



Satin™  
Housing  
Finance Ltd.

THE ANSWER IS HOME

# ANNUAL REPORT 2019-20

“AIMING TO  
BUILD YOUR  
DREAM  
HOME  
TOGETHER”




# HOME IS NOT A PLACE, IT'S A FEELING.




We help you pioneer  
this feeling with ease and affordability.





We aim to promote a sound, healthy, viable and cost effective housing finance system to cater to rural and semi-urban segments of the population.



We aspire to create a benchmark for housing finance in rural India in terms of profitability for all the stakeholders.





## WIDE RANGE OF PRODUCTS WITH QUICK APPROVALS

### OUR PROCESS



WE VERIFY YOUR LOAN REQUEST



WE COLLECT YOUR DOCUMENTS



WE SANCTION  
THE LOAN

## OUR MISSION

To become India's top affordable housing finance company in the rural and semi-urban segment over the next 5 years, gaining repute for our efficiency, innovation and dedication to the three principles of organizational success – People, Process & Technology (PPT). To this endeavour, we will also embrace the latest technology for bolstering our financial prowess and adopt the most innovative Credit Solutions for Assessment and Disbursement.

## OUR VISION

To help every family find a home, by providing inclusive financial solutions to all sections of society, partnering and supporting them from the very start. We strive to earn the respect and admiration of clients, partners and employees alike, by ensuring that all professional relationships are built on trust and transparency and the company's culture reflects an atmosphere of growth, ownership and satisfaction.





**Satin Housing  
Finance Limited  
crossed AUM of  
₹100 cr**



*“During FY 2019-20, we have achieved several millstones and made significant strides in building SATIN of the future. SATIN crossed AUM of \$1 Billion serving 3.5 mn clients and all our subsidiaries business delivered its best growth. We are proud to share Satin Housing for excellent portfolio quality with NIL delinquency since inception. Satin Housing also got listed on wholesale Debt Market segment of the BSE Limited during the FY 2019-20”*

- **Mr. H.P Singh, CMD-SATIN**

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# Corporate Information

| BOARD OF DIRECTORS   | SECRETARIAL AUDITOR   |        |        |  |  |                           |  |
|--|---|--------|--------|--|--|---------------------------|--|
| Mr. Harvinder Pal Singh - Non-Executive Director<br>Mr. Sundeep Kumar Mehta- Independent Director<br>Mr. Anil Kumar Kalra - Independent Director<br>Mr. Amit Sharma – CEO & Whole Time Director  | <b>S. Behera &amp; Co.</b><br>Practicing Company Secretary,<br>S-1/3 & 4, 1st Floor, Near Uphaar Cinema,<br>Green Park Ext., New Delhi - 110 016  |        |        |  |  |                           |  |
| DETAILS OF COMMITTEES OF THE BOARD   | REGISTRAR & TRANSFER AGENTS   |        |        |  |  |                           |  |
| <b>Audit Committee</b><br>Mr. Harvinder Pal Singh<br>Mr. Sundeep Kumar Mehta<br>Mr. Anil Kumar Kalra<br><b>Nomination &amp; Remuneration Committee</b><br>Mr. Harvinder Pal Singh<br>Mr. Sundeep Kumar Mehta<br>Mr. Anil Kumar Kalra<br><b>Working Committee</b><br>Mr. Harvinder Pal Singh<br>Mr. Amit Sharma<br>Mr. Sachin Sharma                                    | <b>Link Intime India Private Limited</b><br>Address: C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West)<br>Mumbai, Maharashtra-400083<br>Tel: 022 - 4918 6270<br>Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a><br><b>Karvy Fintech Private Limited</b><br>Address: KFintech, Tower – B, Plot No 31 & 32, Selenuim Building, Financial District, Nanakramguda, Gachibowli, Hyderabad –32.<br>Tel:+91-040-67162222, +91- 040 – 79611000<br>Website: <a href="http://www.kfintech.com">www.kfintech.com</a> |        |        |  |  |                           |  |
| CHIEF FINANCIAL OFFICER  | DEBENTURE TRUSTEE   |        |        |  |  |                           |  |
| Mr. Sachin Sharma  | <b>Catalyst Trusteeship Limited</b><br>810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi –110001<br>Tel. No: +11 43029101<br>Fax: +91 22 4922 0505<br>Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>   |        |        |  |  |                           |  |
| COMPANY SECRETARY & COMPLIANCE OFFICER   |   |        |        |  |  |                           |  |
| Mr. Prince Kumar   |   |        |        |  |  |                           |  |
| INTERNAL AUDITOR   |   |        |        |  |  |                           |  |
| Mrs. Nilanjana Mukherjee   |   |        |        |  |  |                           |  |
| STATUTORY AUDITOR  | BANKS/ FINANCIAL INSTITUTIONS   |        |        |  |  |                           |  |
| <b>M/s Rajeev Bhatia &amp; Associates</b><br>Chartered Accountants<br>1406, RG Trade Tower, Netaji Subhash Place,<br>Pitampura, Delhi-110034   | <b>Bank : HDFC Bank Limited</b><br><b>Financial Institutions</b><br>National Housing Bank<br>Mas Rural Housing & Mortgage Finance Limited<br>Mas Financial Services Limited<br>Hinduja Housing Finance Limited<br>Sundaram BNP Paribas Home Finance Limited<br>Northern Arc Capital Limited<br>Vivriti Capital Private Limited<br>Satin Creditcare Network Limited  |        |        |  |  |                           |  |
| CONTACT DETAILS  | CREDIT RATINGS  |        |        |  |  |                           |  |
| <b>CIN:</b> U65929DL2017PLC316143<br><b>Registered Office:</b> 505, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033<br><b>Corporate Office:</b> 4th Floor, Plot No. - 98, Sector - 44, Gurugram -122003<br>Email: <a href="mailto:compliance@satinhousingfinance.com">compliance@satinhousingfinance.com</a><br>Tel. No.: 0124-4346200 | <table> <tr> <th>Nature</th><th>Rating</th></tr> <tr> <td>Subordinate Debt Issue/ Non-Convertible Debentures</td><td>CARE BBB; Stable [Triple B; Outlook: Stable]</td></tr> <tr> <td>Long term Bank borrowings</td><td>CARE BBB+ (CE); Stable [Triple B Plus (Credit Enhancement); Outlook: Stable]</td></tr> </table>  | Nature | Rating | Subordinate Debt Issue/ Non-Convertible Debentures | CARE BBB; Stable [Triple B; Outlook: Stable] | Long term Bank borrowings | CARE BBB+ (CE); Stable [Triple B Plus (Credit Enhancement); Outlook: Stable] |
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| Subordinate Debt Issue/ Non-Convertible Debentures   | CARE BBB; Stable [Triple B; Outlook: Stable]  |        |        |  |  |                           |  |
| Long term Bank borrowings  | CARE BBB+ (CE); Stable [Triple B Plus (Credit Enhancement); Outlook: Stable]  |        |        |  |  |                           |  |



## Message from CEO and Whole time Director



Mr. Amit Sharma, CEO & WTD

“

*Our aim is to promote a sound, healthy, viable and cost effective housing finance system to cater to rural and semi-urban segments of the population.*

*We aspire to create benchmark for housing finance in rural India in terms of profitability for all the stakeholders.*

”

### **Dear Shareholders,**

At the outset it's a privilege for me to present this opening note for SHFL. It gives an immense sense of happiness that the company is on a steady foundation and all set to move ahead steadily.

The Financial Year 2020 was a tough year. The impediment of COVID 19 was very challenging and toughest bringing one of its own kind of challenge in the Financial Industry world over, pushing the entire system at risk and halt. SHFL started its journey in the toughest times since inception. The Journey started when the Demonetization overhangs were looming, we had start up challenges, and moment we were trying to walk on our path and move ahead gradually the biggest fiasco of ILFS, and some large HFC hit the markets having deep impact on HFCs and NBFC and derailing the smooth rides of the sector and making the recovery paths more difficult for all of us.

In the back drop of all the above challenges still the Management has been able to steered through the company facing all these toughest time and confident that it will overcome this COVID 19 mayhem.

The Current year was the year of strengthening our base with lot of Good developments as a start up in second full year of operation. The company got the rating of CARE BBB+ (CE); Stable based on its performance and was also able to secure the NCD for Rs. 20 crores and got listed on the exchange. Further we increased the lenders count and top up by our existing lenders showed more confidence in our business strategy and execution. The Company as one of the few company which got NHB Refinance in its second year of full operations based on

performance.

I always believed in Quality over Quantity and building up the company slow and steady. The Company portfolio is very balanced and highly credit driven, the strategy has paid off well and our Portfolio have ZERO NPA. The portfolio is balanced between customer profile and geographies and have good balancing attributes in terms of all parameters of business.

The company is run on the principal of leadership, the Company has young, capable, experienced and dedicated manpower and various professionals support from in house and external sources with expertise in different areas leading the growth of Company towards better operational and financial position. All the employees are committed to the company and each one of them have a sense of ownership. The company is lead with the principal of leadership which believe in influencing rather than management based on authority and this approach really binds all our employees as one family with one mission.

The Loan Book Stood at AUM of Rs. 138.82 crores with overall loss of Rs. 94.53 lacs in the current financial year 2019-2020 as per the audited financial figures.

## Future Outlook

The basic theme of the corporates being survival rather than growth in the current time and this immediate ensuing financial year, SHFL has tried to balance both the goals of the survival and growth.

I feel Roti Kapda Makan are the basic needs of any person. HFC comes to cater to the 3rd aspect of the necessities of human life i.e. owning a house. I feel even after all the carnage which has happened the Corona is an event risk which has shaken the structure and delayed its growth but the structure is intact i.e. the housing loan demand space remains a strong arena with a strong inherent demand going forward. Corrected Home Prices, Affordable Housing being the mantra and the easy access to finance along with the minimum gaps in EMI amount vs rent amounts more ownership demand of homes will be there. Easing of pandemic situation, gradual flow of liquidity, younger population aspirational values, more transparency will bring the sweet spot back to HFC very soon.

In the back drop of above The AC period i.e. After Covid 19 period is going to be a year where in the manner of doing business will see tremendous challenges on all front and dynamic changes. In the wake of GDP growth and economies world over taking big hit the future is very uncertain, so predicting the business growth has become exceedingly difficult. SHFL has always believed in quality and will keep on focusing on the same. We will follow all the strict policies while lending the money and will try to retain the book and build new book with quality. Disbursals will start after very cautious assessment of the environment as the percolation effect of COVID 19 is already seen in the business and may be damaging going forward. Due to hard hitting of economy and middle and lowest end of the pyramid customers getting affected the most though the portfolio has performed exceedingly well in past but there may be challenges to maintain the same. There will be slippages so we have pro-actively provided for the same in our financial figures. Work from home,

tough lending and capital raising challenges will have to be managed and worked out on dynamic basis. This year is going to be toughest year but SHFL is all geared up on all fronts to take the challenges heads on and come up very strongly.

I express sincere gratitude to the National Housing Bank, Securities and Exchange Board of India, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's Lenders/Bankers for the ongoing support extended by them. I sincerely appreciate the continued support extended by the Company's stakeholders and trust reposed by them in me and my team. I also feel we are for the people and by the people be it our employees, management, or customers, I in specific, wishes to place on record my sincere appreciation and the contribution made by all the employees, good wishes and thanks to their families who stood by them and making them strong to stand by the Company together in all the thicks and thin. I sincerely respect the business and our customers and the Board of SHFL for the immense guidance and handholding.

SHFL is all set to start the new year with new beginning with full of challenges which bring opportunities.

**Thanking You,**

**With warm regards,**

**Amit Sharma**

**CEO & Whole Time Director**



# Impact of Covid-19

The SARS-CoV-2 virus responsible for Covid-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organisation. Numerous governments and companies, including our company have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian Govt. announced a strict 21 day lockdown which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the Covid-19 will impact the company's results will depend on future developments, which are highly uncertain, including among other things, any new information concerning the severity of the Covid-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandate or elected by the company.



## A. 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 loan receivables and other receivables, property plant, equipment and intangible assets. In developing the assumptions relating to the future uncertainties in the global economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the company. The impact of Covid-19 on the company's financial statements may differ from the estimated as at the date of approval of these financial statements.

## B. Impact of Covid-19 on loan receivables and 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. In accordance with the RBI guidelines relating to the Covid-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the company would be granting a moratorium of 3 months on the payment of all the instalments and / or interest, as applicable, falling due between March, 1 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e the number of days past-due shall exclude the moratorium period for the purpose of asset classification under the Income Recognition, Asset classification and Provisioning norms). The company hold provisions as at March 31, 2020 against the potential impact of Covid-19 based on the information available at this point of time. The provisions held by the company are in excess of the RBI prescribed norms.

## C. Impact of Covid-19 on Loss allowance for receivables and other receivables :

conditions. The company considered current and anticipated future economic conditions. In calculating expected credit loss on loan receivables and other receivables, the company has

also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effects from the pandemic relating to Covid-19.

## D. Impairment assessment of Property plant and equipment, Intangible assets :

The company is engaged primarily in providing affordable housing finance services in the northern India. Considering the nature of the business, the company does not have major PP&E assets. As at March 31, 2020, 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.

## E. Credit risk on cash and cash equivalents :

This is limited as the company generally invests in deposits with banks. Company also invests in mutual funds and reviews the portfolio on regular basis. Mutual funds with high quality portfolio are preferred. Company has considered the latest available credit ratings in view of Covid-19 as at the date of approval of the financial statements.

## F. Contingencies :

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



# About the Company

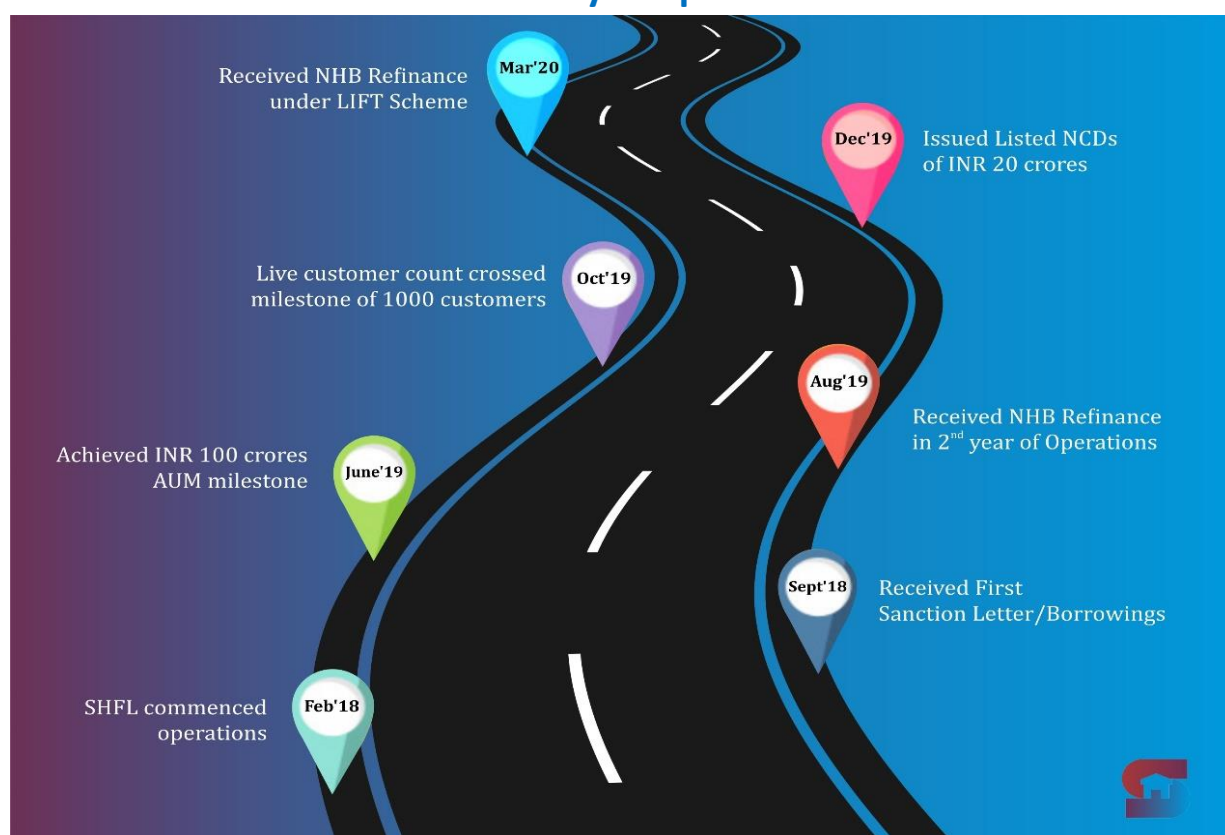
SHFL, a professionally managed housing finance company registered with the National Housing Bank (NHB), is a wholly owned subsidiary of SCNL. It is engaged in providing long-term finance for purchase, construction, extension and repair of houses for the retail segment, along with loans against residential property. Its innovative and flexible competitively priced loan products are aligned to the unique needs of customers.

Incorporated in April 2017 and operational since February 2018, SHFL caters mainly to customers

belonging to the Middle and Low Income Groups in peripherals of urban India, semi urban and rural India. Headquartered in Gurugram (Haryana), SHFL has its registered office in Azadpur (Delhi), with branches in Uttar Pradesh, Rajasthan, Haryana and Delhi.

Use of contemporary technology and digitization to continuously improve customer delivery is central to SHFL's execution methodology. SHFL is implementing a state-of-the-art software and building an excellent technological framework for enabling a paperless environment.

## Journey Snapshot



During the Financial Year 2019-20, SHFL got listed over wholesale Debt Market segment of the BSE Limited. SHFL has availed the refinance facilities from the NHB under the regular refinance scheme amounting INR 5 Cr and under LIFT2 refinance scheme amounting INR 10 Cr; apart from NHB other lenders too have shown faith on the Company and extended the liquidity support.



## KEY HIGHLIGHTS



No. of Customers : 1266



No. of Branches : 15



Borrowing : ₹ 98.85 cr



States of Operation : 4



Number of Employees : 216

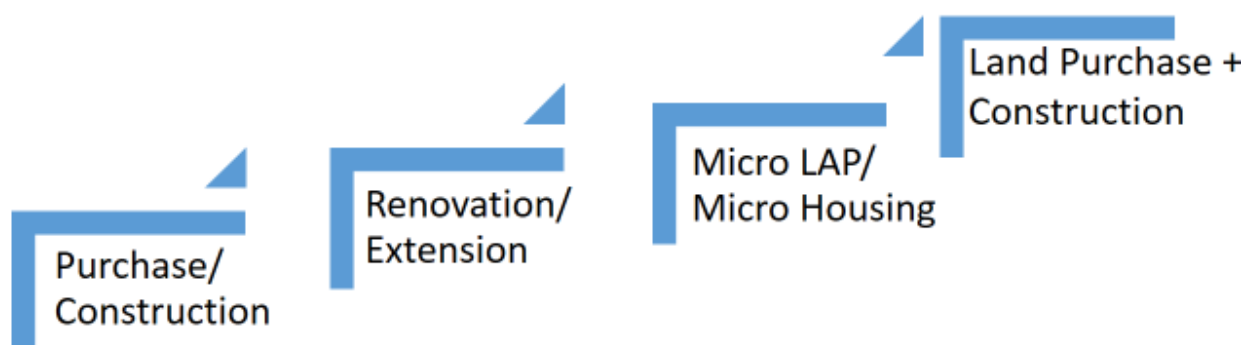


AUM : ₹ 138.82 cr @yield of 14.48%

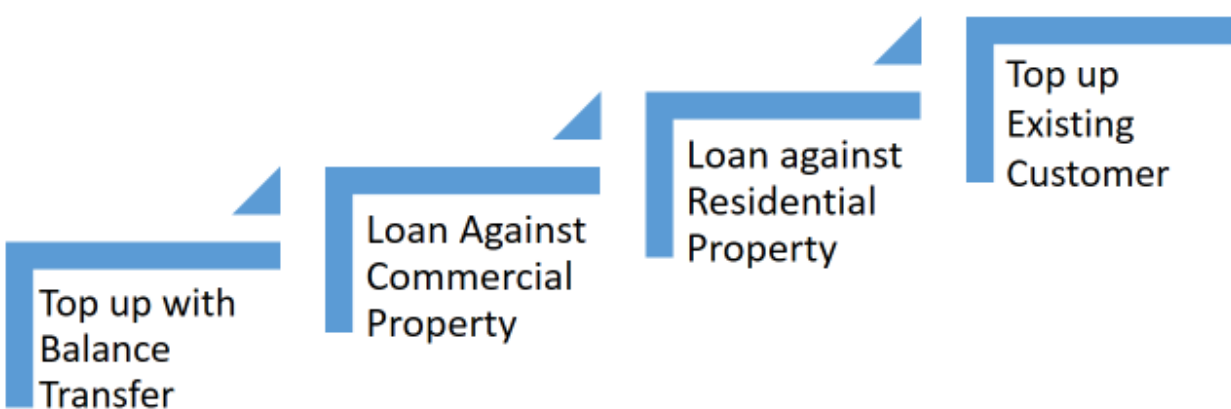
# Our Products



## Housing Products



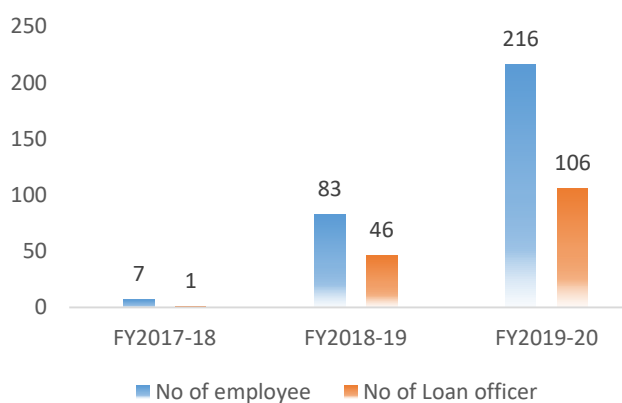
## Non-Housing Products



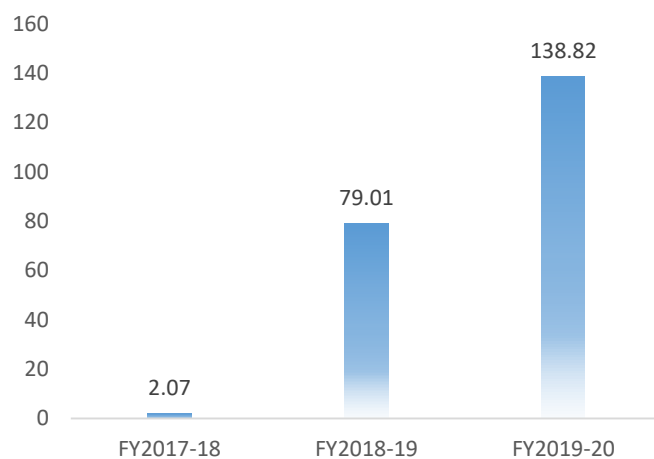


# GROWTH CONSISTENCY

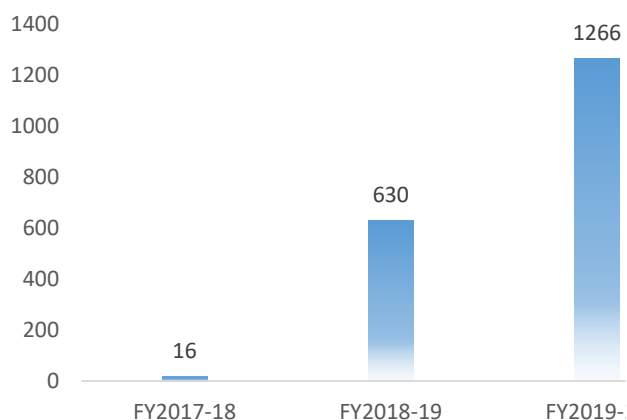
## NO. OF EMPLOYEES AND NO. OF LOAN OFFICERS



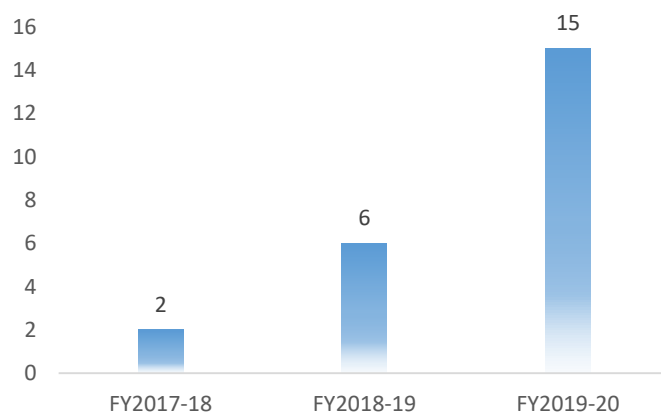
## AUM (IN CR)



## NO OF CUSTOMERS



## NO OF BRANCHES



# The Board of Directors



**Mr H P Singh**  
Chairman and Managing Director

Mr. H P Singh is a law graduate and a fellow of The Institute of Chartered Accountants of India since 1984. He has over three decades of microfinance experience and pioneered the unique concept of daily collection of repayments of loans. Besides an expert in lending (especially microfinance) he has experience in the field of auditing, accounts, project financing, advisory services and company law matters. His financial engineering experience of almost three decades has helped the Company in operational strategy and efficiency. He is actively involved in SCNL's day-to-day operations and has been a vital source of inspiration since the Company's inception in 1990. Under his leadership, SCNL has grown into one of the leading microfinance institutions in India and continues to expand its operations.

