resolutions passed through Postal Ballot in Financial Year 2021-22: None

Whether any Special Resolution is proposed to be passed through Postal Ballot

Special Resolution(s) as may be necessary under the Act and/ or the SEBI LODR would be passed through Postal Ballot.

Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to all members of the Company at their registered postal/e-mail addresses alongwith a Postal Ballot Form and a postage pre-paid business reply envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms/e-voting received within 30 days of dispatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairman of the Company or a person authorized by him, who on the basis of the report, announces the results; and
- The Company has entered into an agreement with Central Depository Services (India) Limited for providing e-voting facility to its members. Under this facility, members are provided an electronic platform to participate and vote on the proposals of the Company.

6. SHAREHOLDERS' COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company has its website (www.satincreditcare.com) that contains required information for the shareholders.

Means of Communication

Quarterly results and other relevant information: The quarterly financial results are regularly submitted to the Stock Exchanges and are generally published in Business Standard in compliance with Listing Regulations and are also displayed along with other relevant information viz., notices, shareholder communications, policies, Director's profile, Annual Report, other official news etc. on its website i.e. www.satincreditcare.com.

News releases, presentations, among others: Official news releases, corporate presentations, press release and official media releases are sent to Stock Exchanges regularly and also available on website of the Company.

Website: The Company`s website www.satincreditcare.com contains a separate section 'Investor Relations' for use of investors. The quarterly, half yearly and annual financial results and official news releases are promptly and prominently displayed on the website. Annual Reports, Shareholding Patterns and other Corporate Communications made to the Stock Exchanges are also available on the website.

Communication to shareholders on email: In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company had during financial year 2021-22 sent various communications including Documents like Notices and Annual Report to the members at their email address, as registered with their Depository Participants/ Company/ Registrar & Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper Consumption, save trees and avoid loss of documents in transit.

The Company proposes to send documents like shareholders meeting notice/ other notices, audited financial statements, Directors' report, Auditor's report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their depositories. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the Registrar & Transfer Agent of the Company, to receive soft copies of the Annual Reports, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

7. GENERAL SHAREHOLDER INFORMATION

(a) Company Registration Details:

The Company is registered in New Delhi, India. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs **("MCA")** is L65991DL1990PLC041796. The Company being Systemically Important Non-Deposit taking NBFC is registered with Reserve Bank of India as NBFC-MFI.

(b) Ensuing Annual General Meeting:

Date and Time	August 10, 2022 at 11:00 A.M. (IST)
Venue	Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022, and as such there is no requirement to have a venue for the AGM.

(c) Financial Year: April 1, 2021 to March 31, 2022

(d) Dividend payment:

During the year under review, Directors of your Company have declared an interim dividend (plus applicable taxes) on Preference shares as stated below:

Sl. No.	Name of Preference Shareholders	Preference Shares	Period of dividend	Amount of Dividend paid per preference share
1.	The names will be as reckoned by Registrar and Transfer Agent (RTA) as on cut-off (record) date	2,50,00,000 12.10% Rated, Cumulative, Non-Convertible Compulsorily Redeemable Preference Shares	April 1, 2020 to April 22, 2021	INR 1.21*

**Amount of dividend is excluding applicable taxes, further to note that Preference shares were redeemed on April 22, 2021 as per agreed terms with Preference Shareholders.*

Further, in order to undertake and carry on future plans, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company and thus have not recommended any dividend on Equity Shares for the year ended March 31, 2022.

CORPORATE GOVERNANCE REPORT (Contd.)

(e) Listing of Shares:

As on March 31, 2022, the Company has issued fully paid-up Equity Shares which are listed on BSE Limited and National Stock Exchange of India Limited. The Annual Listing fees has been paid to the respective Stock Exchanges.

Stock Exchanges	ISIN	Stock Code
National Stock Exchange of India Limited **('NSE')** Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Mumbai – 400051, Maharashtra, India	INE836B01017	SATIN
BSE Limited **('BSE')** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India	INE836B01017	539404

Non-Convertible Debentures (NCDs) outstanding as on March 31, 2022 are as follows:

Sl. No.	Name/Details of Trustee	ISIN	No. of Debentures	Principal outstanding Amount (In INR)
1.	**CATALYST TRUSTEESHIP LIMITED** Windsor, 6th Floor, office No. 604, C.S.T Road, Kalina, Santacruz (East), Mumbai-400098	INE836B07451	200	50,00,00,000
		INE836B07535	650	65,00,00,000
		INE836B08061	250	25,00,00,000
		INE836B08095	100	10,00,00,000
		INE836B08137	100	10,76,19,307
		INE836B08129	100	10,76,19,307
		INE836B08111	100	10,76,19,307
		INE836B08103	100	10,76,19,307
		INE836B07469	250	25,00,00,000
		INE836B07477	250	16,66,66,668
		INE836B08160	350	35,00,00,000
		INE836B07444	250	25,00,00,000
		INE836B07402	2,130	1,21,71,42,858
		INE836B07436	1,200	90,00,00,000
		INE836B08202	300	30,00,00,000
		INE836B08210	10,010	50,05,00,000
		INE836B07428	680	68,00,00,000
		INE836B07543	250	25,00,00,000
		INE836B07550	600	60,00,00,000
		INE836B07568	250	25,00,00,000
		INE836B07576	500	50,00,00,000
		INE836B07584	9,750	48,75,00,000
		INE836B07592	18,750	187,50,00,000
		INE836B07600	1,500	37,50,00,000
		INE836B07618	970	97,00,00,000
		INE836B07626	373	37,30,00,000
		INE836B08236	570	57,00,00,000
		INE836B07634	750	75,00,00,000
		INE836B07642	300	30,00,00,000

(f) Market Price Data– High, Low (based on daily closing price) and volume (no. of shares traded) during each month in the Financial Year 2021-22 of Equity Shares of the Company, on BSE and NSE:

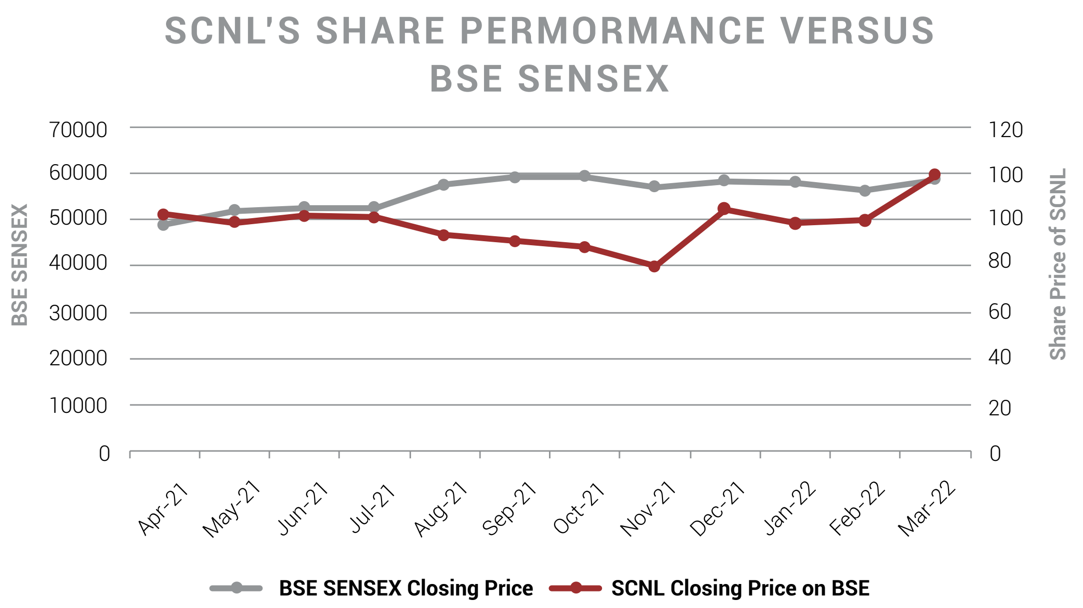
(Amount in INR)

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Total number of equity shares traded	High	Low	Total number of equity shares traded
Apr-21	102	80	6,67,922	102	78.75	55,94,944
May-21	91.2	81.45	4,13,797	91.5	82.25	28,91,636
Jun-21	99.5	82.8	16,56,436	100	82.8	1,08,91,291
Jul-21	95.95	83.6	6,47,266	96	84.1	54,92,436
Aug-21	89.5	68.95	5,05,453	89.75	67.6	40,07,084
Sep-21	81.25	73	3,68,395	82.35	73.5	20,34,747
Oct-21	80.1	74.05	2,81,618	80.25	74.5	23,77,049
Nov-21	77.5	66.7	2,64,023	78	61.85	28,91,099
Dec-21	115	67.75	15,36,042	115.3	67.65	1,60,76,310
Jan-22	92.25	76.3	2,95,888	92.95	77.5	24,12,442
Feb-22	106.6	83.2	4,79,713	103.5	82.45	36,10,029
Mar-22	104	81.7	1,97,428	103.25	81.55	28,48,251

(g) Performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty etc.