He has participated in HBS Accion Program on Strategic Leadership for Microfinance in 2009 and leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011.



**Mr Amit Sharma**  
Whole time Director and CEO

Mr. Amit Sharma has over 19 years of rich experience in NBFCs and the Financial services sector into Domestic and International Markets & has held key positions in Large Corporate Houses. Prior to Satin Housing, Amit was the Chief Business Officer (CBO) for LAS & Agri Commodity Funding, Commercial Vehicle Finance in Karvy Financial Services Limited. Mr. Sharma has also worked with organization such as Religare Group, P.N.Vijay Financial Services, Abhipra Capital Ltd and the Association of National Exchange Members of India. He is a Qualified Company Secretary (CS) from ICSI, LLB from Delhi University, and has completed his B.Com (Hons.) from Delhi University. He also have DIFC (Dubai) Certification.



**Mr Anil Kumar Kalra**  
Independent Director

Mr. Anil Kumar Kalra has 31 years of experience in Banking and 5 years as CEO/ SVP in leading NBFC offering financial services in London and India and served in the area of Banking, Financial Services, Investment Banking and Infrastructure Financing. He served as Senior Vice President in a leading NBFC engaged in providing financial services including Asset financing, Debt Syndication, Corporate Advisory, Merchant Banking etc. to corporates besides support to sister companies in the Group focussed on Infrastructure Projects financing.

He was the Chief Executive Officer in Financial Services Company, London, UK. He has done 'Master in Business Administration' with specialisation in Finance from Faculty of Management Studies (FMS), Delhi University and B.Com (H) from Shree Ram College of Commerce, Delhi University.



**Mr Sundeep Kumar Mehta**  
Independent Director

Mr. Sundeep Kumar Mehta joined the Board of SCNL as Independent Director in 2013. He is a Science graduate from University of Rajasthan and also holds a Post graduate diploma in Business Administration from Annamalai University. Apart from these, he holds various other certificates, degrees and diplomas in the field of Cyber Law, History, Labour Laws, Auto Engg and Human resources.

He has over 14 years of experience. Prior to joining SCNL, He has served RKJ group, Escorts Ltd, Panacea Biotech Ltd, Bata India Ltd, and also Eicher Good Earth Ltd at various high capacities respectively.

# The Management Team



**Mr Sachin Sharma, Chief Finance Officer**

Mr. Sachin Sharma is a career Banker with 12 plus years of experience in Banking & Financial Services with ability to oscillate between micro & macro thinking. His strengths include delivery of decision matrices through Planning, Controlling, Taxation and Audits and institution of Financial Systems. He has demonstrated effective usage of Corporate Governance tools in proactively supporting Business and Treasury management. He carries rich experience for roll-out in start-up companies, in fund raising, managing treasury operations, accounts, internal control and statutory compliance.

He has held various critical and strategic roles at Deutsch Post-bank Home Finance Ltd, Habitat Housing and ART Affordable Housing at various Functional & Senior levels. Mr. Sharma is a MBA Finance and LLB by qualification.



**Mr Prince Kumar, Company Secretary and Compliance Officer**

Mr. Prince Kumar is an Associate Member of the Institute of Company Secretaries of India and has done MBA in Finance from IMT and graduation in commerce with major in "Corporate Affairs and Administration" from IGNOU. Compliance of laws and regulations applicable to Housing Finance Companies are his forte.

Before joining Satin Housing Finance Limited, he worked with Prosper Housing Finance Limited and Pacific Development Corporation Limited. He has also served as Professional Director in M/s Applied Mobile Labs Private Limited. He has served as a member of Young Members' Committee and Chapter Development Committee established by the Institute of Company Secretaries of India (ICSI) and member of editorial board of Student's E-bulletin published by NIRC of ICSI.





# DIRECTORS' REPORT



## Directors' Report to the Members

Your Directors have pleasure in presenting the 3<sup>rd</sup> Directors' Report along with the Audited Financial Statements for the year ending 31<sup>st</sup> day of March, 2020.

### 1. COMPANY INCORPORATION & NATIONAL HOUSING BANK REGISTRATION

Your Company was incorporated on 17 April, 2017 under the Companies Act, 2013 as Public Limited Company. Your Company got the Certificate of Registration (COR) from National Housing Bank (NHB) on 14 November, 2017 to commence its housing finance business operations.

### 2. OBJECTIVE

- With financially sound promoters, visionary leadership and a highly experienced team of home loan professionals, your company will provide clients with home loans to fulfill their dreams of owning an affordable dwelling unit. Your Company strongly holds that the dream of home ownership should be all inclusive & believe in following the principal of highest transparency in business.
- Your Company is a professionally managed Housing Finance Company (HFC) engaged into the business of providing long-term housing loans to customers to the Middle and Low Income Groups in peripherals of urban India, semi-urban and rural India. Your Company will also offer Loan Against Property (i.e. LAP) to the middle and lowest end of the pyramid income customer.
- Your Company during the reporting year has availed the refinance facilities from the NHB under the regular refinance scheme amounting INR 5 Cr and under LIFT2 refinance scheme amounting INR 10 Cr; apart from NHB other lenders too have shown faith on your Company and extended the liquidity support.

### 3. REGISTERED & CORPORATE OFFICE

Your Company is having its Registered Office at 505, 5<sup>th</sup> Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033 and Corporate Office at Forth Floor, Building No.98, Sector-44, Gurugram-122003, Haryana.

### 4. BRANCH OFFICES

Your Company has opened 13 branches among them 10 branches during the Financial Year 2019-20 viz; Kanpur, Lucknow, Ajmer, Rohtak, Hapur, Mathura, Sikar, Karnal, Bilwara and Jodhpur. All the branches opened has become fully operation at the end of the financial year.

The Company have closed one branch viz Dwarka Branch during the financial year 2019-20.

### 5. FINANCIAL HIGHLIGHTS

Highlights of financial statement is as under:

| Particulars                          | For the Year from 01 April, 2019 to 31 March 2020 | For the period from 01 April, 2018 to 31 March, 2019 |
|--------------------------------------|---|--|
|                                      | (Amount in Rs.)                                   | (Amount in Rs.)                                      |
| Income from Operations               | 187,342,689                                       | 5,49,31,185  |
| Other Income                         | 22,577,716  | 1,57,77,248  |
| Total Income                         | 209,920,405                                       | 7,07,08,433  |
| Less: Expenses                       | 222,313,534                                       | 8,59,27,694  |
| <b>Profit / (Loss) before tax</b>    | (12,393,129)                                      | -1,52,19,261   |
| Add/ (Less): Deferred Tax            | (2,940,059)                                       | -28,83,182   |
| <b>Net Profit / (Loss) after Tax</b> | (9,453,070)                                       | -1,23,36,079   |
| Other Comprehensive Income           | 282,282   | 13,617   |
| <b>Total Comprehensive Income</b>    | (9,170,788)                                       | -1,23,22,462   |
| Earnings per share (Basic)           | -0.13   | -0.41  |
| Earnings per Share(Diluted)          | -0.13   | -0.41  |

## 6. OPERATING AND FINANCIAL PERFORMANCE

- Your Company's net worth stood at Rs. 77.10 crores for the year ended March 31, 2020. As on that date regulatory Capital to Risk Assets Ratio (CRAR) was 125.89% which is well above the regulatory requirement of 13%.
- Your Company's Total Income during the year ended March 31, 2020 is

Rs.20.99 crores as compared to previous period ended March 31, 2019 is Rs.7.07 crores a growth of 197% and net loss after tax during the year ended March 31, 2020 is Rs.0.95 crores as compared to previous period ended March 31, 2019 Rs.1.23 crores reducing the loss by 23%.

## 7. DISBURSEMENT & AUM

This was very tough year with large HFC companies facing liquidity issues and collapse of some large HFC lead to lot of lending risk. With the Covid 19 hitting us badly in the quarter wherein the maximum disbursement happens, your company took very cautious approach in disbursements and was proactive in slowing down the business. Due to these factors our AUM on March 31, 2019 was Rs.79.01 crores and Rs.138.82 crores on March 31, 2020, a growth of 76%. Your Company has been credit driven organisation and is very cautious in Sanctions & Disbursements of Loans, we followed the principal of quality over quantity so, the overall numbers of Sanctions and Disbursement were flat. Your company achieved a Gross Turnover of Rs.20.99 crore as against the Gross Turnover of Rs.7.07 crores for the last year a growth of 197%.

## 8. ASSET QUALITY

Your company since inception is a very conservative company. We have put lot of emphasize on the credit quality and customer selections. Your company is a credit driven organization viz-a-viz number driven organization. During the year under review, your Company has "No" Non-Performing Assets (NPA). Existing customers are regular in paying their EMI. The company has a very good portfolio mix of Salaried and SENP Customers and have followed the fundamental theme of making it a pure housing finance company wherein our Portfolio is having 88% Home Loans. Being conservative and always being fully getting prepared for future plannings keeping in view the COVID 19 effect, your company has made provision of 0.40% on Standard Assets as per the NHB guidelines. Apart from that additional provision of 0.64 % is made in ECL taking the total provision 1.04% on the total portfolio.

## 9. CHANGE IN NATURE OF BUSINESS

During the year under review, there is no change in the nature of business of the Company.

## 10. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

## 11. PARTICULARS OF LOAN, INVESTMENT, GUARANTEE

- Since your Company is a Housing Finance Company, the disclosures regarding particulars of the Loans given, guarantees given and investments provided is exempt under section 186 (11) of the Companies Act, 2013.
- Moreover, your Company has not made any investments or granted any loans or

guarantees covered under Section 186 of the Act 2013.

- Your Company has taken Corporate Guarantee from its Holding Company i.e. Satin Creditcare Network Limited in favor of National Housing Bank against the refinance facility availed from the NHB of INR 5 Cr during the reporting period.



## 12. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company had no subsidiary, joint venture and Associate Company at any time during the year ended 31 March, 2020.

## 13. BOARD MEETINGS

Your Company's Board duly met during the year ended 31 March, 2020. During the year, eight board meetings were held on 02 May, 2019, 13 June, 2019, 30 July, 2019, 31 August, 2019, 25 October, 2019, 18 November, 2019, 29 January, 2020 and 20 March, 2020. Attendance of Directors who attended Board Meetings held during the year under review are as follows:

| Name                    | Nature of Directorship                        | Attendance |
|-------------------------|---|------------|
| Mr. Harvinder Pal Singh | Professional & Non-Executive Director         | 8          |
| Mr. Anil Kumar Kalra    | Independent Director                          | 7          |
| Mr. Sundeep Kumar Mehta | Independent Director                          | 8          |
| Mr. Amit Sharma         | Chief Executive Officer & Whole Time Director | 7          |

## 14. CONSTITUTION OF BOARD COMMITTEES

Below-mentioned Committees were constituted:

- a) **Working Committee:** This Committee was constituted on February 7, 2018. Board in its meeting dated October 25, 2019 has merged the Working Committee and Management Committee and the Working Committee has been reconstituted comprising of below-mentioned members as on 31.03.2020:

| Name of Member          | Nature                    |
|-------------------------|---------------------------|
| Mr. Harvinder Pal Singh | Non-Executive Director    |
| Mr. Amit Sharma         | CEO & Whole Time Director |
| Mr. Sachin Sharma       | Chief Financial Officer   |

### Functions/Terms of Reference:

- (i) Accepting Loan from various Banks/Financial Institutions/entity both domestic and foreign; Transaction related to securitization/assignment and External Commercial Borrowings/issuance of Non-Convertible Debentures and through any other way as stipulated and permissible under laws.
- (ii) Raising of funds through issuance of Commercial Papers (within overall borrowing limit as approved by members of the Company from time to time in terms of section 180(1)(a) and 180(1)(c) of the Companies Act, 2013).
- (iii) To invest the funds of the Company to the extent permissible under applicable laws.
- (iv) To open/apply for placing fixed deposit with any Bank/financial institutions/Non-Banking Financial Companies, to the extent permissible under applicable laws.
- (v) To grant loans or give guarantee or provide security in respect of loans to the extent permissible under applicable laws.
- (vi) To open Demat/Trading account with any depository participant(s) and to do all necessary needful in this regard.
- (vii) Pledge, Mortgage and/or Charge in all or any part of the movable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever;
- (viii) Allotment of Securities to the extent permissible under the Companies Act, 2013 and other applicable laws;
- (ix) Affixation of common seal in terms of Articles of Association of the Company, wherever required to facilitate transactions;

- (x) Opening of Current Accounts at different places in India;
- (xi) Any changes in authorised signatories who operate such accounts;
- (xii) Apply for Net Banking and consequent changes in their authority to operate;
- (xiii) Any closure of existing Current Account of the Company;
- (xiv) Any other matter relating to the operations of various bank accounts and other general purposes of the Company.
- (xv) Adoption /Implementation of Company's Policies, Business / Operations / Administrative / Compliance requirements to run the business smoothly on day to day basis.

- b) Asset Liability Committee (ALCO):** This Committee was re-constituted on November 12, 2018 comprising below mentioned members as on 31.03.2020:

| Name of Member      | Nature                    |
|---------------------|---------------------------|
| Mr. Amit Sharma     | CEO & Whole Time Director |
| Mr. Sachin Sharma   | Chief Financial Officer   |
| Mr. Gaurav Bhardwaj | AVP- Accounts             |

**Functions/Terms of Reference:**

- (i) Monitor prevailing interest rates offered by other peer HFCs for similar services/ product, etc. and benchmarking its services/ products within Company's objectives.
- (ii) Monitoring the risk levels of the Company.
- (iii) Monitor the adherence to prudential tolerance limits set by the Board.
- (iv) Articulate the current interest rate view of the Company and base its decisions for future business strategy on this.
- (v) Develop a view on future direction of interest rate movements and decide on funding mixes between fixed vs. floating rate funds, wholesale vs. retail funds, money market vs. capital market funding, domestic vs foreign currency funding, etc.
- (vi) Acting proactively to develop alternative courses of action, and prioritize them based on cost/benefit relationships, long-term effectiveness.

The overall functions of the Committee is to manage the Company's assets and liabilities and to achieve performance consistent with the Company's liquidity, capital adequacy, growth, and risk and profitability goals. The ALCO is also responsible for managing interest rate risk, liquidity and the investment portfolio.

- c) Nomination & Remuneration Committee:** This Committee was constituted on May 02, 2019 comprising of below mentioned members as on 31.03.2020:

| Name of Member          | Nature                 |
|-------------------------|------------------------|
| Mr. Harvinder Pal Singh | Non-Executive Director |
| Mr. Sundeep Kumar Mehta | Independent Director   |
| Mr. Anil Kumar Kalra    | Independent Director   |

**Functions/Terms of Reference:**

- (i) 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;
- (ii) 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;
- (iii) The Committee, while formulating the policy under above-said clause (ii), ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
- (iv) Other role and responsibilities prescribed under various applicable laws from time to time.

Pursuant to the requirement of subsection (4) of Section 178 of the Companies Act, 2013, the Company has formulated Policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) & Senior Management and other employees. In line with the requirements of the Act, the said Policy is also available on the Company's website at <https://satinhousingfinance.com/wp-content/uploads/2020/05/Policy-on-Nomination-Remuneration-V1.0.pdf>

- d) Audit Committee:** This Committee was constituted on May 02, 2019 comprising of below mentioned members as on 31.03.2020:

| Name of Member          | Nature                 |
|-------------------------|------------------------|
| Mr. Harvinder Pal Singh | Non-Executive Director |
| Mr. Sundeep Kumar Mehta | Independent Director   |
| Mr. Anil Kumar Kalra    | Independent Director   |

**Functions/Terms of Reference:**

- (i) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.
- (viii) Other roles and responsibilities as prescribed under various applicable laws from time to time.

**e) Risk Management Committee:**

This Committee was constituted on May 02, 2019 comprising of below mentioned member as on 31.03.2020:

| Name of Member    | Nature                    |
|-------------------|---------------------------|
| Mr. Amit Sharma   | CEO & Whole Time Director |
| Mr. Sachin Sharma | Chief Financial Officer   |
| Mr. Sharad Mittal | VP- Credit & Risk         |
| Mr. Deepak Kumar  | DGM- Operations           |

**Functions/Terms of Reference:** To manage the integrated risk and the scope as prescribed by the Company through its Board approved Risk Management Policy and other roles and responsibilities as prescribed under various applicable laws from time to time.

- f) Grievance Redressal Committee:** This Committee was constituted on May 02, 2019 comprising of below mentioned member as on 31.03.2020:



| Name of Member       | Nature                           |
|----------------------|----------------------------------|
| Mr. Amit Sharma      | CEO & Whole Time Director        |
| Mr. Sachin Sharma    | Chief Financial Officer          |
| Mrs. Noopur Bhardwaj | Manager-HR                       |
| Mrs. Komal Sharma    | Deputy Manager- Customer Service |

**Functions/Terms of Reference:** To manage and address the Grievance of various stakeholders of the company and the scope as prescribed by the Company through its Board approved Grievance Redressal Mechanism and other roles and responsibilities as prescribed under various applicable laws from time to time.

**g) IT Strategy Committee:** This Committee was constituted on May 02, 2019 comprising of below mentioned member as on 31.03.2020:

| Name of Member       | Nature                    |
|----------------------|---------------------------|
| Mr. Anil Kumar Kalra | Independent Director      |
| Mr. Amit Sharma      | CEO & Whole Time Director |
| Mr. Sachin Sharma    | Chief Financial Officer   |
| Mr. Sushil Menon     | Member from SCNL          |
| Mr. Deepak Kumar     | DGM-Operations            |
| Mr. Manish Verma     | Assistant Manager-IT      |

**Functions/Terms of Reference:**

- (i) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- (ii) Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- (iii) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- (iv) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- (v) Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls.
- (vi) Other roles and responsibilities as prescribed under various applicable laws from time to time.
- (vii) Ensuring Compliance of the IT Framework of the Company

**h) IT Steering Committee:** This Committee was constituted on November 18, 2019 comprising of below mentioned member as on 31.03.2020:

| Name of Member           | Nature                  |
|--------------------------|-------------------------|
| Mr. Sachin Sharma        | Chief Financial Officer |
| Mrs. Nilanjana Mukherjee | Internal Auditor        |
| Mr. Manish Verma         | Assistant Manager-IT    |
| Mr. Ashok Rawat          | Member from SCNL        |

**Functions/Terms of Reference:** To focus on priority setting, resource allocation and project tracking and other function or work as assigned by the IT Strategy Committee of the Company.

## 15. DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Harvinder Pal Singh (DIN: 0 0333754), Director of the Company is liable to retire by rotation and being eligible offers himself for reappointment at this Annual General Meeting, your Board of Directors recommends his re-appointment as a Director liable to retire by rotation.

Mr. Anil Kumar Kalra (DIN: 07361739) and Mr. Sundeep Kumar Mehta (DIN: 00840544), had been designated as Independent Director w.e.f. May 02, 2019.

Mr. Prince Kumar had been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 01.04.2019 by the Board in its meeting dated March 29, 2019.

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Companies Act, 2013 ("Act") with an appropriate combination of Non-Executive and Independent Directors (including woman director) who bring in a wide range of skills and experience to the Board.

The Board consist of following members as on March 31, 2020:

| S.No. | Name of Director        | Designation               |
|-------|-------------------------|---------------------------|
| 1.    | Mr. Amit Sharma         | CEO & Whole Time Director |
| 2.    | Mr. Harvinder Pal Singh | Non-Executive Director    |
| 3.    | Mr. Sundeep Kumar Mehta | Independent Director      |
| 4.    | Mr. Anil Kumar Kalra    | Independent Director      |

As on March 31, 2020, the Company has the following Key Managerial Personnel:

| S.No. | Name of Director  | Designation             |
|-------|-------------------|-------------------------|
| 1.    | Mr. Amit Sharma   | Chief Executive Officer |
| 2.    | Mr. Sachin Sharma | Chief Financial Officer |
| 3.    | Mr. Prince Kumar  | Company Secretary       |

## 16. DEPOSITS

Your Company is registered with National Housing Bank as a non-deposit taking housing finance company. During the year under review, the Company has not accepted any deposits from the public and the Company has passed a resolution in the Financial Year for non-acceptance of Public Deposits.

## 17. CREDIT RATINGS

| Nature of Borrowings                               | Rating   |
|--|--|
| Subordinate Debt Issue/ Non-Convertible Debentures | CARE BBB; Stable [Triple B; Outlook: Stable]                                 |
| Long term Bank borrowings                          | CARE BBB+ (CE); Stable [Triple B Plus (Credit Enhancement); Outlook: Stable] |

## 18. DEBENTURES

During the year under review, the Company has raised INR 20 crore through Non-Convertible Debentures ("NCDs") on a private placement basis. As on March 31, 2020, the outstanding NCDs stood at R 20 crore.

The NCDs issued by the Company are listed on wholesale Debt Market segment of the BSE Limited.

Credit Rating assigned to the NCDs is mentioned above.

During the financial year under review, the interest on Non-Convertible Debentures issued on private placement basis were paid by the Company on their respective due dates and there were no instances of interest amount not claimed by the investors or not paid by the Company.

Your Company being Housing Finance Company (HFC), is exempted from the requirement of creating Debenture Redemption Reserve (DRR) on privately placed debentures. Therefore, no DRR has been created for the Debentures issued by your Company on private placement basis.

Disclosure under Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) directions, 2014:

(i) The total number of non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the Non-Convertible Debentures became due for redemption: Nil

(ii) The total amount in respect of such Debentures remaining unclaimed or unpaid beyond the date of such Debentures become due for redemption: Nil

## **19. DEBENTURE TRUSTEE**

The details of the Debenture trustees of the Company are as under:

### **Catalyst Trusteeship Limited**

Address: 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi –110001

Tel. No: +11 43029101

Fax: +91 22 4922 0505

Website: [www.catalysttrustee.com](http://www.catalysttrustee.com)

## **20. REGISTRAR & TRANSFER AGENTS**

The details of the Registrar & Transfer Agents are as under:

### **Link Intime India Private Limited**

Address: C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West)

Mumbai, Maharashtra-400083

Tel: 022 - 4918 6270

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### **Karvy Fintech Private Limited**

Address: KFinTech, Tower – B, Plot No 31 & 32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032.

Tel: +91- 040 – 67162222, +91- 040 – 79611000

Website: [www.kfintech.com](http://www.kfintech.com)

## **21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, there is no materially significant related party transaction with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interest of the Company at large. The necessary disclosures regarding the related party transactions are given in the notes to accounts.

In line with the requirements of the Act, the Company has formulated the RPT Policy which is also available on the Company's website at <https://satinhousingfinance.com/wp-content/uploads/2020/05/Related-Party-Transaction-Policy-SHFL.pdf>

Particulars of Contracts or Arrangements with related parties referred to in Section 188(1) is given in Form AOC- 2 as "Annexure – 1".

## **22. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act (as amended from time

to time), the Company has framed Vigil Mechanism / Whistle Blower Policy ("Policy") to enable directors and employees to report



genuine concerns or grievances, significant deviations from key management policies and reports any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior / conduct, etc.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to

time. None of the Directors or employees have been denied access to the Audit Committee of the Board.

The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

The Policy framed by the Company is in compliance with the requirements of the Act and same is available on the website of the Company at <https://satinhousingfinance.com/wp-content/uploads/2019/10/Vigil-Mechanism.pdf>

## **23. DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have submitted the declaration of independence, pursuant to provisions of the Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and are not disqualified from continuing as Independent Directors of the Company.

## **24. DIRECTORS RESPONSIBILITY STATEMENT**

The Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanations relating to material departure.
2. That Board has 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 at the end of financial year and of the profit and loss of the Company for that period.
3. That Board has taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. That Board has prepared the annual accounts on a going concern basis and;
5. That the Board had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **25. DIVIDEND**

As your Company had incurred losses during the year under review, your Directors do not recommend any dividend.

## **26. RESERVES**

During the year under review no amount is proposed to be carried to any reserve.

## **27. STATUTORY AUDITORS**

At the Company's 1<sup>st</sup> Annual General Meeting held on 30 June, 2018, M/s. Rajeev Bhatia & Associates, Chartered Accountants (ICAI Registration No. 021776N), Delhi, were appointed as Statutory Auditors of the Company for the term of five consecutive years up to the conclusion of Sixth Annual General Meeting of the Company. As per the provisions of Section 141 of the Companies Act, 2013, The Company has received a certificate from the above Auditors to the effect that that they are not disqualified from continuing as Auditors of the Company.

Further, pursuant to the provisions of the Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016, Partners of the Audit Firm need to be rotated at every three years. The rotated partner will be Mr. Rohit Kumar Gupta, Chartered Accountant bearing membership no. 410082 for the Financial Year 2020-21 and onwards and the Company has received consent from the rotated partner.

## **28. STATUTORY AUDITORS' REPORT**

Your Company has received audit report from M/s Rajeev Bhatia & Associates, Chartered Accountants and your Directors do not observe any adverse remark therein. The same forms part of the Annual Report of this financial year for your adoption.

## **29. INTERNAL AUDITOR**

Internal Audit for the year ended March 31, 2020 was done by Mrs. Nilanjana Mukherjee, Internal Auditor of the Company and Internal Audit report in accordance was placed before the Audit Committee.

## **30. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the Company had appointed M/s. S. Behera & Co., Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the FY 2019-20.

The Secretarial Audit Report is appended as "Annexure- 2" to this Annual Report.

There is no adverse remark, qualifications or reservation in the Secretarial Audit Report.

## **31. COMPLIANCE OF SECRETARIAL STANDARDS**

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## **32. EXTRACT OF ANNUAL RETURN AS REQUIRED AND PRESCRIBED UNDER SECTION 92(3) OF THE ACT AND RULES MADE THEREUNDER**

The extract of Annual Return in form MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as "Annexure- 3" to the Annual Report. The Annual Return will be uploaded on the website of the Company [www.satinhousingfinanc.com](http://www.satinhousingfinanc.com).

## **33. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Your Company has not developed and implemented any policy on Corporate Social Responsibility initiatives, as the provisions of section 135 of Companies Act, 2013 are not applicable.

## **34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The policy provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints.

There was no complaint received from any employee during the year ended 31 March 2020.

## **35. EMPLOYEES STOCK OPTION PLAN**

Your Company has not provided any Stock Option Scheme to the employees. However, Satin Creditcare Network Limited, its Holding Company, had granted options at an Exercise Price of Rs.160/- per option under Satin Employee Stock Option Scheme, 2017 to Mr. Amit Sharma, CEO & Whole Time Director and Mr. Sachin Sharma, Chief Financial Officer.

## **36. SHARE CAPITAL**

As on March 31,2020 the details the share capital of the Company is as below:

| Share Capital  | Amount in INR      |
|--|--------------------|
| <b>Authorised</b>  |                    |
| Authorised Capital   |                    |
| <b>Equity Share Capital</b>                                    |                    |
| 8,00,00,000 equity shares of Rs 10/- each Face Value           | 80,00,00,000       |
| <b>Preference Share Capital</b>                                | NIL                |
| <b>TOTAL</b>   | Rs. 80,00,00,000/- |
| <b>Issued, Subscribed and Paid-up Equity Capital</b>           |                    |
| 8,00,00,000 equity shares of Rs 10/- each Face Value           | 80,00,00,000       |
| <b>Paid up Equity Share Capital</b>                            | <b>Rs.</b>         |
| 8,00,00,000 equity shares of Rs 10/- each Face Value           | 80,00,00,000       |
| <b>Issued, Subscribed and Paid-up Preference Share Capital</b> | <b>NIL</b>         |
| <b>TOTAL</b>   | Rs. 80,00,00,000/- |

During the year under review, the Your Company had increased the authorized capital from INR 60 crores to INR 80 crores in the Annual General Meeting held on June 07, 2019 and made an allotment of 30 lakhs equity shares at face value of Rs.10/- per share to its Holding Company dated June 29, 2019 amounting INR 30 crores.

### Dematerialisation of Shares

The Ministry of Corporate Affairs vide notification dated September 10, 2018 has mandated every unlisted public company to issue the securities only in dematerialised form and facilitate dematerialisation of all its existing securities in accordance with provisions of the Depositories Act, 1996 and regulations made there under.

Accordingly, the Company has provided facility to dematerialize share held by the shareholders in physical form. As on March 31, 2020, out of the Company's total paid-up Equity Share Capital comprising of 8,00,00,000 Equity Shares, 7,99,99,994 shares are in demat form and remaining 6 shares are in physical form. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail the facility of dematerialization.

### 37. RISK MANAGEMENT POLICY

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are

systematically addressed through mitigating actions on a continuing basis.

In line with the above, your Company has adopted 'Assets and Liability Management Guidelines' and 'Risk Management Policy' covering risk management by the Company. Your Company had duly constituted Risk Management Committee and the risk management systems of the Company are adequate, comprehensive and provide risk mitigates. Your company also have very experienced specialist departmental heads taking care of their departments and mitigating risk.

### 38. PERFORMANCE EVALUATION

Pursuant to the provisions of section 134(3)(p) of the Act and Schedule IV of the Act, the Board has carried out the annual performance evaluation of the Board as a whole, various Committees of the Board and of the individual Directors. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.



Further, Section 178(2) requires that the Evaluation of each Director of the Board is to be done by the Nomination and Remuneration Committee (NRC) of the Board. NRC reviewed the performance of the Individual Directors on the basis of the criteria such as Transparency, Performance, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive & Non-Executive Directors.

The same was discussed in the Board Meeting, at which the performance of the Board, its Committee(s) and Individual Directors was also discussed.

### **39. NATIONAL HOUSING BANK GUIDELINES**

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010, as prescribed by NHB and has been in compliance with the various Circulars, Notifications and Guidelines issued by National Housing Bank (NHB) from time to time. The Circulars and the Notifications issued by NHB are also placed before the Audit Committee / Board of Directors at regular intervals to update the Committee/ Board members on the

compliance of the same.

### **Prudential Norms for Housing Finance Companies**

National Housing Bank (NHB) regulates the HFCs and issues guidelines on income recognition, asset classifications, accounting for investments, provisions of Loan to Value (LTV) ratio, provisioning, provisioning for bad and doubtful debts, capital adequacy, accounting and disclosure policies, fair practice code and asset liability management. The Company is in compliance with applicable prudential norms and guidelines.

### **40. PARTICULARS OF EMPLOYEES**

In accordance with the provisions of Section 197(12) of the Act, the ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and has been appended as "Annexure 4" to this Annual Report.

There was no employee drawing remuneration in excess of limits as laid down under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

### **41. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No significant or material orders were passed by any Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### **42. PARTICULARS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

Since your Company does not have manufacturing activity, the particulars relating to conservation of energy and technology absorption stipulated in Section 134(3) of the Companies Act, 2013 read with rule (8) of the Companies Act (Accounts) Rules, 2014 are not applicable to the Company.

#### **Foreign Exchange Earnings and Outgo**

Remittance outward in foreign currency towards:  
for purchase of material  
Investment in shares  
Remittance inwards in foreign currency

**2019-20**

NIL  
NIL  
NIL

### **43. HUMAN RESOURCE DEVELOPMENT**

Your Company has young, capable, experienced and dedicated manpower and various professionals support from in house and external sources with expertise in different areas leading the growth of Company towards better

operational and financial position. All the employees are committed to the company and each one of them have a sense of ownership. The company is lead with the principal of leadership which believe in influencing rather than management based on authority and this

approach really binds all our employees as one family with one mission.

#### **44. LENDERS**

Despite of the toughest time for Finance Industry our lenders have shown full faith on us and have been instrumental in our growth. We take this opportunity to thank them and look forward for continuous support. We very proudly state that NHB reposed confidence on us and we received sanction of INR 16 crore till the date of this report and out of which INR 1 crore is received under Special Refinance Scheme launched by NHB to mitigate the COVID 19 impact. We look forward for such faith and carry great amount of respect for our lenders.

#### **45. FUTURE OUTLOOK**

The current financial year 2020-21 is going to be a very tough year. Though since the inception of your company SHFL has seen all the toughest times. When your company started demonitisation overhangs were looming, then came the challenges in credit market with large HFC and NBFC having issues, IILFS crisis, and now the biggest one is COVID 19. The Management has been able to steered through the company facing all these toughest time and confident that it will overcome this COVID 19

mayhem. The basic them of the corporates being survival rather than growth in the current time and this immediate ensuing financial year, SHFL has tried to balance both the goals of the survival and growth. The AC period i.e. After Covid 19 period is going to be a year where in the manner of doing business will see tremendous challenges on all front and dynamic changes. In the wake of GDP growth and economies world over taking big hit, the future is very uncertain, so predicting the business growth has become exceedingly difficult. Your company has always believed in quality and will keep on focussing on the same. We will follow all the strict policies while lending the money and will try to retain the book and build new book with quality. Disbursals will start after very cautious assessment of the environment as the percolation effect of COVID 19 is already seen in the business and may be damaging going forward. Due to hard hitting of economy and middle and lowest end of the pyramid customers getting affected the most though the portfolio has performed exceedingly well in past but there may be challenges to maintain the same. There will be slippages so we have pro-actively provided for the same in our financial figures. Work from home, tough lending and capital raising challenges will have to be managed and worked out on dynamic basis. This year is going to be toughest year but SHFL is all geared up on all fronts to take the challenges heads on and come up very strongly

#### **46. ACKNOWLEDGEMENTS**

The Directors express their sincere gratitude to the National Housing Bank, Securities and Exchange Board of India, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's Bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in your Company. The Board, in specific, wishes to place on record its sincere appreciation of the contribution made by all the employees towards the Company.

For and on behalf of the Board of Directors

**H P Singh**

Chairman Cum Managing Director

(DIN: 00333754)

Place: Gurugram

Date: June 3, 2020

## Annexure 1

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

| S.No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements /transactions  | Duration of the contracts / arrangements /transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|-------|---|--|--|--|--|---------------------------------|
| 1     | Satin Creditcare Network Limited (Holding Company)      | Lease Deed   | 5 years  | Lease Rent of INR 7,500 per month (subject to escalation of 10% every year)                | May 02, 2019                             | Nil                             |
| 2     | Satin Creditcare Network Limited (Holding Company)      | Corporate Guarantee by Satin Creditcare Network Limited in favour of National Housing Bank against the refinance Facility availed by Satin Housing Finance Limited | One-time payment                                       | Corporate Guarantee fee of INR 26,90,860 (plus applicable taxes)                           | June 03, 2020                            | Nil                             |



For and on behalf of the Board  
of **Satin Housing Finance Limited**  
s/d

Place: Gurugram  
Date: 03.06.2020

**Harvinder Pal Singh**  
DIN: 00333754  
Director

**Amit Sharma**  
DIN: 08050304  
Chief Executive Officer and  
Whole Time Director

## Annexure-2

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(Form No. MR-3)

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

To,  
The Members,  
**Satin Housing Finance Limited**  
505, 5<sup>th</sup> Floor, Kundan Bhawan,  
Azadpur Commercial Complex  
Azadpur, New Delhi-110 033

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SATIN HOUSING FINANCE LIMITED (CIN: U65929DL2017PLC316143) (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, 2020 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, 2020 and made available to us, according to the provisions 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; **(Not Applicable)**
- 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 (Prohibition of Insider Trading) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable)**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable)**
  - d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; **(Not Applicable)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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; **(Not Applicable)** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable)**
- vi. Employees' Provident Funds & Misc. Provisions Act, 1952;
- 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, Punjab Shops and Commercial Establishments Act, 1958, Uttar Pradesh Shops and Commercial Establishment Act, 1962, Rajasthan Shops And Commercial Establishments Acts, 1958
- xiii. RBI Act, 1934 relating to NBFC's
- xiv. The National Housing Bank Act, 1987, Regulation(s)/direction(s) made thereunder.

We have also examined compliance with the applicable clauses of the following (i) Secretarial Standard Issued by the Institute of Company Secretaries of India. (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.

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/Chief Financial Officer/Whole Time 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 labour 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

We further report that during the audit period the following specific events/actions have taken place in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above which may have a major bearing on the company's affairs:

- a. Allotment of 3,00,00,000 equity shares of Rs.10/- each to existing shareholders on Rights basis;
- b. Allotment of 20 Unsecured, Redeemable, Non-Convertible Debentures bearing a face value of Rs. 1,00,00,000/- each on Private Placement basis, the said NCDs got listed on the Bombay Stock Exchange (BSE) and admitted for dealings.

For **S. Behera & Co.**

Company Secretaries

**Shesdev Behera**

Company Secretary in practice

CP. No. 5980

M. No. 8428

Place: New Delhi

Date: May 13, 2020

UDIN: F008428B000274100

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 Housing Finance Limited**  
**505, 5<sup>th</sup> Floor, Kundan Bhawan,**  
Azadpur Commercial Complex  
Azad Pur, New Delhi  
PIN – 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 process 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 of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, and 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.
7. Our Audit is conducted amidst pandemic Covid19 and ongoing lockdown and it covers entire scope of audit and applicable provisions and based on electronic documents/information as provided by the company and wherever required to be treated accordingly and can be attributed to travel and physical verification of documents.

For **S. Behera & Co.**

Company Secretaries

**Shesdev Behera**

Company Secretary in practice

CP. No. 5980

M. No. 8428

UDIN: F008428B000274100

Place: New Delhi

Date: May 13, 2020



## Annexure-3

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2020**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

|  |   |
|--|---|
| CIN  | U65929DL2017PLC316143   |
| Registration Date  | 17/04/2017  |
| Name of the Company  | SATIN HOUSING FINANCE LIMITED   |
| Category/Sub-category of the Company                                       | Company Limited by Shares/Indian Non-Government   |
| Address of the Registered office & contact details                         | 505, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi 110033   |
| Whether listed company   | No (Debt Listed)  |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | <b>Link Intime India Private Limited</b><br>Address: C 101, 1st Floor, 247 Park,<br>Lal Bahadur Shastri Marg, Vikhroli (West)<br>Mumbai, Maharashtra-400083<br>Tel: 022 - 4918 6270<br>Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a><br><b>Karvy Fintech Private Limited</b><br>Address: KFintech, Tower – B, Plot No 31 & 32, Selenium Building, Financial District,<br>Nanakramguda, Gachibowli, Hyderabad – 500 032. Tel:<br>+91- 040 – 67162222, +91- 040 – 79611000<br>Website: <a href="http://www.kfintech.com">www.kfintech.com</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services     | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Providing Housing Loans/ Loan against House Property | 64920                           | 100%                               |

**III. Particulars of Holding, Subsidiary and Associate Companies**

| S. No. | Name and Address of the Company  | CIN/GLN               | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|--------|--|-----------------------|----------------------------------|------------------|--------------------|
| 1.     | Satin Creditcare Network Limited<br><br>5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033 | L65991DL1990PLC041796 | Holding                          | 100%             | 2(46)              |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

| Category of Shareholders                                 | No. of Shares held at the beginning of the year |          |                        |                   | No. of Shares held at the end of the year |          |                      |                   | % change during the year |
|--|---|----------|------------------------|-------------------|---|----------|----------------------|-------------------|--------------------------|
|  | Demat   | Physical | Total                  | % of Total Shares | Demat                                     | Physical | Total                | % of Total Shares |                          |
| <b>A. PROMOTERS</b>                                      |   |          |                        |                   |   |          |                      |                   |                          |
|  |   |          |                        |                   |   |          |                      |                   |                          |
| <b>(1) Indian</b>  | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| a) Individual/HUF  | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| b) Central Govt.or State Govt.                           | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| c) Bodies Corporates                                     | 49,99<br>9,994                                  | 0        | 49,99<br>9,994         | 100<br>%          | 79999<br>994                              | 0        | 79999<br>994         | 100<br>%          | 0                        |
| d) Bank/FI   | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| e) Any other   | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
|  |   |          |                        |                   |   |          |                      |                   |                          |
| <b>SUB TOTAL:(A) (1)</b>                                 | 49,99<br>9,994                                  | 0        | 49,99<br>9,994         | 100<br>%          | 79999<br>994                              | 0        | 79999<br>994         | 100<br>%          | 0                        |
|  |   |          |                        |                   |   |          |                      |                   |                          |
| <b>(2) Foreign</b>                                       |   |          |                        |                   |   |          |                      |                   |                          |
| a) NRI- Individuals                                      | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| b) Other Individuals                                     | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| c) Bodies Corporates                                     | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| d) Banks/FI  | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| e) Any other   | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
|  |   |          |                        |                   |   |          |                      |                   |                          |
| <b>SUB TOTAL (A) (2)</b>                                 | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
|  |   |          |                        |                   |   |          |                      |                   |                          |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b> | <b>49,99<br/>9,994</b>                          | <b>0</b> | <b>49,99<br/>9,994</b> | <b>100<br/>%</b>  | <b>79999<br/>994</b>                      | <b>0</b> | <b>79999<br/>994</b> | <b>100<br/>%</b>  | <b>0</b>                 |
|  |   |          |                        |                   |   |          |                      |                   |                          |
|  |   |          |                        |                   |   |          |                      |                   |                          |
| <b>B. PUBLIC SHAREHOLDING</b>                            |   |          |                        |                   |   |          |                      |                   |                          |
|  |   |          |                        |                   |   |          |                      |                   |                          |
| <b>(1) Institutions</b>                                  |   |          |                        |                   |   |          |                      |                   |                          |
| a) Mutual Funds  | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| b) Banks/FI  | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |
| C) Central govt  | 0   | 0        | 0                      | 0                 | 0   | 0        | 0                    | 0                 | 0                        |

|   |                   |          |                   |              |                   |          |                   |              |          |
|---|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|----------|
| d) State Govt.  | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| e) Venture Capital Fund   | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| f) Insurance Companies  | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| g) FIIS   | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| h) Foreign Venture Capital Funds  | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| i) Others (specify)   | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
|   |                   |          |                   |              |                   |          |                   |              |          |
| <b>SUB TOTAL (B)(1):</b>  | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
|   |                   |          |                   |              |                   |          |                   |              |          |
| <b>(2) Non Institutions</b>   |                   |          |                   |              |                   |          |                   |              |          |
| a) Bodies corporates  | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| i) Indian   | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| ii) Overseas  | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| b) Individuals  | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs            | 0                 | 6        | 6                 | 0            | 0                 | 6        | 6                 | 0            | 0        |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
| c) Others (specify)   | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
|   |                   |          |                   |              |                   |          |                   |              |          |
| <b>SUB TOTAL (B)(2):</b>  | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
|   |                   |          |                   |              |                   |          |                   |              |          |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>49,999,994</b> | <b>6</b> | <b>50,000,000</b> | <b>100 %</b> | <b>79,999,994</b> | <b>6</b> | <b>80,000,000</b> | <b>100 %</b> | <b>0</b> |
|   |                   |          |                   |              |                   |          |                   |              |          |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                              | 0                 | 0        | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0        |
|   |                   |          |                   |              |                   |          |                   |              |          |
| <b>Grand Total (A+B+C)</b>  | <b>49,999,994</b> | <b>6</b> | <b>50,000,000</b> | <b>100 %</b> | <b>79,999,994</b> | <b>6</b> | <b>80,000,000</b> | <b>100 %</b> | <b>0</b> |

| S<br>N<br>o. | Shareholder's<br>Name | Shareholding at the beginning<br>of the year |                                   |   | Shareholding at the end of<br>the year |                                   |  | % change<br>in<br>shareholding<br>during<br>the year |
|--------------|-----------------------|--|-----------------------------------|---|--|-----------------------------------|--|--|
|              |                       | No. of<br>Shares                             | % of<br>total<br>Shares<br>of the | % of<br>Shares<br>Pledged<br>/<br>encumbered to | No. of<br>Shares                       | % of<br>total<br>Shares<br>of the | % of<br>Shares<br>Pledge<br>d /<br>encumbered to |  |
|              |                       |  |                                   |   |  |                                   |  |  |

|   |   |                |             |                 |                |             |                 |   |
|---|---|----------------|-------------|-----------------|----------------|-------------|-----------------|---|
|   |   |                | comp<br>any | total<br>shares |                | comp<br>any | total<br>shares |   |
| 1 | Satin<br>Creditcar<br>e<br>Network<br>Limited | 49,999,<br>994 | 100         | 0               | 79,999,<br>994 | 100         | 0               | 0 |