Performance in comparison to BSE Sensex

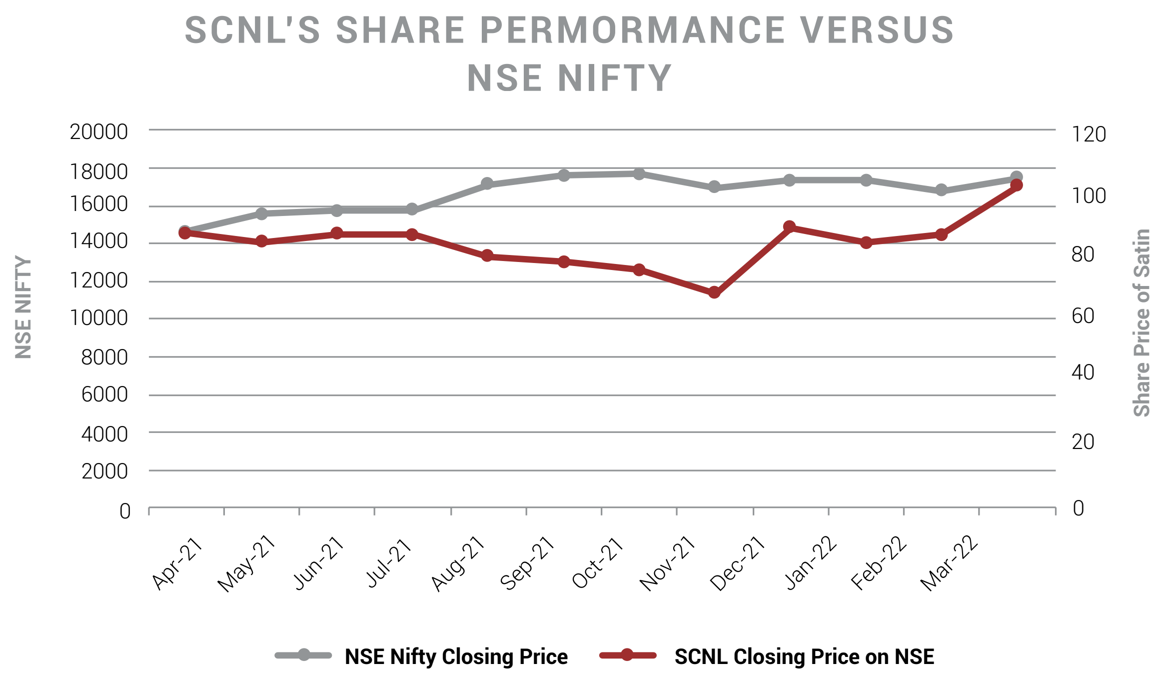
(Closing value of Satin's share price v/s BSE Sensex)



CORPORATE GOVERNANCE REPORT (Contd.)

Performance in comparison to NSE Nifty

(Closing value of Satin's share price v/s NSE Nifty)



(h) Except mentioned below, no securities were suspended from trading during the Financial Year 2021-22

During the financial year 2020-21, Company had come up with the partly paid Rights Issue and under the authority of Board of Directors, Management of the Company had decided to make second and final call of INR 15/- per share on 1,99,27,917 partly paid equity shares and fixed July 16, 2021 as a record date, pursuant to which the trading in partly paid equity shares were suspended effective from July 15, 2021.

(i) Registrar & Share Transfer Agents:

Sl. No.	Name of Security	Registrar & Transfer Agent
1	Equity Shares	**Link Intime India Private Limited** Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058
2	Non-Convertible Debentures and Commercial papers	**KFin Technologies Limited** **(formerly known as KFin Technologies Private Limited)** Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana

(j) Share transfer system:

Stakeholders Relationship Committee is authorized to approve transfers of shares. The dematerialized shares are transferred directly to the beneficiaries by the depositories. Trading in equity shares of the Company is permitted only in dematerialized form. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form effective from April 1, 2019. Accordingly, the Company/ its Registrar and Transfer Agent have stopped accepting any fresh lodgment for transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.

CORPORATE GOVERNANCE REPORT (Contd.)

(k) Shareholding Pattern/Distribution of shareholding as on March 31, 2022:

Sl. No.	Category of Shareholder	Shareholding	% of Holding
A	**Promoter & Promoter Group**	2,75,21,735	36.69
B	**Public Shareholding**		
B1	Mutual Fund	28,26,516	3.77
B2	Alternate Investment Funds	82,876	0.11
B3	Foreign Portfolio Investor	63,50,440	8.47
B4	Financial Institutions / Banks	29,14,334	3.88
B5	Foreign Bank	15,43,187	2.06
B6	Non-Institutions	3,32,96,963	44.38
C	**Non Promoter- Non Public shareholding**		
C1	Shares Held By Employee Trust	4,82,946	0.64
	Total	**7,50,18,997**	**100.00**

Distribution of Shareholding based on Shares held as on March 31, 2022

Sl. No.	Shares Range	Number of Shareholders	% of total Shareholders	Total Shares for the Range*	% of issued Capital
1	1 to 500	15,016	82.98	16,76,963	2.24
2	501 to 1000	1,263	6.98	10,13,714	1.35
3	1001 to 2000	683	3.77	10,31,963	1.38
4	2001 to 3000	301	1.66	7,60,328	1.01
5	3001 to 4000	159	0.88	5,72,281	0.76
6	4001 to 5000	140	0.77	6,61,359	0.88
7	5001 to 10000	251	1.39	18,23,206	2.43
8	10001 and above	283	1.56	6,74,79,183	89.95
	Total	**18,096**	**100.00**	**7,50,18,997**	**100.00**

(l) Dematerialization of Shares and Liquidity:

Equity Shares of the Company are traded under compulsory dematerialized mode and are available for trading under both the depositories i.e. NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares is INE836B01017.

As on March 31, 2022, 99.79% of the Equity Shares of the Company representing 7,48,59,754 out of a total of 7,50,18,997 Equity Shares were held in dematerialized form and balance 1,59,243 Equity Shares representing 0.21% of the total equity capital of the Company were held in physical form.

The equity shares of the Company are frequently traded on both BSE and NSE.

(m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments:

During the year under review, the Company has issued and allotted Fully Convertible Warrants to entities belonging to promoter group and non-promoter group at an aggregate amount of INR 19,999.99 lakhs at an issue price of INR 81.25 on January 25, 2022. Further, out of entire consideration payable towards Equity Warrants i.e. INR 19,999.99 lakhs the Company has received INR 4,999.99 lakhs i.e., 25% of issue price before allotment of Equity Warrants. Balance 75% shall be infused within 18 months from the date of allotment i.e. January 25, 2022 at the time of Conversion of equity warrants.

The Company does not have any outstanding Global Depository Receipt or American Depository Receipt or any other convertible instruments.

(n) The Company is in the business of Non-Banking Finance Company (Micro Finance Industry), hence no plant information can be provided as such.

(o) Address for correspondence:

Corporate Office	Plot No. 492, Udyog Vihar, Phase – III, Gurugram - 122016, Haryana, India
Registered Office	5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033, India.

CORPORATE GOVERNANCE REPORT (Contd.)