**ii) Shareholding of Promoter-**

**iii) Change in Promoters' Shareholding (please specify, if there is no change):**

| Name of Shareholder                 | Particulars   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------------------------------------|---|---|----------------------------------|---|----------------------------------|
|                                     |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1. Satin Creditcare Network limited | At the beginning of the year  | 49,999,994                                | 100                              | 49,999,994                              | 100                              |
|                                     | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease<br><br>Allotment: 30,000,000 Equity Shares on 29.06.2019 | 30,000,000                                | 37.5                             | -                                       | -                                |
|                                     | At the end of the year  | <b>79,999,994</b>                         | <b>100</b>                       | <b>79,999,994</b>                       | <b>100</b>                       |

**iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

| S. No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |            | Cumulative Shareholding during the Year |                          |
|-------|-------------------------------------|---|------------|---|--------------------------|
|       |                                     | No. of shares                             | % of total | No. of shares                           | % of total shares of the |



|  |  |     | shares<br>of the<br>company |     | company |
|--|--|-----|-----------------------------|-----|---------|
| 1. Subir Roy Choudhary<br>(As a Nominee of Satin<br>Creditcare Network<br>Limited) | At the beginning of the year   | 1   | 0                           | 1   | 0       |
|  | Date wise Increase / Decrease<br>in Promoters Shareholding<br>during the year specifying the<br>reasons for increase / decrease<br>(e.g. allotment /transfer / bonus/<br>sweat equity etc.): | 0   | 0                           | 1   | 0       |
|  | At the end of the year   | 1   | 0                           | 1   | 0       |
| 2. Bhupinder Pal Singh (As<br>a Nominee of Satin<br>Creditcare Network<br>Limited) | At the beginning of the year   | 1   | 0                           | 1   | 0       |
|  | Date wise Increase / Decrease<br>in Promoters Shareholding<br>during the year specifying the<br>reasons for increase / decrease<br>(e.g. allotment /transfer / bonus/<br>sweat equity etc.): | 0   | 0                           | 1   | 0       |
|  | At the end of the year   | 1   | 0                           | 1   | 0       |
| 3. Sanjay Mahajan (As a<br>Nominee of Satin<br>Creditcare Network<br>Limited)      | At the beginning of the year   | 1   | 0                           | 1   | 0       |
|  | Date wise Increase / Decrease<br>in Promoters Shareholding<br>during the year specifying the<br>reasons for increase / decrease<br>(e.g. allotment /transfer / bonus/<br>sweat equity etc.): | 0   | 0                           | 1   | 0       |
|  | At the end of the year   | 1   | 0                           | 1   | 0       |
| 4. Tahir Zafar (As a<br>Nominee of Satin<br>Creditcare Network<br>Limited)         | At the beginning of the year   | 1   | 0                           | 1   | 0       |
|  | Date wise Increase / Decrease<br>in Promoters Shareholding<br>during the year specifying the<br>reasons for increase / decrease<br>(e.g. allotment /transfer / bonus/<br>sweat equity etc.): | 0   | 0                           | 1   | 0       |
|  | At the end of the year   | 1   | 0                           | 1   | 0       |
| 5. Ashish Gupta<br>(As a Nominee of Satin<br>Creditcare Network<br>Limited)        | At the beginning of the year   | 1   | 0                           | 1   | 0       |
|  | Date wise Increase / Decrease<br>in Promoters Shareholding<br>during the year specifying the<br>reasons for increase / decrease<br>(e.g. allotment /transfer / bonus/<br>sweat equity etc.): | (1) | 0                           | (1) | 0       |
|  | At the end of the year   | 0   | 0                           | 0   | 0       |
| 6. Dev Verma (As a<br>Nominee of Satin<br>Creditcare Network<br>Limited)           | At the beginning of the year   | 1   | 0                           | 1   | 0       |
|  | Date wise Increase / Decrease<br>in Promoters Shareholding<br>during the year specifying the<br>reasons for increase / decrease  | 0   | 0                           | 1   | 0       |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
|   | (e.g. allotment /transfer / bonus/ sweat equity etc.):  |   |   |   |   |
|   | At the end of the year  | 1 | 0 | 1 | 0 |
| 7. Urvashi Tyagi (As a Nominee of Satin Creditcare Network Limited) | At the beginning of the year  | 0 | 0 | 0 | 0 |
|   | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): (Share transfer from Mr. Ashish Gupta to Mrs. Urvashi Tyagi dated 15.07.2019) | 1 | 0 | 1 | 0 |
|   | At the end of the year  | 1 | 0 | 1 | 0 |

**v) Shareholding of Directors and Key Managerial Personnel:**

| S. No                  | Shareholding of each Directors and each Key Managerial Personnel   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the Year |                                  |
|------------------------|--|---|----------------------------------|---|----------------------------------|
|                        |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the Company |
| 1. Harvinder Pal Singh | At the beginning of the year   | 0   | 0                                | 0                                       | 0                                |
|                        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.) | 0   | 0                                | 0                                       | 0                                |
|                        | At the end of the year   | 0   | 0                                | 0                                       | 0                                |
| 2. Amit Sharma         | At the beginning of the year   | 0   | 0                                | 0                                       | 0                                |
|                        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.) | 0   | 0                                | 0                                       | 0                                |
|                        | At the end of the year   | 0   | 0                                | 0                                       | 0                                |
| 3. Sachin Sharma       | At the beginning of the year   | 0   | 0                                | 0                                       | 0                                |
|                        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | 0   | 0                                | 0                                       | 0                                |
|                        | At the end of the year   | 0   | 0                                | 0                                       | 0                                |
|                        | At the beginning of the year   | 0   | 0                                | 0                                       | 0                                |

|                        |  |   |   |   |   |
|------------------------|--|---|---|---|---|
| 4. Prince Kumar        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.) | 0 | 0 | 0 | 0 |
|                        | At the end of the year   | 0 | 0 | 0 | 0 |
| 5. Sundeep Kumar Mehta | At the beginning of the year   | 0 | 0 | 0 | 0 |
|                        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.) | 0 | 0 | 0 | 0 |
|                        | At the end of the year   | 0 | 0 | 0 | 0 |
| 6. Anil Kumar Kalra    | At the beginning of the year   | 0 | 0 | 0 | 0 |
|                        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.) | 0 | 0 | 0 | 0 |
|                        | At the end of the year   | 0 | 0 | 0 | 0 |

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount                                      | 334872962                        | 0               | 0        | 334872962          |
| ii) Interest due but not paid                            | 0                                | 0               | 0        | 0                  |
| iii) Interest accrued but not due                        | 1458560                          | 0               | 0        | 1458560            |
| <b>Total (i+ii+iii)</b>                                  | 336331522                        | 0               | 0        | 336331522          |
| <b>Change in Indebtedness during the financial year</b>  |                                  |                 |          |                    |
| Additions  | 615000000                        | 200000000       | 0        | 815000000          |
| Reduction  | 162860859                        | 558891          | 0        | 163419750          |
| <b>Net Change</b>  | 452139141                        | 199441109       | 0        | 651580250          |
| <b>Indebtedness at the end of the financial year</b>     |                                  |                 |          |                    |
| i) Principal Amount                                      | 787012103                        | 199441109       | 0        | 986453212          |
| ii) Interest due but not paid                            | 0                                | 0               | 0        | 0                  |

|                                   |                    |                    |          |                  |
|-----------------------------------|--------------------|--------------------|----------|------------------|
| iii) Interest accrued but not due | 3651883            | 6904110            | 0        | 10555992         |
|                                   |                    |                    |          |                  |
| <b>Total (i+ii+iii)</b>           | <b>790663985.6</b> | <b>206345218.6</b> | <b>0</b> | <b>997009204</b> |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration  | Name of MD/WTM/ Manager:<br><br><b>Amit Sharma (Chief Executive Officer and Whole Time Director) (for the period 01.04.2019 to 31.03.2020)</b><br><br><b>(Amount in INR)</b> | Total Amount (In INR) |
|---------|--|--|-----------------------|
| 1.      | Gross salary<br><br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br><br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br><br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 78,36,663  | 78, 36,663            |
| 2.      | Stock Option*  |  |                       |
| 3.      | Sweat Equity   |  |                       |
| 4.      | Commission<br>- as % of profit<br>- others, specify...   |  |                       |
| 5.      | Others   |  |                       |
| 6.      | Total (A)  | <b>78,36,663</b>   | <b>78, 36,663</b>     |
|         | Ceiling as per the Act   | Pursuant to resolution passed by the Company in its AGM dated June 7, 2019, limit in case of Absence or Inadequacy of Profits is INR 5 crores.                               |                       |

\* Satin Creditcare Network Limited, its Holding Company, had granted options at an Exercise Price of Rs.160/- per option under Satin Employee Stock Option Scheme, 2017.

### B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration  | Name of Director                 |                                     | Total Amount (In INR) |
|---------|--|----------------------------------|-------------------------------------|-----------------------|
|         |  | Anil Kumar Kalra (Amount in INR) | Sundeep Kumar Mehta (Amount in INR) |                       |
|         | Independent Directors<br>· Fee for attending board/ committee meetings | 1,20,000                         | 1,30,000                            | 2,50,000              |



|  |   |  |                 |                 |
|--|---|--|-----------------|-----------------|
|  | <ul style="list-style-type: none"> <li>· Commission</li> <li>· Others, please specify</li> </ul>  |  |                 |                 |
|  | Total (1)   | 1,20,000   | 1,30,000        | 2,50,000        |
|  | Other Non-Executive Directors<br><ul style="list-style-type: none"> <li>· Fee for attending board committee meetings</li> <li>· Commission</li> <li>· Others, please specify</li> </ul> |  |                 |                 |
|  | Total (2)   | --   | --              | --              |
|  | Total (B)=(1+2)   | 1,20,000   | 1,30,000        | 2,50,000        |
|  | Total Managerial Remuneration   | <b>1,20,000</b>  | <b>1,30,000</b> | <b>2,50,000</b> |
|  | Overall Ceiling as per the Act  | Rupees One Lakh to a Director for attending each meeting of the Board or Committee |                 |                 |

**C. Remuneration to key managerial personnel other than MD/Manager/WTD:**

| Sl. no. | Particulars of Remuneration  | Key Managerial Personnel |               |              |
|---------|--|--------------------------|---------------|--------------|
|         |  | Company Secretary        | CFO           | Total        |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Rs. 8,49,996             | Rs. 27,91,339 | Rs.36,41,335 |
| 2.      | Stock Option**   |                          |               |              |

|    |  |                         |                          |                          |
|----|--|-------------------------|--------------------------|--------------------------|
| 3. | Sweat Equity   |                         |                          |                          |
| 4. | Commission<br>- as % of profit<br>- others, specify... |                         |                          |                          |
| 5. | Others, please specify                                 |                         |                          |                          |
| 6. | Total  | <b>Rs.<br/>8,49,996</b> | <b>Rs.<br/>27,91,339</b> | <b>Rs.<br/>36,41,335</b> |

\*\* Satin Creditcare Network Limited, its Holding Company, had granted options at an Exercise Price of Rs.160/- per option under Satin Employee Stock Option Scheme, 2017 to Mr. Sachin Sharma.

#### **VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

No Penalties/Punishment/Compounding of Offences have occurred during the year 2019-20.

For and on behalf of the Board  
**of Satin Housing Finance Limited**

Place: Gurugram  
Date: 03.06.2020

s/d  
**Harvinder Pal Singh**  
DIN: 00333754  
Director

s/d  
**Amit Sharma**  
DIN: 08050304  
Chief Executive Officer and  
Whole Time Director

## Annexure 4

### Details pertaining to section 197(12) of Companies Act, 2013 read with rules 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:

| S. No. | Name of Director(s) | Annual Remuneration( in lakh) for FY 2019-20 | Median Annual Remuneration of Employees for the Financial Year 2019-20 (in lakh) | Ratio of remuneration of each director of the median remuneration of the employees for Financial year |
|--------|---------------------|--|--|---|
| 1      | Amit Sharma         | 78.37  | 1.40   | 56:1  |

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

| Sr. No. | Name of Director(s) Chief Financial Officer, Company Secretary | Annual Remuneration during financial year 2018-19 (in lakh) | Annual Remuneration during financial year 2019-20 (in lakh) | Percentage increase in remuneration since last financial year |
|---------|--|---|---|---|
| 1       | Amit Sharma, CEO & Whole Time Director                         | 64.06   | 78.37   | 22.33%  |
| 2       | Sachin Sharma, Chief Financial Officer                         | 19.59   | 27.91   | 42.47%  |
| 3       | Prince Kumar, Company Secretary & Compliance Officer           | -   | 8.50  | NA  |

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

| Median Annual Remuneration (in lakh) of employees for the F/Y 2018-19 | Median Annual Remuneration (in lakh) of employees for the F/Y 2019-20 | Percentage increase in Median Annual remuneration (in lakh) of employees |
|---|---|--|
| 1.27  | 1.40  | 9%   |

(iv)

Number of permanent employees on the rolls of the Company – 215 as on 31<sup>st</sup> march-2020

- (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**

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.



# Independent Auditor's Report





## Independent Auditor's Report

### To the Members of Satin Housing Finance Limited

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Satin Housing Finance Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Emphasis of Matters**

We draw attention to Note No 43 to the financial statement which explains that the extent to which COVID-19 pandemic will impact the Company's operations and financial position and performance are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Our opinion is not modified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

(e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

(f) we have also audited the internal financial controls over financial reporting of the Company as on March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 29, 2020 as per Annexure B expressed unmodified opinion; and

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

(i) the Company did not have any pending litigations which impacted its financial position as at March 31, 2020;

(ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020;

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

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

**s/d**  
**Rajeev Bhatia**  
**Partner**  
**Membership No.: 089018**  
**UDIN – 20089018AAAACB3999**

**Place: Delhi**  
**Date: June 3, 2020**

## **Annexure A to the Independent Auditors' Report**

(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date of **Satin Housing Finance Limited** on the financial statements for the period ended 31 March 2020)

### **(i) Fixed Assets**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) The Fixed Asset of the Company was physically verified on regular interval by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us no material discrepancy was noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property during the period under audit. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.

### **(ii) Inventories**

The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

### **(iii) Loans granted by company**

The company has not granted loans to any party covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.

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

In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or security and not made any investment during the period under audit. Thus, paragraph 3(iv) of the Order is not applicable.

### **(v) Acceptance of Deposits**

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the period. Thus, paragraph 3(v) of the Order is not applicable.

### **(vi) Maintenance of Cost records**

To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for the services of the Company.

### **(vii) Payment of Applicable Taxes**

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

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and services tax, provident fund, employees' state insurance and other statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

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

### **(viii) Dues to a Financial Institution or bank or debenture holder**

Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution.

**(ix) Initial Public Offer**

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the period. The Company has raised money through term loan from financial institutions and applied for the purpose for which it has been raised.

**(x) Fraud by the Company or on the Company**

To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the period.

**(xi) Managerial Remuneration**

In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**(xii) Nidhi Company**

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

**(xiii) Related Party Transactions**

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

**(xiv) Preferential Allotment or Private Placement**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made private placement of shares, u/s 42 of the Companies Act 2013, during the period. Accordingly, paragraph 3(xiv) of the Order is not applicable.

**(xv) Non – Cash Transactions**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

**(xvi) Registration with RBI**

The Company is registered with National Housing Bank as a Housing Finance Company and is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**s/d**  
**Rajeev Bhatia**  
**Partner**  
**Membership No.: 089018**  
**UDIN – 20089018AAAACB3999**



## **Annexure B** to the Independent Auditor's Report of even date to the members of Satin Housing Finance Limited on the financial statements for the year ended 31 March 2020

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

1. In conjunction with our audit of the financial statements of Satin Housing Finance Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

(1) 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 over Financial Reporting**

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

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For [Rajeev Bhatia & Associates](#)**  
**Chartered Accountants**  
**Firm's Registration No.: 021776N**

**s/d**  
**[Rajeev Bhatia](#)**  
**Partner**  
**Membership No.: 089018**  
**UDIN – 20089018AAAACB3999**

**Place: Delhi**  
**Date: June 3, 2020**

To,

**The Board of Directors,  
Satin Housing Finance Limited,  
505, 5th Floor, Kundan Bhawan,  
Azadpur Commercial Complex,  
Delhi - 110033**

**Sub:- Housing Finance Companies – Auditor's Report (NHB) Directions, 2016**

We, Rajeev Bhatia & Associates, have audited the financial statements of Satin Housing Finance Limited (the "Company") for the period ended 31 March 2020 and have issued our report dated 2 May 2020.

Based on the audited financial statements of the Company referred to above and information / explanations and representations received from the management, we confirm the following particulars:-

**A. Applicable to all Housing Finance Companies:**

- 1) The housing finance company has obtained the Certificate of Registration (CoR – not valid for acceptance of public deposit) granted by the NHB dated 14 November 2017.
- 2) The housing finance company is meeting the required Net Owned Fund (NOF) requirement as prescribed under Section 29A of the National Housing Bank Act, 1987 during the period under audit and as on 31 March 2020.

**B. Applicable to Housing Finance Companies not accepting/holding public deposits**

- 1) The Company has incurred losses during the period ended 31 March 2020. Accordingly, provisions of section 29C of the National Housing Bank Act, 1987 are not applicable.
- 2) The Board of Directors of the Company has passed a resolution on 2 May 2019 for non-acceptance of any public deposits.
- 3) The Company has not accepted any public deposits during the period under audit.
- 4) The Company has availed borrowings during the period under audit which is in compliance with the limit prescribed under paragraph 3(2) of the Housing Finance Companies (NHB) Directions, 2010.
- 5) The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Housing Finance Companies (NHB) Directions, 2010 to the extent applicable to the Company.
- 6) The capital adequacy ratio as disclosed in the Schedule-II return submitted to the National Housing Bank in terms of the Housing Finance Companies (NHB) Directions, 2010 has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.
- 7) The Company has furnished to the Bank within the stipulated period the Schedule-II return as specified in the Housing Finance Companies (NHB) Directions, 2010.
- 8) The Company is registered with NHB dated 14 November 2017 as a non-accepting/holding public deposit housing finance company and having assets size more than Rs. 100.00 Crores as on 31 March 2020. Company has requested to NHB vide Email dated 19 November 2019 for getting availability of Schedule III return in NHB portal for onward submission of Schedule III Return to the concerned authorities of NHB. Schedule III return on Statutory Liquid Assets as specified in the Housing Finance Companies (NHB) Directions, 2010 is yet to be available on NHB portal.
- 9) In the case of opening of new branches /offices or in the case of closure of existing branches/offices, the Company has complied with the requirements contained in the Housing Finance Companies (NHB) Directions, 2010.

10) The Company has complied with the provisions contained in paragraph 38 of the Housing Finance Companies (NHB) Directions, 2010 to the extent applicable to the Company.

This certificate has been issued solely at the request of the Company for its submissions to the National Housing Bank pursuant to Housing Finance Companies - Auditor's Report (NHB) Directions, 2016 and it is not to be used, circulated, quoted, or otherwise referred to for any other purposes without our prior written consent.