(p) List of all credit ratings obtained by the Company during the year are as follows:

S. No.	Particulars	Amount (INR in Lakhs)	Credit Rating Agency	Rating as on March 31, 2022
1	Fund Based -Long Term Bank Facilities	2,80,000	Credit Analysis & Research Ltd	CARE A-; Negative
2	Subordinate Debt	3,000	Credit Analysis & Research Ltd	CARE A-; Negative
3	Non Convertible Debentures	5,000	Credit Analysis & Research Ltd	CARE A-; Negative
4	Non Convertible Debentures	2,628	Credit Analysis & Research Ltd	CARE A-; Negative
5	Non Convertible Debentures	6,800	Credit Analysis & Research Ltd	CARE A-; Negative
6	Non Convertible Debentures	6,500	Credit Analysis & Research Ltd	CARE A-; Negative
7	Non Convertible Debentures	6,000	Credit Analysis & Research Ltd	CARE A-; Negative
8	Non Convertible Debentures	33,420	Credit Analysis & Research Ltd	CARE A-; Negative
9	Non Convertible Debentures	3,870	Credit Analysis & Research Ltd	CARE A-; Negative
10	Non Convertible Debentures	12,000	Credit Analysis & Research Ltd	CARE A-; Negative
11	Non Convertible Debentures	5,005	Credit Analysis & Research Ltd	CARE A-; Negative
12	Non Convertible Debentures	20,000	Credit Analysis & Research Ltd	CARE A-; Negative
13	Non Convertible Debentures	30,000	Credit Analysis & Research Ltd	CARE A-; Negative
14	Non Convertible Debentures	70,000	Credit Analysis & Research Ltd	CARE A-; Negative
15	Commercial Paper	20,000	Credit Analysis & Research Ltd	CARE A1
16	Commercial Paper	20,000	ICRA Limited	[ICRA] A1
17	Subordinate Debt	10,000	ICRA Limited	[ICRA]A- (Negative)
18	Non Convertible Debentures	2,500	ICRA Limited	[ICRA]A- (Negative)
19	Long-term Fund-based Term Loan Facilities Program	4,000	ICRA Limited	[ICRA]A(CE) (Stable)
20	Non Convertible Debentures	15,000	Brickwork Limited	BWR A- / Negative
21	Securitization	17,309	Credit Analysis & Research Ltd	CARE A (SO)
22	Securitization	8,560	Credit Analysis & Research Ltd	Provisional CARE AA (SO)
23	Securitization	309	Credit Analysis & Research Ltd	Provisional CARE AA- (SO)
24	Securitization	3,151	Credit Analysis & Research Ltd	CARE A- (SO)
25	Securitization	8,194	Credit Analysis & Research Ltd	Provisional CARE AA (SO)
26	Securitization	296	Credit Analysis & Research Ltd	Provisional CARE AA- (SO)
27	Securitization	10,000	Credit Analysis & Research Ltd	Provisional CARE AA (SO)
28	Securitization	5,000	Credit Analysis & Research Ltd	Provisional CARE AA (SO)
29	Securitization	6,108	Credit Analysis & Research Ltd	Provisional CARE A+ (SO)
30	Securitization	139	Credit Analysis & Research Ltd	Provisional CARE A (SO)
31	Securitization	4,178	India Ratings	Provisional CARE A+ (SO)
32	Securitization	101	India Ratings	Provisional CARE A (SO)

CORPORATE GOVERNANCE REPORT (Contd.)

(q) Transfer of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF):

No amount of unclaimed dividend is due for transfer to IEPF.

(r) Reconciliation of Share Capital Audit:

A quarterly audit was conducted by a Practicing Chartered Accountant, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the Stock Exchanges within the prescribed time limit.

(s) Information to Shareholders:

A brief resume of the Directors appointed/reappointed together with the nature of their experience and details of the other Directorships held by them is annexed to the Notice convening the Annual General Meeting.

(t) Any query on Annual Report:

Members can write an email on secretarial@satincreditcare.com or send their query on Annual Report on below mentioned address: Plot No. 492, Udyog Vihar, Phase – III, Gurugram, Haryana – 122016, India, addressed to the Company Secretary & Compliance Officer of the Company.

8. OTHER DISCLOSURES:

(a) Disclosure on Materially significant related party transaction:

There has been no material significant related party transaction with the Company's Promoters, Directors, the Management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding related party transactions are given in the notes to accounts. The Company has also formulated a Policy on materiality of Related Party Transactions and dealing with Related Party Transactions **("RPT Policy")** and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The RPT policy has been uploaded on the website of the Company at https://satincreditcare.com/wp-content/uploads/2022/03/Policy-on-Materiality-of-RPT-and-Dealing-with-RPT.pdf

(b) There were no instances of material non-compliances with Stock Exchange(s), SEBI or RBI regulations nor any penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or RBI or any statutory authority on any matter related to capital markets during the last three financial years.

(c) Establishment of Vigil Mechanism/ Whistle Blower Policy:

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI LODR, the Company vide its Board meeting dated February 10, 2016 had adopted Whistle Blower Policy/Vigil Mechanism applicable for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors/ employees who avail the mechanism.

The Company affirms that no personnel has been denied access to the Audit Committee. In order to ensure proper functioning of vigil mechanism, the Audit Committee of the Company on quarterly basis take note of the same. The Whistle Blower Policy/Vigil Mechanism is also placed on website of the Company, i.e. https://satincreditcare.com/wp-content/uploads/2019/05/Whistle-blower-Policy.pdf

(d) Compliance with Mandatory requirement:

The Company is complying with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the Company has not adopted any of the non-mandatory requirements stipulated under the said enactment.

Further, Mr Harvinder Pal Singh, Chairman cum Managing Director of the Company is Promoter and Executive Director of the Company.

(e) Material Subsidiaries:

During the year under review, the Company does not have any material subsidiary. However, the Company has adopted a Policy for Determination of Materiality of Events / Information for Disclosures, Policy on Preservation of Document and Archival Policy. The policy is also placed on website of the Company at https://satincreditcare.com/wp-content/uploads/2019/05/Material-Subsidary-Policy.pdf.

(f) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any exposure to commodity price risks. During 2021-22, the Company has managed the foreign exchange risk by hedging the entire principal and/or interest on its foreign currency borrowings. The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts, options, interest rate swaps.

(g) During the year under review, the Funds raised through preferential issue of Equity Shares and Fully Convertible Warrants was utilized for the objects stated in Notice convening the shareholders meeting.

Further, pursuant to Regulation 32 of SEBI LODR, the Company had made necessary disclosure to Stock Exchanges.

(h) The Company has obtained a certificate from a Practicing Company Secretary, Mr Shesdev Behera, from M/s. S.Behera & Co., that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/MCA or any such statutory authority, is annexed to the report as **Annexure – 2**.

(i) During the year under review, the Board has accepted all mandatory recommendation of Committees.

(j) Fees paid to the Statutory Auditors:

The details of total fees paid by the listed entity and its subsidiaries on consolidated basis to the statutory auditors are as follows:

Sl. No.	Name of Company	Status of Company	Amount Paid (in INR lakhs)
1	Satin Creditcare Network Limited	Holding Company	37.41
2	Taraashna Financial Services Limited	Wholly Owned Subsidiary	11.45
3	Satin Housing Finance Limited	Wholly Owned Subsidiary	18.62
4	Satin Finserv Limited	Wholly Owned Subsidiary	11.38
	Total		**78.86**

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year 2021-22 – **3**

b. Number of complaints disposed of during the financial year 2021-22 – **3**

c. Number of complaints pending as on end of the financial year 2021-22 – **0**

(l) Disclosure pursuant to Loans and advances by the Company and Subsidiaries in the nature of loans to firms/companies in which directors are interested are given in the Notes to the Financial Statements.

(m) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI LODR.

(n) Compliance Certificate:

The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI LODR for the period commencing from April 1, 2021 and ended on March 31, 2022 and the same is annexed to the report as **Annexure – 3.**

(o) CEO/CFO certification:

The requisite certification from the Chairman cum Managing Director and Chief Financial Officer for the Financial Year 2021-22 required to be given under Regulations 17(8) and 33(2) of the SEBI LODR was placed before the Board of Directors of the Company at its meeting held on May 4, 2022 and the same is annexed to the report as **Annexure – 4.**

(p) Equity Shares in the Demat suspense account / unclaimed suspense account:

As on March 31, 2022, there are no shares in the Demat suspense account / unclaimed suspense account.

Place: Gurugram
Date: July 11, 2022

Harvinder Pal Singh
(Chairman cum Managing Director)
(DIN: 00333754)

ANNEXURES TO CORPORATE GOVERNANCE REPORT

Annexure - 1

DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended on March 31, 2022.

Harvinder Pal Singh
(Chairman cum Managing Director)
(DIN: 00333754)

Place: Gurugram
Date: July 11, 2022

Annexure - 2

CERTIFICATE OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) READ WITH SCHEDULE V PART C CLAUSE (10) SUB-CLAUSE (i) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members,

Satin Creditcare Network Limited

We have examined all the relevant records of Satin Creditcare Network limited (CIN: L65991DL1990PLC041796) (the Company) for the purpose of conditions stipulated under Regulation 34(3) read with Schedule V Part C Clause (10) Sub Clause (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

In our opinion and to the best of our information and according to the explanations given to us, we certify that none of the directors on the board of the Company have been debarred or disqualified, from being appointed or continuing as directors of companies, by the SEBI/MCA or any such statutory authority during the period commencing from April 01, 2021 and ended on March 31, 2022.

For S. Behera & Co.
Company Secretaries

Shesdev Behera
FCS No. 8428
C P No.: 5980
UDIN: F008428D000089498

Date: April 12, 2022
Place: New Delhi

Annexure - 3

CERTIFICATE OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) READ WITH SCHEDULE V (E) OF THE SECURITIES' AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
Satin Creditcare Network Limited

We have examined all the relevant records of Satin Creditcare Network limited (CIN: L65991DL1990PLC041796)(the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period commencing from April 01, 2021 and ended on March 31, 2022. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para C, D and E of Schedule V for the period commencing from April 01, 2021 and ended on March 31, 2022.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For S. Behera & Co.
Company Secretaries

Shesdev Behera
FCS No.: 8428
C P No.: 5980
UDIN: F008428D000089520

Date: April 12, 2022
Place: New Delhi

Annexure - 4

April 28, 2022

The Board of Directors,
Satin Creditcare Network Limited
5th Floor, Kundan Bhawan, Azadpur
Commercial Complex, Azadpur,
New Delhi-110033

Sub: Certificate of Chairman cum Managing Director and Chief Financial Officer under Regulation 33(2) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We, Harvinder Pal Singh, Chairman cum Managing Director and Rakesh Sachdeva, Chief Financial Officer of the Company do hereby certify that:

A) We have reviewed the financial results and the cash flow statement for the financial year ended March 31, 2022 and to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review which are fraudulent, illegal or violative of the Company's Code of Conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit Committee:
   (i) that there is no significant changes in internal control over financial reporting during the period under review;
   (ii) that there is no significant changes in accounting policies during the period under review and that the same have been disclosed in the notes to the financial statements; and
   (iii) that there is no instances of significant fraud during the period under review of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of
Satin Creditcare Network Limited

(Harvinder Pal Singh)	**(Rakesh Sachdeva)**
Chairman cum Managing Director	**Chief Financial Officer**

INDEPENDENT AUDITOR'S REPORT

To the Members of Satin Creditcare Network Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Satin Creditcare Network Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit & other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 53 to the accompanying Statement, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2022 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 *[Refer Note No. 3(k) for the accounting policy and Note No. 43 for the related disclosures]* As at March 31, 2022, the Company has financial assets (loans) amounting to INR 4,89,739.76 lakh including loans which are carried at fair value through other comprehensive income amounting to INR 3,88,533.16 lakh. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. ECL is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models with the help of experts appointment by the management and other historical data.	**Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures: a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls; b) Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to guidelines issued by Reserve Bank of India and relief announced by the State Govt. of Assam c) obtained an understanding of the model adopted by the Company including key inputs, assumptions and management overlays for calculation of expected credit losses including the impact of COVID 19 on the assumptions and how management calculated the expected credit losses and the appropriateness of data on which the calculation is based; d) Obtained the reports of the expert appointed by the management and assessed the expert's professional competence, independence and objectivity in developing the ECL model; e) obtained the policy on Restructuring of loan under resolution framework duly approved by the Board of Directors pursuant to the RBI circulars and ensured that such policy is in compliant with the requirements of the RBI circular; f) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS considering the impact of COVID-19 and the basis for classification of various exposures into various stages; g) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios;

Key Audit Matter	Auditor's Response
COVID-19 In continuation of various relief measures announced by RBI in earlier years for the borrowers, during the year, the Company has implemented the RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated April 7, 2021 besides considering the Relief package announced by State Govt. of Assam and restructuring of loans of borrowers under resolution framework 2.0 and have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.. The basis of estimates and assumptions involved in arriving at the provisions during the year were monitored by the Company periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI or by any State/Centre Govt. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. We also draw attention to Note No. 53 of the accompanying standalone financial statements, regarding uncertainties involved due to outbreak of COVID-19 pandemic with respect to the measurement of expected credit loss on such loan assets which are significantly dependent on uncertain future developments as the same is fundamental to the understanding of the users of financial statements.	Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages h) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; i) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; j) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; k) tested the arithmetical calculation of the expected credit losses; l) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Ind AS and related RBI circulars and Resolution Framework; and m) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
      ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

          b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

          c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
      v. The final dividend declared and paid on Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares by the Company during the year and until the date of this report is in compliance with Section 123 of the Act (Refer Note No. 35 to the standalone financial statements).

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No.: 000756N

Naveen Aggarwal
Partner
(Membership No.094380)
UDIN: 22094380AJQMSG6758
Place: New Delhi
Date: May 04, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

b. According to the information and explanation provided to us, the Property, Plant & Equipment, Investment property and right to use assets have been physically verified by the management according to designed process to cover all the items once in three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its Assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.

c. According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company as at the balance sheet date except for the following property which was transferred as a result of an amalgamation of companies as stated in the Note No. 13 to the Standalone Financial Statements wherein the title deeds are in the name of the erstwhile Company.

(Amount in INR lakhs)

Description of Property	Gross Carrying Value as on March 31, 2022	Held in the Name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the company
Building	292.00	Satin Intellicomm Limited	Not Applicable	Since December 2007	The said property is in the name of Satin Intellicomm Limited, an erstwhile Company that merged with the Company. However, transfer formalities are not yet completed.

d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, the Company has been sanctioned overdraft against fixed deposits in excess of five crore rupees, in aggregate, from banks or financial institutions. However, there are no covenants in the sanction letters w.r.t. furnishing the quarterly returns / statements for such sanctioned overdraft limits.

iii. According to the information and explanation given to us and based on our examination of records, the Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a NBFC – MFI.

(b) In our opinion, the investments made, guarantee provided and the terms and conditions of the grant of all loans and guarantee provided, during the year are, prima facie, not prejudicial to the Company's interest. Company has not provided any security to companies, firms, Limited Liability Partnerships or any other parties.

ANNEXURE A (Contd.)

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is NBFC-MFI and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.

(d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows: -

(Amount in INR lakhs)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
JLG	338368	26,871.37	6,097.91	32,969.28
MSME	285	172.72	353.52	526.24
Total	**338653**	**27,044.09**	**6,451.43**	**33,495.52**

Based on the information & explanations given to us, reasonable steps have been taken by the Company for the recovery of the Principal & Interest.

(e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a NBFC – MFI.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable

iv. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of Companies Act, 2013 and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and the records of the Company examined by us and based on the representation given by the management, in our opinion:

a. the Company is regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, Goods and Services Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable, with the appropriate authorities. Based on our sample review of material cases, we have not found any delay. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount INR (in lakhs)
The Income Tax Act, 1961	Income Tax	National Faceless Appeal Centre (NFAC)	AY* 2018-19	194.63

*AY=Assessment Year

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

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

ANNEXURE A (Contd.)

(b) Based on the information and explanations obtained by us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Company is not having associate or joint venture. Accordingly, the reporting under this clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiaries. Company is not having any joint ventures or associate companies during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has made preferential allotment of shares, which is in accordance with the requirements of Section 42 and Section 62 of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the funds raised have been used for the purposes for which the funds were raised. Company has not issued any convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) According to the information and explanation given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except management reported few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees, involving amount aggregating to INR 155.96 lakhs as mentioned in Note No. 57(A)(xviii)(i). As informed, the Company has terminated the services of such employees and also initiated legal action against them.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS (Refer Note No. 48 to the financial statements).