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

**s/d**  
**Rajeev Bhatia**  
**Partner**  
**Membership No.: 089018**  
**UDIN – 20089018AAAACD5062**

**Place: Delhi**  
**Date: June 3, 2020**



# Financial Statements





**Satin Housing Finance Limited**  
**Balance Sheet as at March 31, 2020**

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

| Particulars  | Notes | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------|-------------------------|-------------------------|
| <b>ASSETS</b>  |       |                         |                         |
| <b>Financial assets</b>                              |       |                         |                         |
| Cash and cash equivalents                            | 4     | 3,187.44                | 133.75                  |
| Bank balances other than above                       | 5     | 358.17                  | 215.32                  |
| Receivables  | 6     |                         |                         |
| (I) Trade receivables                                |       | 47.20                   | -                       |
| (II) Other receivables                               |       | -                       | -                       |
| Loans  | 7     | 13,731.67               | 7,868.82                |
| Other financial assets                               | 8     | 157.51                  | 7.02                    |
|  |       | <b>17,481.99</b>        | <b>8,224.91</b>         |
| <b>Non financial assets</b>                          |       |                         |                         |
| Current tax assets (net)                             |       | 15.43                   | 14.04                   |
| Deferred tax assets (net)                            | 9     | 87.28                   | 47.14                   |
| Property, plant and equipment                        | 10    | 65.56                   | 27.54                   |
| Intangible assets                                    | 11    | 18.45                   | -                       |
| Other non financial assets                           | 12    | 145.80                  | 12.73                   |
|  |       | <b>332.52</b>           | <b>101.45</b>           |
| <b>TOTAL</b>   |       | <b>17,814.51</b>        | <b>8,326.36</b>         |
| <b>LIABILITIES AND EQUITY</b>                        |       |                         |                         |
| <b>LIABILITIES</b>                                   |       |                         |                         |
| <b>Financial liabilities</b>                         |       |                         |                         |
| Trade payables                                       | 13    |                         |                         |
| total outstanding dues of MSMEs                      |       | -                       | -                       |
| total outstanding dues of creditors other than MSMEs |       | 1.02                    | -                       |
| Borrowings (other than debt securities)              | 14    | 7,890.49                | 3,348.73                |
| Subordinated liabilities                             | 15    | 1,994.41                | -                       |
| Other financial liabilities                          | 16    | 133.93                  | 21.50                   |
|  |       | <b>10,019.85</b>        | <b>3,370.23</b>         |
| <b>Non financial liabilities</b>                     |       |                         |                         |
| Provisions   | 17    | 53.92                   | 22.77                   |
| Other non financial liabilities                      | 18    | 30.43                   | 106.84                  |
| <b>Total Liabilities</b>                             |       | <b>84.35</b>            | <b>129.61</b>           |
|  |       | <b>10,104.20</b>        | <b>3,499.84</b>         |
| <b>EQUITY</b>  |       |                         |                         |
| Equity share capital                                 | 19    | 8,000.00                | 5,000.00                |
| Other equity   | 20    | (289.69)                | (173.48)                |
| <b>Total equity</b>                                  |       | <b>7,710.31</b>         | <b>4,826.52</b>         |
| <b>TOTAL</b>   |       | <b>17,814.51</b>        | <b>8,326.36</b>         |

Summary of significant accounting policies

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

This is the balance sheet referred to in our report of even date.

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

**For and on behalf of the Board of Directors**  
**Satin Housing Finance Limited**

**Rajeev Bhatia**  
Partner  
M. No. 089018

s/d  
**Harvinder Pal Singh**  
(Director)  
DIN: 00333754

s/d  
**Amit Sharma**  
(WTD & CEO)  
DIN: 08050304

s/d  
**Anil Kumar Kalra**  
(Director)  
DIN: 07361739

Place: Gurugram  
Date: 3rd June, 2020

s/d  
**Prince Kumar**  
(Company Secretary)  
ACS: 41094

s/d  
**Sachin Sharma**  
(Chief Financial Officer)

**Satin Housing Finance Limited**  
**Statement of Profit and Loss for the period ended March 31, 2020**  
(All amounts in rupees in lakhs, unless stated otherwise)

| Particulars   | Notes | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|-------|--------------------------------------|--------------------------------------|
| <b>I. Revenue from operations</b>                         |       |                                      |                                      |
| Interest income   | 21    | 1,616.78                             | 441.83                               |
| Fees and commission income                                | 22    | 93.16                                | 55.36                                |
| Net gain on fair value changes                            | 23    | 163.49                               | 52.12                                |
| <b>Total Revenue from operations</b>                      |       | <b>1,873.43</b>                      | <b>549.31</b>                        |
| <b>II. Other income</b>                                   | 24    | 225.78                               | 157.77                               |
| <b>III. Total income (I+II)</b>                           |       | <b>2,099.21</b>                      | <b>707.08</b>                        |
| <b>IV. Expenses:</b>                                      |       |                                      |                                      |
| Finance costs   | 25    | 834.55                               | 111.12                               |
| Impairment on financial instruments                       | 26    | 118.94                               | 30.85                                |
| Employee benefits expenses                                | 27    | 974.29                               | 482.26                               |
| Depreciation, amortization and impairment                 | 28    | 48.37                                | 9.42                                 |
| Other expenses  | 29    | 246.99                               | 225.62                               |
| <b>Total expenses</b>                                     |       | <b>2,223.14</b>                      | <b>859.28</b>                        |
| <b>V. Profit/(loss) before tax for the year</b>           |       | <b>(123.93)</b>                      | <b>(152.19)</b>                      |
| <b>VI. Tax expense</b>                                    |       |                                      |                                      |
| Current tax   |       | 11.79                                | -                                    |
| Deferred tax credit                                       |       | (41.19)                              | (28.83)                              |
| <b>Total tax expense</b>                                  |       | <b>(29.40)</b>                       | <b>(28.83)</b>                       |
| <b>VII. Net profit / (loss) for the year</b>              |       | <b>(94.53)</b>                       | <b>(123.36)</b>                      |
| <b>VIII. Other comprehensive income</b>                   |       |                                      |                                      |
| Item that will not be reclassified to profit or loss      |       |                                      |                                      |
| Re-measurement gains/(losses) on defined benefit plans    |       | 3.91                                 | 0.19                                 |
| Income tax relating to these items                        |       | (1.09)                               | (0.05)                               |
| <b>Other comprehensive income/(loss) for the year</b>     |       | <b>2.82</b>                          | <b>0.14</b>                          |
| <b>XV. Total comprehensive income/(loss) for the year</b> |       | <b>(91.71)</b>                       | <b>(123.22)</b>                      |
| <b>XVI. Earnings per share (basic and diluted)</b>        | 30    |                                      |                                      |
| (in ₹ per share)  |       |                                      |                                      |
| Basic   |       | (0.13)                               | (0.41)                               |
| Diluted   |       | (0.13)                               | (0.41)                               |

**Accompanying notes form an integral part of these financial statements.**

This is the Statement of Profit and Loss referred to in our report of even date.

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

s/d  
**Rajeev Bhatia**  
Partner  
M. No. 089018

Place: Gurugram  
Date: 3rd June, 2020

**For and on behalf of the Board of Directors**  
**Satin Housing Finance Limited**

s/d  
**Harvinder Pal Singh**  
(Director)  
DIN: 00333754

s/d  
**Amit Sharma**  
(WTD & CEO)  
DIN: 08050304

s/d  
**Anil Kumar Kalra**  
(Director)  
DIN: 07361739

s/d  
**Prince Kumar**  
(Company Secretary)  
ACS: 41094

s/d  
**Sachin Sharma**  
(Chief Financial Officer)

**Satin Housing Finance Limited**  
**Statement of Changes in Equity as at March 31, 2020**  
 (All amounts in rupees in lakhs, unless stated otherwise)

| <b>A Equity share capital</b> |                             |  |                              |  |
|-------------------------------|-----------------------------|--|------------------------------|--|
| Particulars                   | Balance as at April 1, 2018 | Change in equity share capital during the period | Balance as at March 31, 2019 | Change in equity share capital during the year |
| Equity Share Capital          | 1,496.00                    | 3,504.00   | 5,000.00                     | 3,000.00                                       |
|                               |                             |  |                              | 8,000.00                                       |

| Other equity                            |                      |          |          |
|---|----------------------|----------|----------|
| Particulars                             | Reserves and surplus |          | Total    |
|   | Retained earnings    |          |          |
| Balance as at April 1, 2018             |                      | (50.25)  | (50.25)  |
| Profit/(Loss) for the period            |                      | (123.36) | (123.36) |
| Other comprehensive income for the year |                      | 0.14     | 0.14     |
| Balance as at March 31, 2019            |                      | (173.48) | (173.48) |
| Profit for the period                   |                      | (94.53)  | (94.53)  |
| Other comprehensive income for the year |                      | 2.82     | 2.82     |
| Expenses on a/c of issue of shares      |                      | (24.50)  | (24.50)  |
| Balance as at March 31, 2020            |                      | (289.69) | (289.69) |

Accompanying notes form an integral part of the interim financial statements.

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

**For and on behalf of the Board of Directors**  
**Satin Housing Finance Limited**

s/d  
**Rajeev Bhatia**  
 Partner  
 M. No. 089018

s/d  
**Harvinder Pal Singh**  
 (Director)  
 DIN: 00333754

s/d  
**Amit Sharma**  
 (WTD & CEO)  
 DIN: 08050304

s/d  
**Anil Kumar Kalra**  
 (Director)  
 DIN: 07361739

Place: Gurugram  
 Date: 3rd June, 2020

s/d  
**Prince Kumar**  
 (Company Secretary)  
 ACS: 41094

s/d  
**Sachin Sharma**  
 (Chief Financial Officer)

**Satin Housing Finance Limited**  
**Statement of Cash Flows for the period ended March 31, 2020**  
(All amounts in rupees in lakhs, unless stated otherwise)

| Particulars  | For the period ended March 31, 2020 | For the year ended March 31, 2019 |
|--|-------------------------------------|-----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                      |                                     |                                   |
| Loss before tax  | (123.93)                            | (152.19)                          |
| <b>Adjustments for:</b>  |                                     |                                   |
| Depreciation and amortisation expense  | 43.42                               | 9.42                              |
| Depreciation on ROU assets   | 4.95                                | -                                 |
| Interest expense on lease rental assets  | 2.21                                | -                                 |
| Interest income on security deposits   | (0.53)                              | (0.34)                            |
| Re-measurement gains on defined benefit plans                                      | 2.82                                | 0.14                              |
| <b>Operating Profit Before Working Capital Changes</b>                             | <b>(71.06)</b>                      | <b>(142.97)</b>                   |
| <b>Changes in working capital:</b>   |                                     |                                   |
| <i>Adjustments for (increase) / decrease in operating assets:</i>                  |                                     |                                   |
| Loans  | (5,862.85)                          | (7,662.85)                        |
| Other bank balances  | (142.85)                            | (12.82)                           |
| Other financial assets   | (149.95)                            | 2.89                              |
| Other non financial assets   | (133.07)                            | (11.21)                           |
| <i>Adjustments for (increase) / decrease in operating liabilities:</i>             |                                     |                                   |
| Trade payables   | 1.02                                | -                                 |
| Other financial liabilities  | 112.43                              | 19.34                             |
| Other non financial liabilities  | (76.41)                             | 106.15                            |
| Provisions   | 31.15                               | 18.20                             |
| <b>Movement in Operating Assets and Liabilities</b>                                | <b>(6,267.73)</b>                   | <b>(7,540.31)</b>                 |
| <b>Cash used in operations</b>   | <b>(6,338.79)</b>                   | <b>(7,683.28)</b>                 |
| Less: Income tax paid (net)  | 12.16                               | 8.17                              |
| <b>Net cash used in operating activities (A)</b>                                   | <b>(6,350.95)</b>                   | <b>(7,691.45)</b>                 |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |                                     |                                   |
| Purchase of property, plant and equipment (net of disposed off)                    | (43.52)                             | (36.96)                           |
| Purchase of intangible assets  | (21.61)                             | -                                 |
| <b>Net cash used in investing activities (B)</b>                                   | <b>(65.12)</b>                      | <b>(36.96)</b>                    |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                                     |                                   |
| Issue of equity share capital  | 3,000.00                            | 3,504.00                          |
| Proceeds from borrowings   | 6,132.17                            | 4,800.00                          |
| Proceeds from issue of NCDs (Net of transaction cost)                              | 1,994.41                            | -                                 |
| Repayment of borrowings  | (1,610.77)                          | (1,451.27)                        |
| Paid towards lease liability   | (21.54)                             | -                                 |
| Expenses on a/c of issue of shares   | (24.50)                             | -                                 |
| <b>Net cash flow from financing activities (C)</b>                                 | <b>9,469.76</b>                     | <b>6,852.73</b>                   |
| <b>Net (Decrease)/Increase in Cash and Cash Equivalents A+B+C)</b>                 | <b>3,053.69</b>                     | <b>(875.68)</b>                   |
| Cash and Cash Equivalents at the Beginning of the Year                             | 133.75                              | 1,009.43                          |
| Cash and Cash Equivalents at the End of the Year                                   | 3,187.44                            | 133.75                            |
| <b>Reconciliation of cash and cash equivalents as per the cash flow statement*</b> | <b>3,053.69</b>                     | <b>(875.68)</b>                   |

**Accompanying notes form an integral part of these financial statements.**

This is the cash flow statement referred to in our report of even date.

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

s/d  
**Rajeev Bhatia**  
Partner  
M. No. 089018

Place: Gurugram  
Date: 3rd June, 2020

**For and on behalf of the Board of Directors**  
**Satin Housing Finance Limited**

s/d  
**Harvinder Pal Singh**  
(Director)  
DIN: 00333754

s/d  
**Prince Kumar**  
(Company Secretary)  
ACS: 41094

s/d  
**Amit Sharma**  
(WTD & CEO)  
DIN: 08050304

s/d  
**Anil Kumar Kalra**  
(Director)  
DIN: 07361739

s/d  
**Sachin Sharma**  
(Chief Financial Officer)

**Satin Housing Finance Limited**

**Notes forming part of Financial Statements for the period ending March 31, 2020**

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

**4 Cash and cash equivalents**

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Balances with banks in current accounts                            | 3,187.42                | 133.60                  |
| Cash in hand   | 0.02                    | 0.15                    |
| Term deposits with banks for original maturity of 3 months or less | -                       | -                       |
|  | <b>3,187.44</b>         | <b>133.75</b>           |

Note:

There are no repatriation restrictions with respect to Cash and Cash equivalents as at the end of the reporting year and prior years.

**5 Bank balances other than above**

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Term deposits with Banks for remaining maturity of more than 3 months and upto 1 year* | 228.55                  | 215.32                  |
| Term deposits with Banks for remaining maturity of more than 1 year                    | 129.62                  | -                       |
|  | <b>358.17</b>           | <b>215.32</b>           |

Note\*:

The above term deposit is lien against bank overdraft facility of Rs. 180 Lakhs and Refinance Assistance from NHB of Rs 5 crores

**6 Receivables**

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>(I) Trade Receivables</b>                        |                         |                         |
| Trade Receivables                                   | 47.20                   | -                       |
| Less: Provision for impairment on trade receivables |                         |                         |
| <b>A</b>  | <b>47.20</b>            | <b>-</b>                |
| <b>(II) Other Receivables</b>                       |                         |                         |
| Other Receivables                                   | -                       | -                       |
| Less: Provision for impairment on other receivables |                         |                         |
| <b>B</b>  | <b>-</b>                | <b>-</b>                |
| <b>Total (A+B)</b>                                  | <b>47.20</b>            | <b>-</b>                |

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

**Satin Housing Finance Limited**

**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

**7 Loans**

| Particulars  | As at<br>March 31, 2020  | As at<br>March 31, 2019 |
|--|--------------------------|-------------------------|
|  | <b>At amortised cost</b> |                         |
| Housing loans  | 11,655.97                | 6,907.20                |
| Non Housing loans  | 2,226.33                 | 993.31                  |
| <b>Total - Gross</b>                                       | <b>13,882.30</b>         | <b>7,900.51</b>         |
| <i>Less:</i> Allowance for impairment loss for loan assets | (150.63)                 | (31.69)                 |
| <b>Total - Net</b>   | <b>13,731.67</b>         | <b>7,868.82</b>         |

**Outstanding Loans**

**Standard**

|                   |           |          |
|-------------------|-----------|----------|
| Housing loans     | 11,655.97 | 6,907.20 |
| Non Housing loans | 2,226.33  | 993.31   |

**Sub-Standard**

|  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|

**Doubtful**

|  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|

**Loss**

|  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|

|              |                  |                 |
|--------------|------------------|-----------------|
| <b>Total</b> | <b>13,882.30</b> | <b>7,900.51</b> |
|--------------|------------------|-----------------|



**Provisions****Standard**

|                   |        |       |
|-------------------|--------|-------|
| Housing loans     | 130.96 | 27.81 |
| Non Housing loans | 19.67  | 3.88  |

**Sub-Standard**

- -

**Doubtful**

- -

**Loss**

- -

**Total**

|               |              |
|---------------|--------------|
| <b>150.63</b> | <b>31.69</b> |
|---------------|--------------|

**Note:**

- 1) All loans have been valued at amortized cost.
- 2) All loan assets have been provided against tangible assets being immovable properties only.
- 3) All loan assets have been provided to beneficiaries/members of public only.
- 4) All loan assets have been provided in India only.

**Particulars**

|                                  |        |        |
|----------------------------------|--------|--------|
| Interest accrued                 | 121.78 | 53.83  |
| Unamortized loan processing fees | 328.16 | 147.00 |

Satin Housing Finance Limited

Notes forming part of Financial Statements for the period ending March 31, 2020

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

8 Other financial assets

| Particulars                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | At amortised Cost       |                         |
| Security deposits (unsecured, considered good) | 11.78                   | 7.02                    |
| Advance insurance receivable                   | 145.73                  | -                       |
| Statutory dues payable                         | -                       | -                       |
|  | <b>157.51</b>           | <b>7.02</b>             |

9 Deferred tax assets (net)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Deferred tax assets recognised on account of:</b>                  |                         |                         |
| (a) Carried forward losses  | 28.73                   | 30.74                   |
| (b) Preliminary and pre-operative expenses                            | 1.60                    | 2.57                    |
| (c) Employee benefits   | 14.02                   | 5.64                    |
| (d) Others  | -                       | 0.70                    |
| (e) Allowance for impairment of loans                                 | 39.16                   | 8.82                    |
| (f) Measurement of financial assets and liabilities at amortised cost | 1.09                    | -                       |
| (g) Measurement of financial instruments                              | 0.15                    | -                       |
| (h) Depreciation and amortisation                                     | 2.53                    | -                       |
| <b>Deferred tax liabilities recognised on account of:</b>             |                         |                         |
| (h) Measurement of financial assets and liabilities at amortised cost | -                       | (0.05)                  |
| (i) Depreciation and amortisation                                     | -                       | (1.28)                  |
| <b>Net deferred tax asset</b>   | <b>87.28</b>            | <b>47.14</b>            |

Notes:

(i) Movement in deferred tax assets/(liabilities) for period ended March 31, 2020:

| Particulars   | As at<br>April 1, 2019 | Recognised in other<br>comprehensive income | Recognised<br>statement of profit<br>and loss | As at March 31,<br>2020 |
|---|------------------------|---|---|-------------------------|
| <b>Tax effect of items constituting deferred tax assets:</b>          |                        |   |   |                         |
| (a) Carried forward losses  | 30.74                  | -   | (2.01)  | 28.73                   |
| (b) Preliminary and pre-operative expenses                            | 2.57                   | -   | (0.97)  | 1.60                    |
| (c) Employee benefits   | 5.64                   | (1.09)                                      | 9.47  | 14.02                   |
| (d) Others  | 0.70                   | -   | (0.70)  | -                       |
| (e) Allowance for impairment of loans                                 | 8.82                   | -   | 30.35   | 39.16                   |
| (f) Measurement of financial assets and liabilities at amortised cost | -                      | -   | 1.09  | 1.09                    |
| (g) Measurement of financial instruments                              | -                      | -   | 0.15  | 0.15                    |
| (h) Depreciation  | -                      | -   | 2.53  | 2.53                    |
|   | <b>48.46</b>           | <b>(1.09)</b>                               | <b>39.91</b>                                  | <b>87.28</b>            |
| <b>Tax effect of items constituting deferred tax liabilities:</b>     |                        |   |   |                         |
| (h) Measurement of financial assets and liabilities at amortised cost | (0.05)                 | -   | 0.05  | -                       |
| (i) Depreciation  | (1.28)                 | -   | 1.28  | -                       |
|   | <b>(1.32)</b>          | <b>-</b>                                    | <b>1.32</b>                                   | <b>-</b>                |
| <b>Net deferred tax asset</b>   | <b>47.14</b>           | <b>(1.09)</b>                               | <b>41.23</b>                                  | <b>87.28</b>            |

(ii) Movement in deferred tax assets/(liabilities) for year ended March 31, 2019:

| Particulars   | As at<br>April 1, 2018 | Recognised in other<br>comprehensive income | Recognised<br>statement of profit<br>and loss | As at<br>March 31, 2019 |
|---|------------------------|---|---|-------------------------|
| <b>Tax effect of items constituting deferred tax assets:</b>          |                        |   |   |                         |
| (a) Carried forward losses  | 12.46                  | -   | 18.28   | 30.74                   |
| (b) Preliminary and pre-operative expenses                            | 3.08                   | -   | (0.51)  | 2.57                    |
| (c) Employee benefits   | 1.27                   | (0.05)                                      | 4.42  | 5.64                    |
| (d) Others  | -                      | -   | 0.70  | 0.70                    |
| (e) Allowance for impairment of loans                                 | 0.23                   | -   | 8.58  | 8.82                    |
| (f) Measurement of financial assets and liabilities at amortised cost | 1.32                   | -   | (1.32)  | -                       |
|   | <b>18.36</b>           | <b>(0.05)</b>                               | <b>30.15</b>                                  | <b>48.46</b>            |
| <b>Tax effect of items constituting deferred tax liabilities:</b>     |                        |   |   |                         |
| (g) Measurement of financial assets and liabilities at amortised cost | -                      | -   | (0.05)  | (0.05)                  |
| (h) Depreciation  | -                      | -   | (1.28)  | (1.28)                  |
|   | <b>-</b>               | <b>-</b>                                    | <b>(1.32)</b>                                 | <b>(1.32)</b>           |
| <b>Net deferred tax asset</b>   | <b>18.36</b>           | <b>(0.05)</b>                               | <b>28.83</b>                                  | <b>47.14</b>            |