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

ANNEXURE A (Contd.)

xvi. (a) The Company was required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934) as a NBFC-MFI and has obtained the certificate vide no. B-14.01394 dated November 06, 2013.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to information and explanations provided to us and based on our examination of records, the Company does not have more than one CIC in the group hence the reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. In terms of RBI Circular RBI/2021-22/25 dated April 27, 2021, w.r.t. Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), the previous statutory auditors of the Company had resigned during the period under audit. We have obtained no objection from the previous statutory auditors and no issues have been informed to us.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to information and explanations provided to us and based on our examination of records, the Company has transferred the amount remaining unspent under sub-section (5) of section 135 of the Companies Act with respect to ongoing project to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No.: 000756N

Naveen Aggarwal
Partner
(Membership No.094380)
UDIN: 22094380AJQMSG6758
Place: New Delhi
Date: May 04, 2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of **SATIN CREDITCARE NETWORK LIMITED** (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No.: 000756N

Naveen Aggarwal
Partner
(Membership No.094380)
UDIN: 22094380AJQMSG6758
Place: New Delhi
Date: May 04, 2022

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,04,900.58	1,12,068.58
Bank balances other than cash and cash equivalents	5	86,565.38	74,195.31
Derivative financial instruments	6	1,192.75	34.13
Trade receivables	7	239.41	1,460.92
Loans	8	4,89,739.76	5,51,496.23
Investments	9	33,616.86	28,318.30
Other financial assets	10	2,105.14	3,156.42
		7,18,359.88	**7,70,729.89**
Non-financial assets			
Deferred tax assets (net)	11	6,811.20	4,609.86
Investment Property	12	698.26	693.73
Property, plant and equipment	13	7,901.34	8,384.37
Capital work-in-progress	13	17.89	364.96
Other intangible assets	14	212.71	288.79
Other non-financial assets	15	3,539.22	2,379.82
		19,180.62	**16,721.53**
TOTAL ASSETS		**7,37,540.50**	**7,87,451.42**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,049.81	792.62
Other payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		172.02	223.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,371.54	1,434.68
Debt securities	18	1,18,743.75	1,70,507.14
Borrowings (other than debt securities)	19	3,82,504.26	3,81,643.15
Subordinated liabilities	20	45,034.73	50,412.79
Other financial liabilities	21	26,409.64	30,432.44
		5,75,285.75	**6,35,446.72**
Non-financial liabilities			
Current tax liabilities (net)	22	100.06	893.52
Provisions	23	775.84	1,316.16
Other non-financial liabilities	24	754.02	689.79
		1,629.92	**2,899.47**
EQUITY			
Equity share capital	25	7,459.12	6,647.12
Other equity	26	1,53,165.71	1,42,458.11
		1,60,624.83	**1,49,105.23**
TOTAL LIABILITIES AND EQUITY		**7,37,540.50**	**7,87,451.42**

Statement of significant accounting policies and other explanatory notes. 1-3

This balance sheet referred to in our report of even date.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership Number: 094380

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

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 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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	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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Limited (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022.

(iv) a) The Board of Directors of the Company on June 22, 2020 approved fund raising by way of a Rights Issue and on July 30, 2020 approved issue of 1,99,82,667 equity shares of face value of INR 10 each (the ""Rights Equity Shares"") at a price of INR 60 per Rights Equity Share (including premium of INR 50 per Rights Equity Share), aggregating to INR 11,989.60 lakhs, in the ratio of 48 Rights Equity Shares for every 125 existing fully-paid shares held by the eligible equity shareholders as on the Record Date i.e. August 05, 2020. On September 01, 2020, the Company approved allotment of 1,99,82,283 Rights Equity shares of face-value INR 10 each to the eligible applicants. The Rights Equity Shares were allotted as partly paid-up for an amount of INR 15 per Rights Equity Share received on application (of which INR 2.50 was towards face value and INR 12.50 towards premium). 384 Rights Equity Shares issued by the Company are kept in abeyance pending regulatory/ other clearances.

b) On February 12, 2021, the Company called for the 1st call money of INR 30 per partly paid shares (""PPS"") [of which INR 5 is towards face value and INR 25 towards premium]. Till June 9, 2021, it received the due amount in respect of 1,99,27,917 Rights Equity shares aggregating to INR 5,978.38 lakhs. However, due to non-payment of the 1st call money, in accordance with the Articles of Association, the Company forfeited 54,366 Rights Equity shares of INR 10 each (INR 2.50 paid up) along with the amount paid thereon on June 9, 2021.

c) On July 06, 2021, the Company called for the final call money of INR 15 (of which INR 2.50 shall be towards face value and INR 12.50 towards premium) per Rights Equity Share on 1,99,27,917 Rights Equity shares of INR 10 each (INR 7.50 Paid up). Out of which, final call money amounting to INR 2,974.36 lakhs on 1,98,29,079 Rights Equity shares has been successfully received by the Company and same is converted into fully paid equity shares on September 02, 2021.

d) The Company has extended the Final call money period (from September 07, 2021 to September 21, 2021) in respect of 98,838 Rights Equity share for which Final call money was not received.

e) During the said extended period the Company has received final call money amounting to INR 11.22 lakhs on 74,808 Rights Equity share and converted the same into fully paid shares on October 05, 2021 and forfeited 24,030 Rights Equity Share due to non -receipt of Final Call Money in accordance with the Articles of Association of the Company.

f) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the Offer document.

G Rights, preferences and restrictions

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

H Details of shareholder holding more than 5% share capital:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	2,54,77,128	33.96%	2,54,77,128	35.37%
Nordic Microfinance Initiative Fund III KS	46,63,136	6.22%	46,63,136	6.47%

I Aggregate number of shares issued for consideration other than cash during the last five years

i) On August 30, 2016, the Company has allotted 1,087,456 equity shares of INR 10 each at an issue price of INR 457.82 per share including premium of INR 447.82 per share on preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to swap of equity shares of the Company with the shareholders of Taraashna Financial Services Limited ("TFSL") with an intent to make it a subsidiary of the Company in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009. Accordingly, as per confirmation received from TFSL, 7,977,239 equity shares were transferred to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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%**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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 deducted 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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

53. IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic has continued to cause a disruption of the economic activities across the globe including India throughout the year. The Government of India announced a lockdown during the first quarter of the financial year to contain the spread of the virus and various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company's operations including lending and collection activities.

In assessing the impairment allowance for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the all the three waves of Covid, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

The Company has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Company has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Company is significantly dependent on uncertain future economic conditions.

i. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments, property plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including credit losses) could be different from that estimated by the Company.

ii. Expected credit loss (ECL) allowance on loan portfolio

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

During the year ended as at March 31, 2022, Company has restructured certain loans (both JLG and MSME) in accordance with board approved restructuring policy dated May 27, 2021 and RBI circular RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated May 05, 2021. Therefore the Company has considered these loans for significant increase in credit risk assessment, accordingly, the Company has made additional ECL on these restructured loans on account of SICR provisioning to the tune of ₹ 17,384.17 lakhs on said restructured loans. Considering the unique and widespread impact of COVID-19 pandemic, the Company has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors.

iii. Loss allowance for other receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	-

* These options are available for exercise till August 13, 2021

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30, 2019	1,05,050	20,950
May 30, 2020	96,850	-

* These options are available for exercise till August 13, 2021

i) The details of ESOS 2009 are summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	ESOS 2009		ESOS 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year*	-	-	-	-
Exercised during the year	-	-	-	-
Number of shares arising as a result of exercise of options	-	-	-	-
Expired/ lapsed during the year	-	-	-	-
Options shifted to new ESOS Scheme 2017	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable at grant date	-	420.75	-	420.75
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)	-	-	-	-

* Being ESOS 2009 doesn't exist as of March 31, 2021, the above reporting has been made for the options granted earlier.

ii) Weighted average exercise price of share (fair market value) during the year ended March 31, 2022: NA (March 31, 2021: NA).

iii) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year Granted during the year Forfeited during the year	79,300	At a discount/ premium on fair value	1,49,150	At a discount/ premium on fair value
Exercised during the year	-	160	-	160
Number of shares arising as a result of exercise of options	-	160	-	160
Expired/ lapsed during the year under ESOS Scheme, 2017	79,300	160	1,20,500	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	-	-	-	-
Outstanding options at the end of the year	-	-	2,69,500	-
Exercisable at the end of the year	-	-	79,300	160

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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 classifica-tion tion as per Ind AS 109	Gross Carry-ing Amount as per Ind AS	Loss Allow-ances (Pro-visions) as required under Ind AS 109	Net Carry-ing Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 pro-visions 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	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS 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
* 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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)	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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	-	-

	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)		-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

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%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

58. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	172.02	223.90
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

59. ADDITIONAL INFORMATION PURSUANT TO MINISTRY OF CORPORATE AFFAIRS NOTIFICATION DATED MARCH 24, 2021 WITH RESPECT TO AMENDMENTS IN SCHEDULE III OF COMPANIES ACT, 2013

(i) All the borrowings of the Company are used for the specific purpose for which it was taken.

(ii) There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iii) The Company is not a willful defaulter as declared by any bank or financial Institution or any other lender.