**Satin Housing Finance Limited**

**Notes forming part of Financial Statements for the period ending March 31, 2020**

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

**10 Property, plant and equipment**

| Description                            | Computers and accessories | Furniture and Fixtures | Office equipments | ROU Assets   | Total         |
|--|---------------------------|------------------------|-------------------|--------------|---------------|
| <b>Gross carrying value</b>            |                           |                        |                   |              |               |
| As at 31 March 2018                    | -                         | -                      | -                 | -            | -             |
| Additions                              | 25.47                     | 4.95                   | 6.55              | -            | 36.97         |
| <b>As at 31 March 2019</b>             | <b>25.47</b>              | <b>4.95</b>            | <b>6.55</b>       | <b>-</b>     | <b>36.97</b>  |
| Adjustment on transition to Ind AS 116 | -                         | -                      | -                 | 51.69        | 51.69         |
| Additions                              | 32.99                     | 0.09                   | 10.48             | 7.77         | 51.33         |
| Disposals/adjustments                  | 0.14                      | -                      | -                 | 34.71        | 34.85         |
| <b>As at 31 March 2020</b>             | <b>58.32</b>              | <b>5.04</b>            | <b>17.03</b>      | <b>24.75</b> | <b>105.14</b> |
| <b>Accumulated depreciation</b>        |                           |                        |                   |              |               |
| As at 31 March 2018                    |                           |                        |                   |              |               |
| Charge for the year                    | 7.97                      | 0.38                   | 1.07              | -            | 9.42          |
| <b>As at 31 March 2019</b>             | <b>7.97</b>               | <b>0.38</b>            | <b>1.07</b>       | <b>-</b>     | <b>9.42</b>   |
| Additions                              | 20.28                     | 1.20                   | 3.83              | 19.90        | 45.21         |
| Disposals/adjustments                  | 0.10                      | -                      | -                 | 14.95        | 15.05         |
| <b>As at 31 March 2020</b>             | <b>28.15</b>              | <b>1.58</b>            | <b>4.90</b>       | <b>4.95</b>  | <b>39.58</b>  |
| <b>Net block as at 31 March 2019</b>   | <b>17.50</b>              | <b>4.57</b>            | <b>5.48</b>       | <b>-</b>     | <b>27.55</b>  |
| <b>Net block as at 31 March 2020</b>   | <b>30.17</b>              | <b>3.46</b>            | <b>12.13</b>      | <b>19.80</b> | <b>65.56</b>  |

**Satin Housing Finance Limited****Notes forming part of Financial Statements for the period ending March 31, 2020**

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

**11 Intangible assets**

| Description                 | Intangible assets | Total        |
|-----------------------------|-------------------|--------------|
| <b>Gross carrying value</b> |                   |              |
| As at 31 March 2018         | -                 | -            |
| Additions                   | -                 | -            |
| <b>As at 31 March 2019</b>  | <b>-</b>          | <b>-</b>     |
| Additions                   | 21.61             | 21.61        |
| <b>As at 31 March 2020</b>  | <b>21.61</b>      | <b>21.61</b> |

**Accumulated depreciation**

|                            |             |             |
|----------------------------|-------------|-------------|
| As at 31 March 2018        |             |             |
| Charge for the year        | -           | -           |
| <b>As at 31 March 2019</b> | <b>-</b>    | <b>-</b>    |
| Additions                  | 3.16        | 3.16        |
| <b>As at 31 March 2020</b> | <b>3.16</b> | <b>3.16</b> |

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| <b>Net block as at 31 March 2019</b> | <b>-</b>     | <b>-</b>     |
| <b>Net block as at 31 March 2020</b> | <b>18.45</b> | <b>18.45</b> |

**Satin Housing Finance Limited**
**Notes forming part of Financial Statements for the period ending March 31, 2020**

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

**12 Other non financial assets**

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Advances recoverable in cash or in kind or for value to be received | 2.18                    | 1.87                    |
| Prepaid expenses  | 141.74                  | 7.00                    |
| Prepaid rental asset  | 1.88                    | 1.20                    |
| Payment due from customers  | -                       | 0.06                    |
| Advance insurance receivable  | -                       | 2.60                    |
|   | <b>145.80</b>           | <b>12.73</b>            |

**13 Trade payables**

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Trade Payables</b>                                |                         |                         |
| total outstanding dues of MSMEs                      | -                       | -                       |
| total outstanding dues of creditors other than MSMEs | 1.02                    | -                       |
|  | <b>1.02</b>             | <b>-</b>                |

**14 Borrowings (other than debt securities)**

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Term loans from financial institutions (at amortized cost) | 7,870.12                | 3,348.73                |
| Term loans from banks                                      | -                       | -                       |
| Lease Liability on Rental assets                           | 20.37                   | -                       |
| <b>Total (A)</b>   | <b>7,890.49</b>         | <b>3,348.73</b>         |
| Borrowings in India  | 7,890.49                | 3,348.73                |
| Borrowings outside India                                   | -                       | -                       |
| <b>Total (B)</b>   | <b>7,890.49</b>         | <b>3,348.73</b>         |

Notes:

**(1) Repayment terms**

| Particulars                                    | Tenure  | Repayment type |
|--|---------|----------------|
| MAS Financials Services Limited                | 4 years | Monthly        |
| MAS Rural Housing and Mortgage Finance Limited | 4 years | Monthly        |
| Vivriti Capital Private Limited                | 5 years | Monthly        |
| Northern Arc Capital Ltd                       | 5 years | Monthly        |
| Sundaram BNP Paribas Home Finance Limited      | 4 years | Quarterly      |
| Hinduja Housing Finance Limited                | 5 years | Monthly        |
| National Housing Bank                          | 7 years | Quarterly      |

**(2) Security Details**

Security deposit (%)

OR

Book Debts Margin

(%)

|  |        |
|--|--------|
| MAS Financials Services Limited                | 100.0% |
| MAS Rural Housing and Mortgage Finance Limited | 100.0% |
| Vivriti Capital Private Limited                | 110.0% |
| Northern Arc Capital Ltd                       | 110.0% |
| Sundaram BNP Paribas Home Finance Limited      | 120.0% |
| Hinduja Housing Finance Limited                | 120.0% |
| National Housing Bank                          | 125.0% |

| Particulars                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| Interest accrued but not due     | 36.52                   | 14.59                   |
| Unamortized debt securities fees | 17.83                   | -                       |



**15 Subordinated liabilities (at amortised cost)**

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Non Convertible Debentures - Unsecured<br>20 (March 19:NIL) @14% Unsecured listed redeemable nonconvertible debentures of face value of Rs.1,00,00,000 each, The date of allotment is December 17, 2019. | 1,994.41                | -                       |
| <b>Total (A)</b>   | <b>1,994.41</b>         | <b>-</b>                |
| Subordinated liabilities in India  | 1,994.41                | -                       |
| Subordinated liabilities outside India   | -                       | -                       |
| <b>Total (B)</b>   | <b>1,994.41</b>         | <b>-</b>                |

**Non convertible debentures (unsecured)**

| Sr No | Particulars  | Terms of repayment  | As at March 31, 2020 | As at March 31, 2019 |
|-------|--|---|----------------------|----------------------|
| 1     | 20 (March 19:NIL) @14% Unsecured listed redeemable nonconvertible debentures of face value of Rs.1,00,00,000 each, The date of allotment is December 17, 2019. | Redeemable in equally 4 tranches starting from 30-06-2025 to 31-12-2026 | 2,000.00             | -                    |
|       | Total  |   | 2,000.00             | -                    |
|       | Less : Unamortized transaction cost  |   | 5.59                 | -                    |
|       | <b>Net Total</b>   |   | <b>1,994.41</b>      | <b>-</b>             |

**Particulars**

|                              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------|-------------------------|-------------------------|
| Interest accrued but not due | 69.04                   | -                       |

**Reconciliation of liabilities arising from financing activities**

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

| Particulars  | Borrowings<br>(other than debt) | Subordinated<br>liabilities | Liability against<br>leased assets | Total           |
|--|---------------------------------|-----------------------------|------------------------------------|-----------------|
| <b>April 01, 2018</b>  | -                               | -                           | -                                  | -               |
| Adoption of Ind AS 116   | -                               | -                           | -                                  | -               |
| <b>Cash flows:</b>   |                                 |                             |                                    |                 |
| - Repayment  | (1,451.27)                      | -                           | -                                  | (1,451.27)      |
| - Proceeds from overdraft facility                                   | -                               | -                           | -                                  | -               |
| - Proceeds other than overdraft facility                             | 4,800.00                        | -                           | -                                  | 4,800.00        |
| <b>Non cash:</b>   |                                 |                             |                                    |                 |
| - Conversion of Optionally Convertible, Redeemable Preference Shares | -                               | -                           | -                                  | -               |
| - Foreign exchange   | -                               | -                           | -                                  | -               |
| - Amortisation of upfront fees and others                            | -                               | -                           | -                                  | -               |
| <b>March 31, 2019</b>  | <b>3,348.73</b>                 | <b>-</b>                    | <b>-</b>                           | <b>3,348.73</b> |
| Adoption of Ind AS 116   | -                               | -                           | 51.69                              | 51.69           |
| <b>Cash flows:</b>   |                                 |                             |                                    |                 |
| - Repayment  | (1,610.77)                      | -                           | (21.54)                            | (1,632.32)      |
| - Proceeds from overdraft facility                                   | -                               | -                           | -                                  | -               |
| - Proceeds other than overdraft facility                             | 6,150.00                        | 2,000.00                    | -                                  | 8,150.00        |
| <b>Non cash:</b>   |                                 |                             |                                    |                 |
| - Addition during the year   | -                               | -                           | 7.77                               | 7.77            |
| - Conversion of Optionally Convertible, Redeemable Preference Shares | -                               | -                           | -                                  | -               |
| - Foreign exchange   | -                               | -                           | -                                  | -               |
| - Amortisation of upfront fees and others                            | (17.83)                         | (5.59)                      | -                                  | (23.42)         |
| - Others   | -                               | -                           | (17.55)                            | (17.55)         |
| <b>March 31, 2020</b>  | <b>7,870.12</b>                 | <b>1,994.41</b>             | <b>20.37</b>                       | <b>9,884.90</b> |

**16 Other financial liabilities**

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Interest accrued but not due on Borrowings               |                         |                         |
| - Term loans from financial institutions                 | 36.52                   | 14.59                   |
| Interest accrued but not due on subordinated liabilities | 69.04                   | -                       |
| Expenses payable   | 24.04                   | 4.50                    |
| Employee related payables                                | 1.42                    | 0.42                    |
| Insurance Premium return received                        | 2.91                    | 2.00                    |
|  | <b>133.93</b>           | <b>21.50</b>            |

**Satin Housing Finance Limited****Notes forming part of Financial Statements for the period ending March 31, 2020**

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

**17 Provisions**

| Particulars                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Provision for employee benefits</b> |                         |                         |
| Provision for gratuity                 | 7.41                    | 6.76                    |
| Provision for compensated absences     | 46.51                   | 13.51                   |
| Provision for expenses                 | -                       | 2.50                    |
|  | <u>53.92</u>            | <u>22.77</u>            |

**18 Other non financial liabilities**

| Particulars                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Advance received from customers | 30.19                   | 11.23                   |
| Statutory dues payable          | 0.24                    | 35.29                   |
| Deferred income                 | -                       | 60.32                   |
|                                 | <u>30.43</u>            | <u>106.84</u>           |

**Satin Housing Finance Limited**

**Notes forming part of Financial Statements for the period ending March 31, 2020**

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

**19 Equity share capital**

**Authorised equity share capital**

800,00,000 (31 March 2019: 600,00,000) Equity shares of ₹10 each

**Issued, subscribed and paid up equity share capital**

800,00,000 (31 March 2019: 500,00,000) Equity shares of ₹10 each

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Authorised equity share capital                     | 8,000.00                | 6,000.00                |
| Issued, subscribed and paid up equity share capital | 8,000.00                | 5,000.00                |

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

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian ₹. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares 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.

**ii) Reconciliation of equity shares outstanding at reporting year end date**

Equity share capital of ₹ 10 each fully paid up

Balance at the beginning of the year

Add: Issued during the year

**Balance at the end of the year**

| No. of shares               | ₹               | No. of shares               | ₹               |
|-----------------------------|-----------------|-----------------------------|-----------------|
| <b>As on March 31, 2020</b> |                 | <b>As on March 31, 2019</b> |                 |
| 500.00                      | 5,000.00        | 149.60                      | 1,496.00        |
| 300.00                      | 3,000.00        | 350.40                      | 3,504.00        |
| <b>800.00</b>               | <b>8,000.00</b> | <b>500.00</b>               | <b>5,000.00</b> |

**iii) Shares held by holding company as at balance sheet date:**

Equity share capital of ₹ 10 each fully paid up

Satin Creditcare Network Limited (holding company)

| No. of shares               | % holding   | No. of shares               | % holding   |
|-----------------------------|-------------|-----------------------------|-------------|
| <b>As on March 31, 2020</b> |             | <b>As on March 31, 2019</b> |             |
| 800.00                      | 100%        | 500.00                      | 100%        |
| <b>800.00</b>               | <b>100%</b> | <b>500.00</b>               | <b>100%</b> |

**20 Other equity**

Retained earnings

**Total Other Equity**

|                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Retained earnings         | (289.69)                | (173.48)                |
| <b>Total Other Equity</b> | <b>(289.69)</b>         | <b>(173.48)</b>         |

**Note:**

**Other comprehensive income (OCI)**

The Company has recognised remeasurements of defined benefits plans through other comprehensive income.

**Satin Housing Finance Limited**

**Notes forming part of Financial Statements for the quarter ending March 31, 2020**

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

**21 Interest income**

| Particulars                            | For the year ended<br>March 31, 2020                      | For the year ended<br>March 31, 2019 |
|--|---|--------------------------------------|
|  | <b>On Financial Assets measured<br/>at Amortised Cost</b> |                                      |
| Interest income on loans               | 1,591.14  | 390.76                               |
| Interest income on deposits with banks | 25.10   | 50.73                                |
| Other interest income                  | 0.53  | 0.34                                 |
| <b>Total</b>                           | <b>1,616.78</b>   | <b>441.83</b>                        |

**22 Fees and commission income**

| Particulars                        | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Income from fees and other charges | 93.16                                | 55.36                                |
|                                    | <b>93.16</b>                         | <b>55.36</b>                         |

**23 Net gain on fair value changes**

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>Net gain/ (loss) on financial instruments<br/>at fair value through profit or loss</b> |                                      |                                      |
| - Mutual Funds  | 163.49                               | 52.12                                |
| <b>Total Net gain/(loss) on fair value changes</b>  | <b>163.49</b>                        | <b>52.12</b>                         |
| <b>Fair Value Changes:</b>  |                                      |                                      |
| -Realised   | 163.49                               | 52.12                                |
| -Unrealised   | -                                    | -                                    |
| <b>Total Net gain/(loss) on fair value changes</b>  | <b>163.49</b>                        | <b>52.12</b>                         |

**24 Other income**

| Particulars                                 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Income from promotion of financial products | 225.00                               | 157.50                               |
| Miscellaneous income                        | 0.78                                 | 0.27                                 |
|   | <b>225.78</b>                        | <b>157.77</b>                        |

Satin Housing Finance Limited

Notes forming part of Financial Statements for the period ending March 31, 2020

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

25 Finance costs

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>On Financial liabilities measured<br/>at Amortised Cost</b> |                                      |                                      |
| <b>(A) Interest on borrowings</b>                              |                                      |                                      |
| Interest expense on bank overdraft                             | 0.60                                 | 0.46                                 |
| Interest expense on term loan from others                      | 744.58                               | 110.56                               |
| Interest expense on subordinated liabilities                   | 79.78                                | -                                    |
| Interest expense on lease rental assets                        | 2.21                                 | -                                    |
| <b>(B) Other interest expense</b>                              |                                      |                                      |
| Interest expense on taxes                                      | -                                    | 0.10                                 |
| Corporate guarantee fees                                       | 0.42                                 | -                                    |
| Commission on bank guarantee                                   | 0.26                                 | -                                    |
| Processing Fee on Borrowings                                   | 6.69                                 | -                                    |
|  | <b>834.55</b>                        | <b>111.12</b>                        |

26 Impairment on financial instruments

| Particulars               | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---------------------------|--------------------------------------|--------------------------------------|
| Impairment on loan assets | 118.94                               | 30.85                                |
|                           | <b>118.94</b>                        | <b>30.85</b>                         |

27 Employee benefits expenses

| Particulars                               | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus                 | 874.44                               | 405.13                               |
| Contribution to provident and other funds | 51.68                                | 19.95                                |
| Share based payment                       | 22.06                                | 41.32                                |
| Staff welfare expenses                    | 26.08                                | 8.21                                 |
| Recruitment expenses                      | 0.02                                 | 7.66                                 |
|   | <b>974.29</b>                        | <b>482.26</b>                        |

28 Depreciation, amortization and impairment

| Particulars                                  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on property, plant & equipments | 25.31                                | 9.42                                 |
| Depreciation on right on use assets          | 19.90                                | -                                    |
| Amortization on Intangible assets            | 3.16                                 | -                                    |
|  | <b>48.37</b>                         | <b>9.42</b>                          |



**Satin Housing Finance Limited**

**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

**29 Other expenses**

| Particulars                             | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Advertisement expenses                  | 1.14                                 | 1.17                                 |
| Auditor's remuneration*                 | 4.27                                 | 4.09                                 |
| Rates and taxes                         | 2.98                                 | 43.30                                |
| Legal and professional charges          | 17.01                                | 6.11                                 |
| Financial inspection expenses           | 12.40                                | 6.96                                 |
| Legal Verification Charges              | 24.31                                | 20.55                                |
| Technical Verification Charges          | 28.35                                | 27.33                                |
| Travelling and conveyance               | 22.55                                | 9.51                                 |
| Power and fuel                          | 5.89                                 | 4.74                                 |
| Office maintenance charges              | 19.02                                | 8.10                                 |
| Software expenses                       | 50.19                                | 46.56                                |
| Communication cost                      | 5.30                                 | 3.84                                 |
| Rent                                    | 22.53                                | 22.47                                |
| Director sitting fees                   | 2.73                                 | 1.51                                 |
| Printing and stationery                 | 15.88                                | 6.70                                 |
| Security guard expenses                 | 2.83                                 | 2.27                                 |
| DSA commission                          | 1.29                                 | 5.13                                 |
| Credit rating charges                   | 0.68                                 | 1.09                                 |
| Record maintainance charges             | 2.13                                 | 1.28                                 |
| Bank charges                            | 1.25                                 | 0.54                                 |
| Miscellaneous expenses                  | 4.27                                 | 2.36                                 |
|   | <b>246.99</b>                        | <b>225.62</b>                        |
| <u>*Auditor's remuneration includes</u> |                                      |                                      |
| Statutory audit fee                     | 3.00                                 | 3.00                                 |
| Tax audit fee                           | 1.00                                 | 1.00                                 |
| Other expenses                          | 0.27                                 | 0.09                                 |
|   | <b>4.27</b>                          | <b>4.09</b>                          |

**Satin Housing Finance Limited**

**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

**30 Earnings per share (basic and diluted)**

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Net profit/(Loss) for the year                            | (94.53)                              | (123.36)                             |
| Weighted average number of equity shares for EPS in lakhs | 727.05                               | 300.74                               |
| Par value per share                                       | 10.00                                | 10.00                                |
| Earnings per share - Basic and diluted                    | <b>(0.13)</b>                        | <b>(0.41)</b>                        |

**31 Tax expense**

| Particulars                                 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Current tax (including taxes earlier years) | 11.79                                | -                                    |
| Deferred tax credit                         | (41.19)                              | (28.83)                              |
|   | <b>(29.40)</b>                       | <b>(28.83)</b>                       |

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 26.00% and the reported tax expense in profit or loss are as follows:

|   |                 |                 |
|---|-----------------|-----------------|
| Accounting profit before income tax   | <b>(123.93)</b> | <b>(152.19)</b> |
| At country's statutory income tax rate of 26.00%<br>(31 March 2019: 27.82%) | (32.22)         | (42.34)         |
| Adjustments in respect of taxes earlier years                               |                 |                 |
| (i) Expenses in increase in Authorised Capital                              | 24.50           | 11.27           |
| (ii) Preliminary expenses allowed   | (2.57)          | (1.71)          |
| (iii) Others  | (19.12)         | 3.95            |
|   | <b>(29.40)</b>  | <b>(28.83)</b>  |

**32 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 on 'Segment Reporting' is considered to be only the reportable business segment. The company derives its major revenues from financing activities and its customers are widespread. The Company is operating in India which is considered as a single geographical segment.

**Information about interest income on loans**

| Particulars       | March 31, 2020  | March 31, 2019 |
|-------------------|-----------------|----------------|
| Housing loans     | 1,351.52        | 319.17         |
| Non Housing loans | 239.62          | 71.60          |
| Total             | <b>1,591.14</b> | <b>390.76</b>  |

**33 Contingent liability and Capital & other commitments**

No contingent liability as on 31st Mar 2020 (previous year NIL)

Estimated amount of contracts remaining to be executed on capital account is Rs 0.92 lakhs (previous year NIL)

The company has undrawn exposure towards borrowers of Rs 1518.45 lakhs as on 31st Mar 2020  
(previous year Rs 1323.96 lakhs)

## Satin Housing Finance Limited

### Notes forming part of Financial Statements for the year ending March 31, 2020

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

#### 34 Related Party transactions

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

##### a. Details of related parties:

| Description of relationship  | Names of related parties   |
|--|--|
| Holding company  | Satin Creditcare Network Limited   |
| Entities over which significant influence is exercised by the company /key management personnel (either individually or with others) | Niryas Food Products Private Limited   |
| Key management personnel (KMP)   | Amit Sharma ; Whole Time Director & Chief Executive Officer<br>Sachin Sharma ; Chief Financial Officer<br>Prince Kumar ; Company Secretary |

##### b. Transactions with Related Parties are as under:

|  | Related Party Entities |                | Key Management Personnel |                |
|--|------------------------|----------------|--------------------------|----------------|
|  | March 31, 2020         | March 31, 2019 | March 31, 2020           | March 31, 2019 |
| <b>(i) Transactions during the year</b>  |                        |                |                          |                |
| <b>Satin Creditcare Network Limited</b>  |                        |                |                          |                |
| (holding company)  |                        |                |                          |                |
| a) Issue of Equity Shares  | 3,000.00               | 3,504.00       | -                        | -              |
| b) Reimbursement towards payment of Incorporation expenses                     | -                      | -              | -                        | -              |
| c) Employee Compensation expenses on account of ESOP Scheme of holding company | 22.06                  | 41.32          | -                        | -              |
| d) Payment of Rent for sharing registered office premises                      | 0.86                   | 0.63           | -                        | -              |
| e) Loan proceeds   | 300.00                 | 1,400.00       | -                        | -              |
| f) Loan repayment  | 400.00                 | 1,300.00       | -                        | -              |
| g) Closing loan balance  | -                      | 100.00         | -                        | -              |
| h) Interest on Loan  | 10.04                  | 11.74          | -                        | -              |
| i) Corporate guarantee fees payment  | 29.06                  | -              | -                        | -              |
| j) Corporate guarantee fees expenses   | 0.38                   | -              | -                        | -              |
| <b>Niryas Food Products Private Limited</b>                                    |                        |                |                          |                |
| a) Office expenses   | 0.23                   | 0.25           | -                        | -              |
| <b>Key Management Personnel</b>  |                        |                |                          |                |
| * Salary and Bonus   |                        |                |                          |                |
| i. Amit Sharma; Whole Time Director & Chief Executive Officer                  | -                      | -              | 78.37                    | 64.06          |
| ii. Sachin Sharma; Chief Financial Officer                                     | -                      | -              | 27.91                    | 19.59          |
| iii. Kuldeep Singh Yadav; Company Secretary (Till 31st Mar 2019)               | -                      | -              | -                        | 19.77          |
| iv. Prince Kumar; Company Secretary (From 1st April 2019)                      | -                      | -              | 8.50                     | -              |

With respect to the key management personnel, disclosure has been given for those relatives with whom the Company has made transactions during the year.

##### Key management personnel remuneration includes the following expenses:

|                              | March 31, 2020 | March 31, 2019 |
|------------------------------|----------------|----------------|
| Short-term employee benefits | 114.78         | 103.42         |
| Post-employment benefits     | 0.39           | 1.31           |
| Other long term benefits     | 5.34           | 1.96           |
| Share based payment          | 22.06          | 41.32          |
| <b>Total remuneration</b>    | <b>142.57</b>  | <b>148.00</b>  |

### 35 Leases

Total lease expense recognised in the statement of profit and loss  
Operating lease rent

| For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------------------------|--------------------------------------|
| 22.00                                | 22.09                                |
| <b>22.00</b>                         | <b>22.09</b>                         |

#### Office premises

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Operating lease payments recognised during the year | 22.00                                | 22.09                                |
| Minimum lease obligations:                          |                                      |                                      |
| - within one year                                   | 37.36                                | 30.29                                |
| - Later than one year but not later than five years | 127.10                               | 46.95                                |
| - Later than five years                             | -                                    | -                                    |

### 36 Leases disclosure as lessee

The Company has taken various office premises under operating lease arrangements. Generally, the lease term varies from 11 months to 60 months and is renewable under mutually agreed terms between lessee and lessor. The company has considered leases having initial lease term of upto 12 months as short term leases as per para 6 of Ind AS 116 and their expenses have been recognised as Rent under note 31. For all other leases having lease term of more than 12 months a right of use asset is recognised with a corresponding lease liability. The right of use asset is disclosed under Property, Plant and Equipment and lease liability is disclosed under Borrowings. Further disclosures as on March 31, 2020 are as follows:

#### 1 The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 as at 1st April 2019

| Particulars                                | Property, plant and equipment | Lease liabilities | Total    |
|--|-------------------------------|-------------------|----------|
| Carrying amount as at April 1, 2019        | -                             | -                 | -        |
| Reclassification                           | -                             | -                 | -        |
| Remeasurement                              | 51.69                         | -51.69            | -        |
| <b>Carrying amount as at April 1, 2019</b> | <b>51.69</b>                  | <b>-51.69</b>     | <b>-</b> |

#### 2 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 1 April 2019:

| Particulars  | Amount       |
|--|--------------|
| Total operating lease commitments disclosed at 31 March 2019               | 77.24        |
| Recognition exemptions:  |              |
| Leases of low value assets   | -            |
| Leases with remaining lease term of less than 12 months                    | (6.33)       |
| Variable lease payments not recognised                                     | -            |
| Other minor adjustments relating to commitment disclosures                 | -            |
| Operating lease liabilities before discounting                             | 70.91        |
| Discount rate  | 12%          |
| Discounted using incremental borrowing rate                                | 51.69        |
| Operating lease liabilities  | -            |
| Reasonably certain extension options                                       | -            |
| Finance lease obligations  | -            |
| <b>Total lease liabilities recognised under Ind AS 116 at 1 April 2019</b> | <b>51.69</b> |

\* Operating lease commitments were Rs. 77.24 lakhs as at March 31, 2019, however the same has been recalculated as on April 01, 2019 for adoption of Ind AS 116.

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

| Particulars   | Right of use asset Office Premises |
|---|------------------------------------|
| Total number of leases                                  | 15                                 |
| Number of leases considered as short term leases        | 12                                 |
| No. of right-of-use assets leased                       | 3                                  |
| Range of remaining term                                 | From 1 months to 50 months         |
| Average remaining lease term                            | 12 months                          |
| No. of leases with extension options                    | 14                                 |
| No. of leases with purchase options                     | 0                                  |
| No. of leases with variable payments linked to an index | 0                                  |
| No. of leases with termination options                  | 15                                 |

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

| Particulars                                       | Right of use asset Office Premises |
|---|------------------------------------|
| Carrying amount as on March 31, 2019              | -                                  |
| Reclassified on account of adoption of Ind AS 116 | 51.69                              |
| Addition  | 7.77                               |
| Deletion  | 34.71                              |
| Depreciation                                      | 4.95                               |
| Carrying amount as on March 31, 2020              | 19.80                              |

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.

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

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------|-----------------------------------|-----------------------------------|
| Current     | 5.22                              | -                                 |
| Non-current | 15.15                             | -                                 |
| Total       | 20.37                             | -                                 |

**6 At 31 March 2020 the Company do not have any committed leases which had not commenced.**

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

| Particulars   | Lease payments | Finance charges | Net present values |
|---------------|----------------|-----------------|--------------------|
| Within 1 year | 7.21           | 2.00            | 5.22               |
| 1-2 years     | 6.83           | 1.37            | 5.46               |
| 2-5 years     | 10.70          | 1.01            | 9.69               |
| Total         | 24.75          | 4.38            | 20.37              |

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

**8 Operating leases**

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

**Office premises**

| Particulars                | March 31, 2020 |
|----------------------------|----------------|
| Short term leases          | 18.68          |
| Leases of low value assets | -              |
| Variable lease payments    | -              |
| Total                      | 18.68          |

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



9 The Company had total cash outflows for leases of INR 43.54 Lakhs in 31 March 2020 (INR 22.09 Lakhs in 31 March 2019).

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

| Particulars   | For the year ended<br>March 31, 2020 |
|---|--------------------------------------|
| Depreciation expense of right-of-use assets                                 | 19.90                                |
| Interest expense on lease liabilities                                       | 2.21                                 |
| Expense relating to short-term leases (included in other expenses)          | 22.53                                |
| Expense relating to leases of low-value assets (included in other expenses) | -                                    |
| Variable lease payments (included in other expenses)                        | -                                    |
| <b>Total amount recognised in profit or loss</b>                            | <b>44.64</b>                         |

**11**

The Company has lease contracts for office buildings used in its operations. Leases of these buildings generally have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

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

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

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

**13** the lease term:

| Particulars                                    |           | Within five years | More than five years | Total |
|--|-----------|-------------------|----------------------|-------|
| Extension options expected not to be exercised | count     | -                 | -                    | -     |
| Termination options expected to be exercised   | count     | -                 | -                    | -     |
| Extension options expected not to be exercised | INR Lakhs | -                 | -                    | -     |
| Termination options expected to be exercised   | INR Lakhs | -                 | -                    | -     |
| <b>Total</b>                                   |           | -                 | -                    | -     |

**Satin Housing Finance Limited**
**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

**37 Employee benefits**

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

**Defined contribution plans**
**Provident fund 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.

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Employers contribution to provident and other fund* | 51.68                   | 19.95                   |

**Defined benefit plans**
**Gratuity**

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

**Risks associated with plan provisions**

|                        |   |
|------------------------|---|
| Salary increases       | Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.                    |
| Investment risk        | If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability. |
| Discount rate          | Reduction in discount rate in subsequent valuations can increase the plan's liability.  |
| Mortality & disability | Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.  |
| Withdrawals            | Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.                          |

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

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Present value of obligation                                    | 7.41                    | 6.76                    |
| Fair value of plan assets                                      | -                       | -                       |
| <b>Net obligation recognised in balance sheet as provision</b> | <b>7.41</b>             | <b>6.76</b>             |

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

| Particulars  | For the year ended<br>March 31, 2020 | For the year<br>ended March 31,<br>2019 |
|--|--------------------------------------|---|
| Current service cost                                 | 4.05                                 | 5.40                                    |
| Past service cost including curtailment gains/losses | -                                    | 0.11                                    |
| Interest cost on defined benefit obligation          | 0.52                                 | -                                       |
| <b>Net impact on profit (before tax)</b>             | <b>4.57</b>                          | <b>5.51</b>                             |

**Amount recognised in the other comprehensive income:**

| Particulars                                      | For the year ended<br>March 31, 2020 | For the year<br>ended March 31,<br>2019 |
|--|--------------------------------------|---|
| Actuarial (gain)/loss recognised during the year | (3.91)                               | (0.19)                                  |

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

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Present value of defined benefit obligation as at the beginning of year      | 6.76                    | 1.43                    |
| Current service cost   | 4.05                    | 5.40                    |
| Interest cost  | 0.52                    | 0.11                    |
| Actuarial loss/(gain) on obligation  | -                       | -                       |
| Actuarial (gain)/loss on arising from change in demographic assumption       | -                       | -                       |
| Actuarial (gain)/loss on arising from change in financial assumption         | (3.91)                  | 0.08                    |
| Actuarial (gain)/loss on arising from experience adjustment                  | -                       | (0.27)                  |
| <b>Present value of defined benefit obligation as at the end of the year</b> | <b>7.41</b>             | <b>6.76</b>             |

**Satin Housing Finance Limited**
**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

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

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Fair value of plan assets at beginning of year          | -                       | -                       |
| Actual return on plan assets                            | -                       | -                       |
| Employer's contribution                                 | -                       | -                       |
| Benefits paid   | -                       | -                       |
| Expected return on plan assets                          | -                       | -                       |
| Actuarial loss/(gain) on plan assets                    | -                       | -                       |
| <b>Fair value of plan assets at the end of the year</b> | <b>-</b>                | <b>-</b>                |

**(vi) Actuarial assumptions**

| Particulars               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Discounting rate          | 6.76%                   | 7.66%                   |
| Future salary increase    | 4.00%                   | 7.00%                   |
| Retirement age (years)    | 58.00                   | 58.00                   |
| Withdrawal rate           |                         |                         |
| Up to 30 years            | 25.50%                  | 3%                      |
| From 31 to 44 years       | 38.10%                  | 2%                      |
| Above 44 years            | 0.00%                   | 1%                      |
| Weighted average duration | 3.25                    | 20.09                   |

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.

Assumptions for actuarial valuation is based on experience on past data updated till the reporting date of the Company regarding movement of employees.

**(vii) Sensitivity analysis for gratuity liability**

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Impact of the change in discount rate</b>       |                         |                         |
| Present value of obligation at the end of the year | 7.41                    | 6.76                    |
| - Impact due to increase of 0.50 %                 | (0.35)                  | (0.52)                  |
| - Impact due to decrease of 0.50 %                 | 0.37                    | 0.58                    |
| <b>Impact of the change in salary increase</b>     |                         |                         |
| Present value of obligation at the end of the year | 7.41                    | 6.76                    |
| - Impact due to increase of 0.50 %                 | 0.38                    | 0.58                    |
| - Impact due to decrease of 0.50 %                 | (0.36)                  | (0.53)                  |

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

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

| (viii) Maturity profile of defined benefit obligation | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>year</b>   | <b>Amount</b>           | <b>Amount</b>           |
| 0 to 1 year   | 0.03                    | 0.01                    |
| 1 to 2 year   | 0.09                    | 0.04                    |
| 2 to 3 year   | 0.14                    | 0.11                    |
| 3 to 4 year   | 0.35                    | 0.11                    |
| 4 to 5 year   | 0.31                    | 0.11                    |
| 5 to 6 year   | 0.20                    | 0.10                    |
| 6 year onwards  | 6.30                    | 6.28                    |

**38 Financial Instruments****A Financial assets and liabilities**

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

| Particulars  | Notes to schedule | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------|----------------------|----------------------|
| <b>Financial assets measured at amortised cost</b>                     |                   |                      |                      |
| Cash and cash equivalents  | 4                 | 3,187.44             | 133.75               |
| Bank balances other than above   | 5                 | 358.17               | 215.32               |
| Loans  | 7                 | 13,731.67            | 7,868.82             |
| Trade receivables  |                   | 47.20                | -                    |
| Security deposits  | 8                 | 11.78                | 7.02                 |
| Other financial assets   | 8                 | 145.73               | -                    |
| <b>Total</b>   |                   | <b>17,481.99</b>     | <b>8,224.91</b>      |
| <b>Financial liabilities measured at amortised cost</b>                |                   |                      |                      |
| Trade payables   | 13                | 1.02                 | -                    |
| Borrowings (other than debt securities but including interest accrued) | 14                | 7,890.49             | 3,348.73             |
| Subordinated liabilities   | 15                | 1,994.41             | -                    |
| Other financial liabilities  | 16                | 133.93               | 21.50                |
| <b>Total</b>   |                   | <b>10,019.85</b>     | <b>3,370.23</b>      |

**B Fair values hierarchy**

The Company does not have any financial instrument which is measured at fair value.

**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, 2020 |                  | As at March 31, 2019 |                 |
|---|----------------------|------------------|----------------------|-----------------|
|   | Carrying value       | Fair value       | Carrying value       | Fair value      |
| <b>Financial assets</b>                 |                      |                  |                      |                 |
| Cash and cash equivalents               | 3,187.44             | 3,187.44         | 133.75               | 133.75          |
| Bank balances other than above          | 358.17               | 358.17           | 215.32               | 215.32          |
| Loans                                   | 13,731.67            | 14,604.76        | 7,868.82             | 8,497.52        |
| Trade receivables                       | 47.20                | 47.20            | -                    | -               |
| Security deposits                       | 11.78                | 11.78            | 7.02                 | 7.02            |
| Other financial assets                  | 145.73               | 145.73           | -                    | -               |
| <b>Total</b>                            | <b>17,481.99</b>     | <b>18,355.08</b> | <b>8,224.91</b>      | <b>8,853.60</b> |
| <b>Financial liabilities</b>            |                      |                  |                      |                 |
| Trade payables                          | 1.02                 | 1.02             | -                    | -               |
| Borrowings (other than debt securities) | 7,890.49             | 7,890.49         | 3,348.73             | 3,348.73        |
| Subordinated liabilities                | 1,994.41             | 2,190.56         | -                    | -               |
| Other financial liabilities             | 133.93               | 133.93           | 21.50                | 21.50           |
| <b>Total</b>                            | <b>10,019.85</b>     | <b>10,216.00</b> | <b>3,370.23</b>      | <b>3,370.23</b> |

The management assessed that fair values of investments, cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- The fair values of the Company's fixed interest bearing loans and receivables are determined by applying discounted cash flows (DCF) method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.
- The fair values of the Company fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discounted cash flows (DCF) method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. 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.

**C 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. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk                        | Exposure arising from   | Measurement          | Management  |
|-----------------------------|---|----------------------|---|
| Credit risk                 | Cash and cash equivalents (other than cash), loans, financial assets measured at amortised cost | Ageing analysis      | Highly rated bank deposits and diversification of asset base and collaterals taken for assets |
| Liquidity risk              | Borrowings and other financial liabilities  | Cash flow forecasts  | Availability of committed credit lines and borrowing facilities                               |
| Market risk - interest rate | Variable rates borrowings   | Sensitivity analysis | Negotiation of terms that reflect the market factors  |

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

**A) Credit risk**

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

**Satin Housing Finance Limited**
**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

**a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns

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

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

| Nature               | Assets covered  | Basis of expected credit loss                                   |
|----------------------|---|---|
| Low credit risk      | Cash and cash equivalents (other than cash), other bank balances, investments, loans and other financial assets | 12 month expected credit loss                                   |
| Moderate credit risk | Nil   | Life time expected credit loss or 12 month expected credit loss |
| High credit risk     | Nil   | Life time expected credit loss fully provided for               |

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

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

**Financial assets that expose the entity to credit risk\***

| Particulars                                | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| (i) <b>Low credit risk - Stage 1</b>       |                         |                         |
| Loans                                      | 13,731.67               | 7,868.82                |
| Trade receivables                          | 47.20                   | -                       |
| Cash and cash equivalents                  | 3,187.42                | 133.60                  |
| Bank balances other than above             | 358.17                  | 215.32                  |
| Security deposits                          | 11.78                   | 7.02                    |
| Other financial assets                     | 145.73                  | -                       |
| (ii) <b>Moderate credit risk - Stage 2</b> |                         |                         |
| Loans                                      | -                       | -                       |
| (iii) <b>High credit risk - Stage 3</b>    |                         |                         |
| Loans                                      | -                       | -                       |

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

**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents (other than cash) and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

**Loans**

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

**Other financial assets measured at amortized cost**

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

**b) Expected credit losses for financial assets other than loans**

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

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

| As at March 31, 2020           | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|--------------------------------|--|---------------------------------|------------------------|---|
| Cash and cash equivalents      | 3,187.42                                   | 0%                              | -                      | 3,187.42                                    |
| Bank balances other than above | 358.17                                     | 0%                              | -                      | 358.17                                      |
| Trade receivables              | 47.20                                      | 0%                              | -                      | 47.20                                       |
| Security deposits              | 11.78                                      | 0%                              | -                      | 11.78                                       |
| Other financial assets         | 145.73                                     | 0%                              | -                      | 145.73                                      |

| As at March 31, 2019           | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|--------------------------------|--|---------------------------------|------------------------|---|
| Cash and cash equivalents      | 133.75                                     | 0%                              | -                      | 133.75                                      |
| Bank balances other than above | 215.32                                     | 0%                              | -                      | 215.32                                      |
| Security deposits              | 7.02                                       | 0%                              | -                      | 7.02  |
| Other financial assets         | -  | 0%                              | -                      | -   |

**Satin Housing Finance Limited**
**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

**ii) Expected credit loss for loans**

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

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

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

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

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

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

Considering, the Company has started business from November 2017 and does not have history and there are no loan balances which has become 90 days past due and hence, provisioning norms are been used to make provision for loan assets, with a background of management overlay.

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Gross loans in respect of borrower's where no specific default has occurred | 13,882.30               | 7,900.51                |
| Expected loss rate  | 1.09%                   | 0.40%                   |
| Loans due from borrowers where specific default has occurred                |                         |                         |
| Expected credit loss (loss allowance provision)                             | 150.63                  | 31.69                   |

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

| Gross carrying amount as at April 1, 2017               | Loans            |
|---|------------------|
| Assets originated*                                      | 206.81           |
| Net transfer between stages                             |                  |
| Transfer to stage 1                                     | -                |
| Transfer to stage 2                                     | -                |
| Transfer to stage 3                                     | -                |
| Assets derecognised or collected (excluding write offs) | -                |
| Write - offs (including death cases)                    | -                |
| <b>Gross carrying amount as at March 31, 2018</b>       | <b>206.81</b>    |
| Assets originated*                                      | 7,693.69         |
| Net transfer between stages                             |                  |
| Transfer to stage 1                                     | -                |
| Transfer to stage 2                                     | -                |
| Transfer to stage 3                                     | -                |
| Assets derecognised or collected (excluding write offs) | -                |
| Write - offs (including death cases)                    | -                |
| <b>Gross carrying amount as at March 31, 2019</b>       | <b>7,900.51</b>  |
| Assets originated*                                      | 5,981.79         |
| Net transfer between stages                             |                  |
| Transfer to stage 1                                     | -                |
| Transfer to stage 2                                     | -                |
| Transfer to stage 3                                     | -                |
| Assets derecognised or collected (excluding write offs) | -                |
| Write - offs (including death cases)                    | -                |
| <b>Gross carrying amount as at March 31, 2020</b>       | <b>13,882.30</b> |

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

| Reconciliation of loss allowance        | Loans         |
|---|---------------|
| Loss allowance on April 1, 2017         | -             |
| Loss allowances on assets originated    | 0.84          |
| Loss allowance written back             | -             |
| Write - offs                            | -             |
| <b>Loss allowance on March 31, 2018</b> | <b>0.84</b>   |
| Loss allowances on assets originated    | 30.85         |
| Loss allowance written back             | -             |
| Write - offs                            | -             |
| <b>Loss allowance on March 31, 2019</b> | <b>31.69</b>  |
| Loss allowances on assets originated    | 118.94        |
| Loss allowance written back             | -             |
| Write - offs                            | -             |
| <b>Loss allowance on March 31, 2020</b> | <b>150.63</b> |

**c) Concentration of loans**

| Particulars                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| Housing Loans                    | 12,354.91               | 7,039.66                |
| Non-Housing Loans                | 1,855.53                | 1,005.78                |
| Add: Changes in fair value       | -                       | -                       |
| Less: Unamortised processing fee | (328.14)                | (144.93)                |
| <b>Total</b>                     | <b>13,882.30</b>        | <b>7,900.51</b>         |

**B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**(i) Financing arrangements**

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

| Floating rate  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| - Expiring within one year ((Financial Institutions- Floating rate)  | 1,000.00                | 3,000.00                |
| - Expiring beyond one year ((Financial Institutions - Floating rate) | 1,000.00                | -                       |
|  | -                       | -                       |



The bank overdraft facilities may be drawn at any time and may be terminated by the bank with notice. The Company has fixed deposit lien against bank overdraft. Subject to the continuance of satisfactory credit ratings, the bank loan facilities can be drawn.