(iv) The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(v) There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754
Place : Gurugram

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Satin Creditcare Network Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Satin Creditcare Network Limited** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit & total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – COVID 19

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Auditor's Response
In respect of the Company	**Audit Procedures**
Use of information processing system for accounting and financial reporting The Company is operating in Financial Services Sector, where in due to large volume processing, accounting & reporting of financial information is reliant on information processing systems and IT backed internal controls. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the standalone financial	Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) performance of the following procedures: (i) tested the IT General Controls around user access management, system change management, and IT operational controls along with segregation of duties around program maintenance, security administration

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matter	Auditor's Response
statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	and over key financial accounting and reporting processes; (ii) tested the design and operating effectiveness of the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and (iii) tested the automated controls like interfaces and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items. (iv) In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting (c) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.
Impairment of Financial Assets as at Balance Sheet date (Expected Credit losses on loans) and implementation of COVID-19 relief measures **[Refer Note No. 3(k) for the accounting policy and Note No. 43 for the related disclosures of standalone financials of the company]** As at March 31, 2022, the Company has financial assets (loans) amounting to INR 4,89,739.76 lakh including loans which are carried at fair value through other comprehensive income amounting to INR 3,88,533.16 lakh. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. ECL is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models with the help of experts appointment by the management and other historical data.	**Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures: a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls; b) read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to guidelines issued by Reserve Bank of India and relief announced by the State Govt. of Assam c) obtained an understanding of the model adopted by the Company including key inputs, assumptions and management overlays for calculation of expected credit losses including the impact of COVID 19 on the assumptions and how management calculated the expected credit losses and the appropriateness of data on which the calculation is based; d) obtained the reports of the expert appointed by the management and assessed the expert's professional competence, independence and objectivity in developing the ECL model; e) obtained the policy on Restructuring of loan under resolution framework duly approved by the Board of Directors pursuant to the RBI circulars and ensured such policy is in compliant with the requirements of the RBI circular; f) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS considering the impact of COVID-19 on account of benefit extended by the Company to select borrowers and the basis for classification of various exposures into various stages;

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matter	Auditor's Response
COVID-19 In continuation of various relief measures announced by RBI in earlier years for the borrowers, during the year, the company has implemented the RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated April 7, 2021 besides considering the Relief package announced by State Govt. of Assam and have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment. The basis of estimates and assumptions involved in arriving at the provisions during the year were monitored by the Company periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI or by any State/Centre Govt. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. We also draw attention to Note No. 53 of the accompanying consolidated financial statements, regarding uncertainties involved due to outbreak of COVID-19 pandemic with respect to the measurement of expected credit loss on such loan assets which are significantly dependent on uncertain future developments as the same is fundamental to the understanding of the users of financial statements.	g) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages h) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; i) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; j) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; k) tested the arithmetical calculation of the expected credit losses; l) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Ind AS and related RBI circulars and Resolution Framework; and m) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of INR 58,219.95 lakhs as at March 31, 2022, total revenues of INR 13,534.32 Lakhs and cash outflow (net) amounting to INR 298.57 lakhs, Net Profit after Tax of INR (1,712.08) lakhs and total Comprehensive Income of INR (1,705.66) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries based solely on the reports of the other auditors.

Our opinion on the consolidated Ind-As financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
   e. On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in

India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend declared and paid on Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares by the Company during the year and until the date of this report is in compliance with Section 123 of the Act (Refer Note No. 36 to the consolidated financial statements).

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and further to the comments in "Annexure A" to Independent Auditor's Report on Standalone Financial Statements issued by us and auditors of its subsidiaries included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 22094380ALPJOP4855
Place : New Delhi
Date : May 4, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Satin Creditcare Network Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Satin Creditcare Network Limited** (hereinafter referred to as the “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal control with reference to financial statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal control with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the financial statements, including

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to the financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm’s Registration No. 000756N

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 22094380ALPJOP4855
Place : New Delhi
Date : May 4, 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,09,126.48	1,16,403.35
Other bank balances	5	91,067.88	79,429.19
Derivative financial instruments	6	1,192.75	34.13
Trade receivables	7	276.08	1,945.52
Loans	8	5,30,842.27	5,81,115.60
Investments	9	4,856.62	58.06
Other financial assets	10	2,902.89	3,989.48
		7,40,264.97	**7,82,975.33**
Non-financial Assets			
Current tax assets (net)	11	526.10	-
Deferred tax assets (net)	12	8,253.66	5,218.78
Investment Property	13	698.26	693.73
Property, plant and equipment	14	8,282.18	8,751.71
Capital work-in-progress	14	17.89	364.96
Goodwill		3,370.66	3,370.66
Other intangible assets	15	230.40	310.91
Other non-financial assets	16	3,882.94	2,784.99
		25,262.09	**21,495.74**
TOTAL ASSETS		**7,65,527.06**	**8,04,471.07**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		10.42	10.84
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,268.06	1,130.83
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		172.02	223.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,520.19	1,998.00
Debt securities	19	1,19,241.39	1,71,003.09
Borrowings (other than debt securities)	20	4,08,079.96	3,94,702.04
Subordinated liabilities	21	47,030.53	52,407.85
Other financial liabilities	22	28,001.28	31,776.33
		6,05,323.85	**6,53,252.88**
Non-financial Liabilities			
Current tax liabilities (net)	23	-	87.90
Provisions	24	982.33	1,642.85
Other non-financial liabilities	25	1,035.54	870.98
		2,017.87	**2,601.73**
EQUITY			
Equity share capital	26	7,459.12	6,647.12
Other equity	27	1,50,726.22	1,41,969.34
		1,58,185.34	**1,48,616.46**
TOTAL LIABILITIES AND EQUITY		**7,65,527.06**	**8,04,471.07**

Statement of significant accounting policies and other explanatory notes. 1-3

This consolidated Balance Sheet referred to in our report of even date.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N

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 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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2022

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2022

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2022

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.

NOTES TO THE CONSOLIDATED 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	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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

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

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
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

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
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
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 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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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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 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%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

Loans

The Group closely monitors the credit worthiness of the borrower's through internal systems and project appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client's household must be engaged in some form of economic activity which ensures regular and assured income
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the Group
- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Micro finance loans	1. Ageing of historical data	1. Recoverability assumptions for stage 3 loan assets
Micro, Small and Medium Enterprises loans	2. Latest available interest rate as discounting factor	2. Averaging of best case and worst case scenarios
Housing and other loans		

* The Parent Company has used forward looking information in form of real domestic demand, consumer price index, real GDP and agriculture growth rate for Micro finance loans and real domestic demand and consumer prices growth rate for Micro Small and Medium Enterprises loans and subsidiary Companies has used forward looking information in form of inflation rate for housing and other loans.

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

As at March 31, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,03,747.95	-	1,03,747.95
Bank balances other than cash and cash equivalents	91,067.88	-	91,067.88
Trade receivables	285.63	9.55	276.08
Security deposits	356.53	-	356.53
Other financial assets	2,550.50	4.14	2,546.36

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,11,398.64	-	1,11,398.64
Bank balances other than cash and cash equivalents	79,429.19	-	79,429.19
Trade receivables	1,945.52	-	1,945.52
Security deposits	406.30	-	406.30
Other financial assets	3,589.61	6.43	3,583.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

(viii) Maturity profile of defined benefit obligation (discounted)

year	As at March 31, 2022 Amount	As at March 31, 2021 Amount
0 to 1 year	431.91	540.52
1 to 2 year	191.80	296.01
2 to 3 year	143.54	197.08
3 to 4 year	105.93	130.51
4 to 5 year	79.23	83.42
5 to 6 year	113.21	54.06
6 year onwards	459.15	196.99
Total	**1,524.78**	**1,498.59**