(ii) **Maturities of financial assets and liabilities**

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| As at<br>March 31, 2020                 | Less than 1 year | 1-2 year        | 2-3 year        | More than 3 years | Total            |
|---|------------------|-----------------|-----------------|-------------------|------------------|
| <b>Financial Assets</b>                 |                  |                 |                 |                   |                  |
| Cash and cash equivalents               | 3,187.44         | -               | -               | -                 | 3,187.44         |
| Bank balances other than above          | 228.55           | -               | -               | 129.62            | 358.17           |
| Loans                                   | 2,328.52         | 2,327.15        | 2,312.56        | 25,660.96         | 32,629.19        |
| Trade receivables                       | 47.20            | -               | -               | -                 | 47.20            |
| Other financial assets                  | 156.13           | 1.38            | -               | -                 | 157.51           |
|   | <b>5,947.84</b>  | <b>2,328.54</b> | <b>2,312.56</b> | <b>25,790.58</b>  | <b>36,379.52</b> |
| <b>Financial Liabilities</b>            |                  |                 |                 |                   |                  |
| Borrowings (other than debt securities) | 2,390.20         | 2,573.20        | 2,361.09        | 2,338.48          | 9,662.98         |
| Subordinated liabilities                | 280.00           | 280.00          | 280.00          | 2,909.42          | 3,749.42         |
| Trade payables                          | 1.02             | -               | -               | -                 | 1.02             |
| Other financial liabilities             | 133.93           | -               | -               | -                 | 133.93           |
| <b>Total</b>                            | <b>2,805.16</b>  | <b>2,853.20</b> | <b>2,641.09</b> | <b>5,247.91</b>   | <b>13,547.36</b> |

| As at<br>March 31, 2019                 | Less than 1 year | 1-2 year        | 2-3 year        | More than 3 years | Total            |
|---|------------------|-----------------|-----------------|-------------------|------------------|
| <b>Financial Assets</b>                 |                  |                 |                 |                   |                  |
| Cash and cash equivalents               | 133.75           | -               | -               | -                 | 133.75           |
| Bank balances other than above          | 223.58           | -               | -               | -                 | 223.58           |
| Loans                                   | 1,282.59         | 1,281.56        | 1,281.35        | 18,164.89         | 22,010.38        |
| Other financial assets                  | 1.94             | 3.60            | -               | 2.73              | 8.27             |
|   | <b>1,641.85</b>  | <b>1,285.16</b> | <b>1,281.35</b> | <b>18,167.62</b>  | <b>22,375.98</b> |
| <b>Financial Liabilities</b>            |                  |                 |                 |                   |                  |
| Borrowings (other than debt securities) | 1,051.19         | 1,009.89        | 960.48          | 1,375.71          | 4,397.27         |
| Trade payables                          | 2.50             | -               | -               | -                 | 2.50             |
| Other financial liabilities             | 21.50            | -               | -               | -                 | 21.50            |
| <b>Total</b>                            | <b>1,075.19</b>  | <b>1,009.89</b> | <b>960.48</b>   | <b>1,375.71</b>   | <b>4,421.27</b>  |

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2020

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

C) Market risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

*Interest rate risk exposure*

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

| Particulars              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Variable rate borrowings | 7,390.49                | 3,348.73                |
| Fixed rate borrowings    | 2,494.41                | -                       |
| <b>Total Borrowings</b>  | <b>9,884.90</b>         | <b>3,348.73</b>         |

*Sensitivity*

Below is the sensitivity of profit or loss in interest rates:

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Interest sensitivity*</b>                          |                         |                         |
| Interest rates – increase by 50 basis points (50 bps) | (36.95)                 | (16.74)                 |
| Interest rates – decrease by 50 basis points (50 bps) | 36.95                   | 16.74                   |

\* Holding all other variables constant

ii) Assets

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

39 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

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

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

| Particulars                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Borrowings (other than debt securities)           | 7,890.49                | 3,348.73                |
| Subordinated liabilities                          | 1,994.41                | -                       |
| Other financial liabilities                       | 133.93                  | 21.50                   |
| Less: Cash and cash equivalents and Bank balances | (3,545.61)              | (349.06)                |
| <b>Total borrowings/net debt</b>                  | <b>6,473.22</b>         | <b>3,021.17</b>         |
| Equity share capital                              | 8,000.00                | 5,000.00                |
| Other equity                                      | (289.69)                | (173.48)                |
| <b>Total equity/Capital and net debt</b>          | <b>7,710.31</b>         | <b>4,826.52</b>         |
| <b>Net debt to equity ratio</b>                   | <b>0.84</b>             | <b>0.63</b>             |

\* Net debt includes debt securities + borrowings (other than debt securities) + subordinated liabilities + interest accrued - cash and cash equivalents - Bank balances other than cash and cash equivalents.

# Satin Housing Finance Limited

## Notes forming part of Financial Statements for the year ending March 31, 2020

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

### 40 Assets hypothecated as security

The carrying amounts of assets hypothecated as security are:

| Particulars  | March 31, 2020  | March 31, 2019  |
|--|-----------------|-----------------|
| <b>Non-current</b>                                       |                 |                 |
| First charge   | 6,863.88        | 2,844.08        |
| <b>Total non-current assets hypothecated as security</b> | <b>6,863.88</b> | <b>2,844.08</b> |
| <b>Current</b>   |                 |                 |
| First charge   | 1,889.96        | 692.23          |
| <b>Total current assets hypothecated as security</b>     | <b>1,889.96</b> | <b>692.23</b>   |
| <b>Total assets hypothecated as security</b>             | <b>8,753.83</b> | <b>3,536.31</b> |

Company has hypothecated its loan assets as security against borrowings.

### 41 Reconciliation of liabilities arising from financing activities

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

| Particulars          | Borrowings      | Equity Share Capital | Total            |
|----------------------|-----------------|----------------------|------------------|
| <b>01 April 2017</b> | -               | -                    | -                |
| Cash flows:          |                 | 1,496.00             | 1,496.00         |
| Non cash:            |                 |                      |                  |
| <b>31 March 2018</b> | -               | <b>1,496.00</b>      | <b>1,496.00</b>  |
| Cash flows:          | 3,348.73        | 3,504.00             | 6,852.73         |
| Non cash:            | -               | -                    | -                |
| - Others             | -               | -                    | -                |
| <b>31 March 2019</b> | <b>3,348.73</b> | <b>5,000.00</b>      | <b>8,348.73</b>  |
| Cash flows:          | 6,515.80        | 3,000.00             | 9,515.80         |
| Non cash:            | -               | -                    | -                |
| - Others             | -               | -                    | -                |
| <b>31 March 2020</b> | <b>9,864.53</b> | <b>8,000.00</b>      | <b>17,864.53</b> |

**Satin Housing Finance Limited**
**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

**43 Maturity of assets and liabilities**

In accordance with Ind AS 1 Paragraph 61, whichever method of presentation is adopted, Company has disclosed amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled as follows:

|   | March 31, 2020      |                        |                  | March 31, 2019      |                        |                 |
|---|---------------------|------------------------|------------------|---------------------|------------------------|-----------------|
|   | Within<br>12 months | More than<br>12 months | Total            | Within<br>12 months | More than<br>12 months | Total           |
| <b>ASSETS</b>                           |                     |                        |                  |                     |                        |                 |
| <b>Financial assets</b>                 |                     |                        |                  |                     |                        |                 |
| Cash and cash equivalents               | 3,187.44            | -                      | <b>3,187.44</b>  | 133.75              | -                      | <b>133.75</b>   |
| Bank balances other than above          | 228.55              | 129.62                 | <b>358.17</b>    | 215.32              | -                      | <b>215.32</b>   |
| Trade receivables                       | 47.20               | -                      | <b>47.20</b>     | -                   | -                      | -               |
| Loans                                   | 446.13              | 13,285.53              | <b>13,731.67</b> | 198.03              | 7,670.79               | <b>7,868.82</b> |
| Other financial assets                  | 156.13              | 1.38                   | <b>157.51</b>    | -                   | 7.02                   | <b>7.02</b>     |
|   | <b>4,065.45</b>     | <b>13,416.53</b>       | <b>17,481.99</b> | <b>547.09</b>       | <b>7,677.81</b>        | <b>8,224.90</b> |
| <b>Non Financial assets</b>             |                     |                        |                  |                     |                        |                 |
| Current tax assets (net)                | -                   | 15.43                  | <b>15.43</b>     | -                   | 14.04                  | <b>14.04</b>    |
| Deferred tax assets (net)               | -                   | 87.28                  | <b>87.28</b>     | -                   | 47.14                  | <b>47.14</b>    |
| Property, plant and equipment           | 39.00               | 26.56                  | <b>65.56</b>     | 14.37               | 13.17                  | <b>27.54</b>    |
| Intangible assets                       | 4.41                | 14.05                  | <b>18.45</b>     | -                   | -                      | -               |
| Other non financial assets              | 64.42               | 81.39                  | <b>145.80</b>    | -                   | 12.73                  | <b>12.73</b>    |
|   | <b>107.82</b>       | <b>224.70</b>          | <b>332.52</b>    | <b>14.37</b>        | <b>87.08</b>           | <b>101.45</b>   |
| <b>TOTAL ASSETS</b>                     | <b>4,173.27</b>     | <b>13,641.24</b>       | <b>17,814.51</b> | <b>561.47</b>       | <b>7,764.89</b>        | <b>8,326.35</b> |
| <b>LIABILITIES AND EQUITY</b>           |                     |                        |                  |                     |                        |                 |
| <b>LIABILITIES</b>                      |                     |                        |                  |                     |                        |                 |
| <b>Financial Liabilities</b>            |                     |                        |                  |                     |                        |                 |
| Borrowings (other than debt securities) | 1,535.36            | 6,355.13               | <b>7,890.49</b>  | 663.39              | 2,685.34               | <b>3,348.73</b> |
| Subordinated liabilities                | -                   | 1,994.41               | <b>1,994.41</b>  | -                   | -                      | -               |
| Other financial liabilities             | 133.93              | -                      | <b>133.93</b>    | 21.50               | -                      | <b>21.50</b>    |
|   | <b>1,670.31</b>     | <b>8,349.54</b>        | <b>10,019.85</b> | <b>684.89</b>       | <b>2,685.34</b>        | <b>3,370.23</b> |
| <b>Non Financial Liabilities</b>        |                     |                        |                  |                     |                        |                 |
| Current tax liabilities (net)           | -                   | -                      | -                | -                   | -                      | -               |
| Provisions                              | 9.08                | 44.84                  | <b>53.92</b>     | 0.25                | 22.52                  | <b>22.77</b>    |
| Other non financial liabilities         | 30.43               | -                      | <b>30.43</b>     | 46.51               | 60.32                  | <b>106.84</b>   |
|   | <b>39.51</b>        | <b>44.84</b>           | <b>84.35</b>     | <b>46.76</b>        | <b>82.84</b>           | <b>129.61</b>   |
| <b>TOTAL LIABILITIES</b>                | <b>1,709.82</b>     | <b>8,394.38</b>        | <b>10,104.20</b> | <b>731.66</b>       | <b>2,768.18</b>        | <b>3,499.84</b> |
| <b>NET</b>                              | <b>2,463.45</b>     | <b>5,246.86</b>        | <b>7,710.31</b>  | <b>(170.19)</b>     | <b>4,996.71</b>        | <b>4,826.51</b> |

**45 In accordance with the National Housing Bank circular no. NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated 7 April, 2014 following disclosure is made:**

**Balance at beginning of the period**

|   |   |   |
|---|---|---|
| a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987  | - | - |
| b) Amount of Special Reserve u/s 36 (1) (vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of NHB Act, 1987 | - | - |
| <b>Total (A)</b>  | - | - |

**Addition / Appropriation / withdrawal during the period**

|  |   |   |
|--|---|---|
| Add:   |   |   |
| a) Amount transferred u/s 29C of the NHB Act, 1987   | - | - |
| b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987             | - | - |
| Less:  |   |   |
| a) Amount appropriated from the Statutory Reserve u/s 29 C of the NHB Act 1987   | - | - |
| b) Amount withdrawn from the Special Reserve u/s 36 (1) (viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987 | - | - |
| <b>Total (B)</b>   | - | - |

**Balance at the end of the period**

|  |   |   |
|--|---|---|
| a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987   | - | - |
| b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987 | - | - |
| <b>Total [A+B]</b>   | - | - |

**46 Disclosure pursuant to Notification no NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for investments**

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| a. Value of investments   |                         |                         |
| (i) Gross value of investments  |                         |                         |
| (a) In India  | -                       | -                       |
| (b) Outside India   | -                       | -                       |
| (ii) Provision for depreciations  |                         |                         |
| (a) In India  | -                       | -                       |
| (b) Outside India   | -                       | -                       |
| (iii) Net value of investments  |                         |                         |
| (a) In India  | -                       | -                       |
| (b) Outside India   | -                       | -                       |
| b. Movements of provision held towards depreciation in investments        |                         |                         |
| (i) Opening balance   | -                       | -                       |
| (ii) Add: Provisions made during the year                                 | -                       | -                       |
| (iii) Less: Write-off/written-back of excess provisioning during the year | -                       | -                       |
| (iv) Closing balance  | -                       | -                       |

**47 Disclosure of details as required under notification issued by NHB dated February 09, 2017, NHB.HFC.CGDIR.1/MD&CEO/2016**

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>I Capital to Risk Assets Ratio (CRAR)%</b>   |                         |                         |
| Capital to Risk Asset Ratio (CRAR) (%)  | 125.89%                 | 111.10%                 |
| CRAR-Tier I Capital (%)   | 98.36%                  | 110.37%                 |
| CRAR-Tier II Capital (%)  | 27.53%                  | 0.73%                   |
| <b>II Exposure to Real Estate Sector</b>  |                         |                         |
| <b>a. Direct exposure</b>   |                         |                         |
| <b>i) Residential Mortgages-</b>  |                         |                         |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;   |                         |                         |
| Individual housing loans up to Rs.15 lakh   | 5,180.97                | 2,526.94                |
| Others  | 8,550.70                | 5,341.87                |
| <b>ii) Commercial Real Estate-</b>  |                         |                         |
| Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). | -                       | -                       |
| <b>iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures</b>   |                         |                         |
| a. Residential  | -                       | -                       |
| b. Commercial Real Estate   | -                       | -                       |
| <b>b. Indirect Exposure</b>   |                         |                         |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)   | -                       | -                       |
| <b>Total</b>  | <b>13,731.67</b>        | <b>7,868.82</b>         |

**III Asset Liability Management as per NHB format**  
**Maturity pattern of certain items of assets and liabilities**

|                                 | As at March 31, 2020 |                  |                   |
|---------------------------------|----------------------|------------------|-------------------|
|                                 | Borrowing            | Advances         | Investments (FDs) |
| 1 day to 30-31 days (one month) | -                    | 34.61            | -                 |
| Over one month to 2 months      | -                    | 35.06            | -                 |
| Over 2 months upto 3 months     | 127.65               | 35.51            | -                 |
| Over 3 months to 6 months       | 461.67               | 109.30           | 228.55            |
| Over 6 months to 1 year         | 946.04               | 231.65           | -                 |
| Over 1 year to 3 years          | 3,946.04             | 1,111.10         | -                 |
| Over 3 years to 5 years         | 2,122.88             | 1,287.93         | 129.62            |
| Over 5 years to 7 years         | 2,130.08             | 1,413.39         | -                 |
| Over 7 years to 10 years        | 150.54               | 2,579.21         | -                 |
| Over 10 years                   | -                    | 6,893.90         | -                 |
| <b>Total</b>                    | <b>9,884.90</b>      | <b>13,731.67</b> | <b>358.17</b>     |
|                                 | As at March 31, 2019 |                  |                   |
|                                 | Borrowing            | Advances         | Investments (FDs) |
| 1 day to 30-31 days (one month) | 50.01                | 15.50            | -                 |
| Over one month to 2 months      | 53.77                | 15.69            | -                 |
| Over 2 months upto 3 months     | 54.63                | 15.89            | -                 |
| Over 3 months to 6 months       | 165.60               | 48.85            | 215.32            |
| Over 6 months to 1 year         | 339.39               | 103.30           | -                 |
| Over 1 year to 3 years          | 1,460.05             | 496.98           | -                 |
| Over 3 years to 5 years         | 1,214.08             | 626.00           | -                 |
| Over 5 years to 7 years         | 11.21                | 726.12           | -                 |
| Over 7 years to 10 years        | -                    | 1,456.90         | -                 |
| Over 10 years                   | -                    | 4,363.59         | -                 |
| <b>Total</b>                    | <b>3,348.73</b>      | <b>7,868.82</b>  | <b>215.32</b>     |

**Satin Housing Finance Limited**
**Notes forming part of Financial Statements for the year ending March 31, 2020**

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

**IV Other disclosures**

- Details of penalty levied by National housing bank
- Adverse comments by the National housing bank on regulatory compliances
- Percentage of outstanding loans granted against collateral of gold jewellery to total outstanding assets

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | -                       | -                       |
|  | -                       | -                       |
|  | -                       | -                       |

Previous year figures have been regrouped/reclassified wherever considered necessary to make them in line with that of the current year.

**V Derivative transaction entered by company is Nil.**
**VI The Company has not executed any Securitisation/direct assignment transaction during the period.**
**VII Exposure to Capital Market**

| Particular  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| (i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;  | -                       | -                       |
| (ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESCOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;  | -                       | -                       |
| (iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;   | -                       | -                       |
| (iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances; | -                       | -                       |
| (v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;   | -                       | -                       |
| (vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;  | -                       | -                       |
| (vii) Bridge loans to companies against expected equity flows / issues;   | -                       | -                       |
| (viii) All exposures to Venture Capital Funds (both registered and unregistered)  | -                       | -                       |
| <b>Total Exposure to Capital Market</b>   | -                       | -                       |

**VIII No Parent Company Products are financed during the period.**
**IX The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to HFC.**
**X The Exposure to Unsecured Advances is Nil.**
**XI The Company has following Registrations effective as on 31 March 2020:**

|                          |   |
|--------------------------|---|
| Issuing Authority        | National Housing Bank   |
| Registration No., if any | 11.0161.17  |
| Date of registration     | 14th November 2017  |
| Valid upto               | -   |
| Registered as            | Housing finance institution without permission to accept public deposits. |

**XII Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agency during the year.**

|  |                           |
|--|---------------------------|
| Nature of Borrowing                    | Rating / Outlook          |
|  | CARE Ratings Ltd          |
| Short Term                             |                           |
| Long Term - Bank Borrowings            | CARE BBB+ (SO),<br>Stable |
| Long Term - Non Convertible Debentures | CARE BBB+ (SO),<br>Stable |

**XIII Company has not made any drawdown of reserves during the period.**
**XIV The disclosure of the Concentration of Deposits taken is not applicable as the Company carries on the business of a housing finance institution without accepting public deposits.**
**XIV The Company has not executed any forward rate agreement / Interest rate swap**
**XV Concentration of Loans & Advances**

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Total Loans & Advances to twenty largest borrowers*                                     | 1,002.55                | 1,129.72                |
| Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC | 7.30%                   | 14.36%                  |

**XVI Concentration of all Exposure (including off-balance sheet exposure)**

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Total Exposure to twenty largest borrowers / customers*   | 1,002.55                | 1,129.72                |
| Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / cust | 7.30%                   | 14.36%                  |
| Off-balance sheet exposure is NIL as on 31 March 2020.  |                         |                         |

**XVII Concentration of NPAs**

Company does not have account under the category of NPA as on 31 March 2020.

**XVIII Sector-wise NPAs**

Company does not have account under the category of NPA as on 31 March 2020.

**XIX Movement of NPAs**

Company does not have account under the category of NPA as on 31 March 2020.

**XX The company does not have overseas asset as on 31 March 2020**
**XI The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable.**



**XII Customers Complaints**

| Particulars   | For the year ended<br>March 31, 2020 | For the period ended<br>March 31, 2019 |
|---|--------------------------------------|--|
| a) No. of complaints pending at the beginning of the period | -                                    | -                                      |
| b) No. of complaints received during the period             | 96                                   | 28                                     |
| c) No. of complaints redressed during the period            | 96                                   | 28                                     |
| d) No. of complaints pending at the end of the period       | -                                    | -                                      |

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

| Asset Classification as per RBI Norms   | Asset classification as per Ind AS 109 | Gross carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP Norms | Difference between Ind AS 109 Provisions and IRACP Norms |
|---|--|-------------------------------------|---|---------------------|--|--|
| (1)   | (2)                                    | (3)                                 | (4)   | (5) = (3) - (4)     | (6)                                    | (7) = (4) - (6)  |
| <b>Performing Assets</b>  |  |                                     |   |                     |  |  |
| Standard  | Stage 1                                | 13,882.30                           | 150.63  | 13,731.67           | 55.53                                  | 95.10  |
|   | Stage 2                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
| <b>Subtotal</b>   |  | <b>13,882.30</b>                    | <b>150.63</b>   | <b>13,731.67</b>    | <b>55.53</b>                           | <b>95.10</b>   |
| <b>Non-Performing Assets (NPA)</b>  |  |                                     |   |                     |  |  |
| Substandard   | Stage 3                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
| Doubtful - up to 1 year   | Stage 3                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
| 1 to 3 years  | Stage 3                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
| More than 3 years   | Stage 3                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
| <b>Subtotal for doubtful</b>  |  | <b>NIL</b>                          | <b>NIL</b>  | <b>NIL</b>          | <b>NIL</b>                             | <b>NIL</b>   |
| Loss  | Stage 3                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
| <b>Subtotal for NPA</b>   |  | <b>NIL</b>                          | <b>NIL</b>  | <b>NIL</b>          | <b>NIL</b>                             | <b>NIL</b>   |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
|   | Stage 2                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
|   | Stage 3                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
| <b>Subtotal</b>   |  | <b>NIL</b>                          | <b>NIL</b>  | <b>NIL</b>          | <b>NIL</b>                             | <b>NIL</b>   |
|   | Stage 1                                | 13,882.30                           | 150.63  | 13,731.67           | 55.53                                  | 95.10  |
|   | Stage 2                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
|   | Stage 3                                | NIL                                 | NIL   | NIL                 | NIL                                    | NIL  |
| <b>Total</b>  | <b>Total</b>                           | <b>13,882.30</b>                    | <b>150.63</b>   | <b>13,731.67</b>    | <b>55.53</b>                           | <b>95.10</b>   |

**49 Foreign Remittance**

- Earning (remittance inward) in foreign currency for the period ended 31 March 2020 is NIL.
- Expenditure (remittance outward) in foreign currency for the period ended 31 March 2020 is NIL.

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

For and on behalf of the Board of Directors  
Satin Housing Finance Limited

s/d  
Rajeev Bhatia  
Partner  
M. No. 089018

s/d  
Harvinder Pal Singh  
(Director)  
DIN: 00333754

s/d  
Amit Sharma  
(WTD & CEO)  
DIN: 08050304

s/d  
Anil Kumar Kalia  
(Director)  
DIN: 07361739

Place: Gurgaon  
Date: 3rd June, 2020

s/d  
Prince Kumar  
(Company Secretary)  
ACS: 41094

s/d  
Sachin Sharma  
(Chief Financial Officer)



## SATIN HOUSING FINANCE LIMITED

CIN: U65929DL2017PLC316143

| **Registered Office:** 505, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi -110033

| **Corporate Office:** Fourth Floor, Building No. 98, Sector-44, Gurugram, Haryana-122003

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| Phone No.: 0124-4346200