49. RELATED PARTY DISCLOSURES

A List of related parties and disclosures

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation	Relatives
Mr Harvinder Pal Singh	Chairman cum Managing Director	Mr Satvinder Singh Mrs Anureet H P Singh Mrs Ashna Pruthi
Mr Jugal Kataria (w.e.f. January 13, 2020)	Group Controller	
Mr Krishan Gopal (W.e.f. January 13, 2020 to December 12, 2020)	Chief Financial Officer	
Mr Rakesh Sachdeva (W.e.f. December 13, 2020)	Chief Financial Officer	
Mr Adhish Swaroop (W.e.f. October 14, 2019 to May 11, 2021)"	Company Secretary and Compliance Officer	
Mr Vipul Sharma (W.e.f. May 12, 2021)	Company Secretary and Compliance Officer	
Mr Satvinder Singh	Non-Executive and Non-Independent Director	
Mr Rakesh Sachdeva (Till November 4, 2020)	Non-Executive and Independent Director	
Mr Sundeep Kumar Mehta	Non-Executive and Independent Director	
Mr Sanjay Kumar Bhatia	Non-Executive and Independent Director	
Mr Anil Kumar Kalra	Non-Executive and Independent Director	
Mr Arthur Sletteberg (Till May 30, 2020)	Nominee Director	
Mr Chrisitan Bernhard Ramm (W.e.f. May 30, 2020)	Nominee Director	
Mr Goh Colin	Non-Executive and Independent Director	
Mrs Sangeeta Khorana	Non-Executive and Independent Director	
Mr Rajeev Kakar (w.e.f. June 06, 2019 to April 30, 2020)	Nominee Director	
Mrs Ashna Pruthi (w.e.f. November 5, 2020 to January 6, 2021)	General Manager - Legal	
Taraashna Financial Services Limited		
Mr Abhay Thakkar (till April 10, 2020)	Chief Financial Officer	
Mr Rahul Garg (w.e.f. June 03, 2020)	Chief Financial Officer	
Mr Manoj Kumar Jasoria (w.e.f. October 25, 2019 till 31st January 2022)	Company secretary and Compliance officer	
Mr Partha Sengupta (w.e.f. October 14, 2019 till February 10, 2021)	Chief Executive Officer & Whole Time Director	
Partha Mukherjee (w.e.f. February 11, 2021)	Chief Executive Officer & Whole Time Director	
Satin Housing Finance Limited		
Mr Sachin Sharma	Chief Financial Officer	
Prince Kumar (w.e.f. April 1, 2019)	Company secretary and Compliance officer	
Mr Amit Sharma	Managing Director and Chief Executive Officer	
Satin Finserv Limited		
Mr Jitendra Jain (till May 31, 2021)	Chief Financial Officer	
Mr Arjun Bansal (w.e.f. June 15, 2021)	Chief Financial Officer	
Mrs Bhanu Priya (till March 30, 2021)	Company secretary and Compliance officer	
Mr Puneet Jolly (w.e.f. March 31, 2021)	Company secretary and Compliance officer	
Mr Sumit Mukherjee	Director & Chief Executive Officer	

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

Satin Neo Dimensions Private Limited

Niryas Food Products Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

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	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(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

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

(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.

SATIN CREDITCARE NETWORK LIMITED
CIN: L65991DL1990PLC041796
Regd. Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033
Corporate Office: Plot No. 492, Udyog Vihar, Phase – III,
Gurugram – 122016, Haryana, India
Phone: 0124-4715400; Website: www.satincreditcare.com
Email Id: secretarial@satincreditcare.com

NOTICE

NOTICE is hereby given that the Thirty-Second Annual General Meeting **("AGM")** of the Members of **Satin Creditcare Network Limited ("the Company")** will be held on Wednesday, August 10, 2022 at 11:00 A.M. (IST) through Video Conferencing (**"VC"**) / Other Audio Visual Means (**"OAVM"**), to transact the following businesses:

ORDINARY BUSINESS:

1. **Adoption of Financial Statements and the reports of Board of Directors and Auditors**

   To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors of the Company and the Auditors thereon.

2. **Re-Appointment of a Director**

   To appoint a Director in place of **Mr Satvinder Singh (DIN: 00332521**), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Issue of Non-Convertible Debentures (NCDs), in one or more series/tranches on private placement basis**

   To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT in supersession of the earlier special resolution passed at the 31st Annual General Meeting of the shareholders' of the Company held on August 11, 2021 and pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the enabling provision of the listing agreements entered into with the stock exchanges where the shares or other securities of the Company are listed, the Reserve Bank of India (**"RBI"**) Master Directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any statutory / regulatory authority, as may be applicable, the Memorandum and Articles of Association of the Company and subject to such consents, approvals, permissions and sanctions of the concerned statutory and regulatory authorities, if any and to the extent necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to create, offer, invite for subscription, issue and allot secured/ unsecured/subordinated/senior, rated/unrated, listed/ unlisted, perpetual or non-perpetual, redeemable (including marked linked debentures), cumulative or non-cumulative non-convertible debentures ("**NCDs**") by way of private placement, in 1 (one) or more series or tranches, from time to time, to any category of investors eligible to invest in the NCDs and the aggregate amount to be raised through the issuance of NCDs shall not collectively exceed an overall limit of upto INR 5,000,00,00,000/- (Indian Rupees Five Thousand Crore only) ("**Limit**") on such terms and conditions including the price, coupon, premium / discount, tenor etc., and at such times whether at par/premium/discount, as may be determined by the Board to such person or persons including one or more company(ies), bodies corporate, foreign portfolio investor(s), overseas fund(s), statutory corporation(s), commercial bank(s), domestic and multilateral lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), alternate investment fund(s), pension/provident fund(s), family office(s), and individual(s), as the case may be or such other person/persons/investors as the Board may so decide/approve in its absolute discretion, for a period of 1 (one) year or for such other period as permissible under applicable laws, from the date of approval of this resolution by the Members of the Company and the Limit shall be subject to the overall borrowing limits

NOTICE (Contd.)

of the Company, as approved by the Members of the Company from time to time under Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue of NCDs including but not limited to determining size, issue price, timing, tenure, interest rate, listing, if required, creation of security, utilization of the issue proceeds, appointment of debenture trustee(s), registrar and transfer agent, legal counsel and other agency(ies) and to do all necessary acts and things and to execute all deeds, documents, instruments, papers and writings as may be required and to settle all questions, difficulties or doubts that may arise in this regard in its sole and absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers conferred herein to any committee authorized by the Board, or any Director(s) or executive(s) /officer(s) of the Company."

By Order of the Board of Directors
For Satin Creditcare Network Limited

Vipul Sharma
Company Secretary &
Compliance Officer
ACS:27737

Place: Gurugram
Date: July 11, 2022

NOTES

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 ("**the Act**") in respect of the special business specified above is annexed hereto.

   Information pursuant to provisions of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR, 2015"**) for Item No. 2, is annexed as **Annexure-1** to this notice.

2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (**"MCA"**) has vide its General Circular no. 2/2022, dated May 5, 2022 read with General Circular nos. 20/2020, 02/2021, 19/2021 and 21/2021 dated May 5, 2020, January 13, 2021, December 8, 2021 and December 14, 2021, respectively, (collectively referred to as **"MCA Circulars"**) permitted the holding of the Annual General Meeting (**"AGM"**) through Video Conferencing (**"VC"**) or Other Audio Visual Means (**"OAVM"**), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 18 below.

3. Pursuant to the provisions of the Act a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars, through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this AGM Notice.

4. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting or e-Voting during the AGM. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address rajivbhatia251@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

5. The Company has fixed Wednesday, August 3, 2022 as the 'Cut-off date' for determining entitlement of Members who will be eligible to attend and vote at the AGM.

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

   a) **For shares held in electronic form:** to their Depository Participants **(DPs)**;

   b) **For shares held in physical form:** to the Company / Company's Registrar and Transfer Agent, Link Intime India Private Limited (**"RTA"**) in prescribed Form ISR-1 and other forms pursuant to Securities and Exchange Board of India **("SEBI")** Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters to the members about which folios are incomplete for furnishing the required details under aforesaid SEBI Circular. Members may also refer to Frequently Asked Questions ("FAQs") under *"Updation of KYC Details & Compulsory Issue of Shares in Dematerialized Form"* under Investor FAQ on Company's website https://satincreditcare.com/investor-relations-satin-creditcare/#Other.

7. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available under *"Updation of KYC Details & Compulsory Issue of Shares in Dematerialized Form"* under Investor FAQ on Company's website https://satincreditcare.com/investor-relations-satin-creditcare/#Other. It may be noted that any service request can be processed only after the folio is KYC Compliant.

8. As per Regulation 40 of SEBI LODR, 2015 as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019, further

pursuant to SEBI Notification dated January 24, 2022, transmission or transposition of securities shall be effected only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA for assistance in this regard. Members may also refer *"How to Dematerialized Shares"* under Investor FAQ on Company's website https://satincreditcare.com/investor-relations-satin-creditcare/#Other.

9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

10. As per the provisions of Section 72 of the Act and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://satincreditcare.com/investor-relations-satin-creditcare/#Other . Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

11. The Notice of the AGM along with Annual Report 2021-22 is being sent to all the Members of the Company, whose names appear on the Register of Members/record(s) of DPs as on Friday, the July 8, 2022. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

12. **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ADDRESSES:**

    In accordance with, MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 for "Relaxation from Compliance with Certain Provisions of the SEBI LODR, 2015 in relation to owing the difficulties involved in dispatching of physical copies of the financial statements (including Directors' Report, Auditor's report or other Statutory Reports). Accordingly, such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail addresses are registered with the Company or the DPs, unless any Member has requested for a physical copy of the same.

    Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.satincreditcare.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services (India) Limited **("CDSL")** https://www.evotingindia.com.

13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, certificate from the Secretarial Auditor of the Company certifying that the ESOP Schemes are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and all the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection at the Registered Office and Corporate Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. from the date of circulation of this Notice up to the date of this AGM.

14. Members holding Equity Shares as on cut-off date shall have 1 (one) vote per share as shown against their holding.

15. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your DPs.

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

17. The Board of Directors of the Company has appointed Mr Rajeev Bhatia, a Practicing Chartered Accountant (ICAI Membership No. 089018) of M/s Rajeev Bhatia & Associates, as Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner. Mr Bhatia has communicated his willingness to be appointed and will be available for same purpose.

NOTES (Contd.)

18. **CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

    1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI LODR, 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

    2. The Members can join the AGM in the VC/OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

    3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

    4. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

    5. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with the MCA Circulars.

    6. In continuation of General Circular No. 20/2020, dated May 5, 2020, General Circular No. 02/2021, dated January 13, 2021, General Circular No. 19/2021, dated December 8, 2021, General Circular No. 21/2021, dated December 14, 2021, MCA has decided to allow the companies whose AGMs are due in the Year 2022, to conduct their AGMs on or before December 31, 2022 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 date May 5, 2020 as per MCA circular no. 02/2022 dated May 5, 2022.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

(i) The remote e-voting period begins on Sunday, August 7, 2022 (10:00 A.M. IST) and ends on Tuesday, August 9, 2022 (5:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, August 3, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the AGM date would not be entitled to vote during the AGM.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, under Regulation 44 of SEBI LODR, 2015 listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

    Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

    In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/DPs.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile numbers and email Ids in their demat accounts in order to access e-Voting facility.

NOTES (Contd.)

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by companies. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

NOTES (Contd.)

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2) After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3) Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password options available at abovementioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID as per below:
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next, enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. ● If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

NOTES (Contd.)

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant **Satin Creditcare Network Limited** on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rajivbhatia251@gmail.com and secretarial@satincreditcare.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

NOTES (Contd.)

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@satincreditcare.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@satincreditcare.com. These queries will be replied by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and otherwise are not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Vote cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. **For Physical shareholders -** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@satincreditcare.com/ swapann@linkintime.co.in.
2. **For Demat shareholders** please update your email id & mobile no. with your respective DP
3. **For Individual Demat shareholders –** please update your email id & mobile no. with your respective DP which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.satincreditcare.com and on the website of CDSL www.evotingindia.com after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to the Stock Exchanges.

By Order of the Board of Directors
For Satin Creditcare Network Limited

Vipul Sharma
Company Secretary &
Compliance Officer
ACS:27737

Place: Gurugram
Date: July 11, 2022

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the Company is required to obtain the approval of its members by way of a special resolution, before making any offer or invitation for issuance of NCDs on a private placement basis. The said approval shall be the basis for the Board of Directors of the Company (**"Board"**) to determine the terms and conditions of any issuance of NCDs by the Company for a period of 1 (One) year from the date on which the members have provided the approval by way of the special resolution.

In order to augment resources for on-lending by the Company, repayment/refinance of existing debt, working capital requirement, purchase of assets, investments, general corporate purposes, and for any other purposes, the Company may invite subscription for secured / unsecured / subordinated / senior, rated / unrated, listed / unlisted, perpetual or non-perpetual, redeemable (including market linked debentures) cumulative or non-cumulative non-convertible debentures ("NCDs"), in one or more series / tranches on private placement basis. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of various factors including the interest rate / effective yield determined, based on market conditions prevailing at the time of the issue(s).

The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out herein below:

Particulars of the offer including date of passing Board Resolution	The third proviso to the Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 **("Prospectus and Allotment Rules")**, prescribes that where the proposed amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed under Section 180(1)(c) of the Companies Act, 2013, it shall be sufficient if the Company passes a previous special resolution only once in a year for all the offers or invitations for such NCDs during such year. In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs [whether secured/unsecured/subordinated/ senior, rated/unrated, listed/unlisted, perpetual or non-perpetual, redeemable (including market linked debentures) NCDs] shall be decided from time to time, within a period of one year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date of the relevant resolution of the Board of Directors of the Company **("Board")** shall be mentioned/disclosed in the private placement offer cum application letter for each offer/issue of the NCDs. The particulars of each offer shall be determined by the Board (including any committee duly authorized by the Board), from time to time.
Kinds of securities offered and the price at which the security is being offered	Non-convertible debt instruments/ NCDs. The non-convertible debt instruments / NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board (including any committee duly authorized by the Board) for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable, as the securities proposed to be issued (in a single issue or multiple issues/tranches) are non-convertible debt instruments/NCDs which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board (including any committee duly authorized by the Board), in discussions with the relevant investor(s).
Name and address of valuer who performed valuation	Not applicable as the securities proposed to be issued (in a single issue or multiple issues/ tranches) are non-convertible debt instruments / NCDs.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (Contd.)

Amount which the Company intends to raise by way of securities	The specific terms of each offer/issue of NCDs shall be decided from time to time, for a period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued during such period of 1 (one) year from the date of passing of the aforementioned special resolution shall not exceed in the aggregate, the limit specified in the resolution under Section 42 of the Companies Act, 2013 i.e. upto INR. 5,000 Crores (Indian Rupees Five Thousand Crore only) and shall be subject to the overall borrowing limits of the Company as approved by the members of the Company from time to time under Section 180(1)(c) of the Companies Act, 2013.
Material terms of raising of securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities	The material / specific terms of each offer/issue of NCDs and the other information being sought herein shall be decided by the Board (including any committee duly authorized by the Board) from time to time within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in the respective transaction documents executed in respect of each offer/issue.

Accordingly, consent of the members of the Company is sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board to issue such NCDs for a period of 1 (one) year on private placement basis up to INR 5,000 Crore (Indian Rupees Five Thousand Crore only) as stipulated above, in one or more series / tranches on private placement basis within subject to the overall borrowing limits of the Company, the overall borrowing limits of the Company, as approved by the members of the Company from time to time under Section 180(1)(c) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this Resolution.

The Board recommends the Special Resolution set out at Item No. 3 for the approval of Members.

By Order of the Board of Directors
For Satin Creditcare Network Limited

Vipul Sharma
Company Secretary &
Compliance Officer
ACS:27737

Place: Gurugram
Date: July 11, 2022

ANNEXURE-1 TO THE NOTICE

(Director seeking re-appointment at AGM pursuant to Regulation 36(3) of the Listing Regulations forming part of this Notice)

Name of the Director	**Mr Satvinder Singh**
DIN	00332521
Date of first Appointment on the Board of the Company	October 16, 1990
Age	56 Years
Qualification	Mr Singh has a post graduate diploma in Business Management from Institute of Management Technology, Ghaziabad
Brief Profile/ Nature of Expertise	Mr Singh hold extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for SCNL as Company Director. Associated with the SCNL since its inception in 1990, Mr Singh also acted as Managing Director between September 1995 and February 2011.
Terms and conditions of re-appointment	As per the resolution at item no. 2 of the Notice convening this meeting.
Remuneration last drawn	Nil
Names of other companies in which the person also holds the directorship as at March 31, 2022	I. Taco Consultants Private Limited II. Satin Neo Dimensions Private Limited III. Wisteria Holdings & Investments Private Limited
Names of companies in which the person also holds the membership of Committees of the Board as at March 31, 2022	**Membership**: 1. Satin Creditcare Network Limited – Audit Committee 2. Satin Creditcare Network Limited – Risk Committee 3. Satin Creditcare Network Limited – Working Committee
Shareholding in Satin Creditcare Network Limited	3,85,703 Equity Shares
Relationship between directors inter-se	Mr Satvinder Singh is brother of Mr Harvinder Pal Singh, Promoter, Chairman cum Managing Director of the Company and other than him he is not related with any Director or Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the Financial Year – 2021-22	10 out of 10 Meetings.

SATIN CREDITCARE
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