

AIMING HIGH

‘WE AIM ABOVE THE MARK
TO HIT THE MARK’



**ANNUAL
REPORT
2021-22**



www.satinhousingfinance.com

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.

Mission

To become India's top affordable housing finance company in the rural and semi-urban segment over the next 5 years, gaining reputation 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.

S



SEEKING
EXCELLENCE

A



ACCOUNTABILITY
& OWNERSHIP

T



TEAMWORK &
COLLABORATION

I



INTEGRITY

N



NURTURING LIVES

“
SATIN
HOUSING
FINANCE
CROSSES
AUM OF INR
300 CRORE
”



-Mr. H.P Singh,
CMD-SATIN

“It gives me an immense pleasure to witness the impressive performance SHFL is showing every single year. Despite the lingering challenges of Covid-19 for three continuous years, the company has been exhibiting excellence across the various parameters since we began our adventure of nurturing homes and hopes for people in 2018. The driving force behind this journey for the company has been to be the frontrunner towards the people’s dream of owning a house and to contribute to the nation’s building. Today, we can proudly say that we have added significant impact in the lives of 3,585 people, serviced by 202 people with an AUM of Rs. 318 crores. The Company has traversed these numbers in the short span of years.

I would want to express my gratitude to the talented and proficient members of the SHFL family, ably guided by Mr. Amit Sharma. My trust in them remains unwavering and I’m confident they will continue to Aim High in their efforts to ensure affordable housing finance across the nation.”



“
NOTHING
IS MORE
IMPORTANT
THAN A
FAMILY AND
HOME.
”

-Mr. Amit Sharma
Managing Director and CEO

“As I reflect on the last year, I see our great enterprise of perseverance, resilience and robust business model has continued to create value for all our stakeholders. This determines the dedication our people have demonstrated over the years which has continued to go up and upwards only. At SHFL, we believe that we don’t build the business, we build people and they are the ones who build the business further, which has been made possible because of the inclusive and compassionate culture we all as a whole have built and maintained. Our assets growth graph illustrates the upward trend and we resume to keep up with nil NPA business in a rather challenging operating scenario. This is the result of a durable value system, future-focused strategies and a proactive team of go-getters. Going forward, our aim is high that your company will continue to grow and maintain a strong portfolio of assets.”

CONTENTS

01-16	Corporate Overview
01	Corporate Information
02	About the Company
03	Message from MD & CEO's Desk
06	On the Progressive Journey
07	Rewards and Recognitions
08	Board of Directors
10	The Management Team
11	The Investment Story
11	Product Offerings
13	Geographical Presence
15	The Growth Consistency
16	Impact of COVID-19
17-58	Statutory Reports
18	Directors' Report
29	Corporate Governance Report
49	Management Discussion and Analysis
59-124	Financial Statements
60	Independent Auditors' Report
72	Financial Statements

CORPORATE INFORMATION

BOARD OF DIRECTORS	SECRETARIAL AUDITOR	
Mr. Harvinder Pal Singh - Non - Executive Director Mr. Amit Sharma - Managing Director & CEO Mr. Sundeep Kumar Mehta - Independent Director Mr. Anil Kumar Kalra - Independent Director Ms. Jyoti Ahluwalia - Independent Director	M/s S. Behera & Co. Practicing Company Secretary S-1/3 & 4, 1st Floor, Near Uphaar Cinema, Green Park Ext., New Delhi - 110 016 Email: shesdev@gmail.com	
DETAILS OF COMMITTEES OF THE BOARD	BANKERS/ FINANCIAL INSTITUTIONS	
Audit Committee Mr. Harvinder Pal Singh Mr. Sundeep Kumar Mehta Mr. Anil Kumar Kalra Nomination & Remuneration Committee Mr. Harvinder Pal Singh Mr. Sundeep Kumar Mehta Mr. Anil Kumar Kalra Working Committee Mr. Harvinder Pal Singh Mr. Amit Sharma Mr. Sachin Sharma	Bankers HDFC Bank Limited State Bank of India Financial Institutions National Housing Bank MAS Rural Housing & Mortgage Finance Limited MAS Financial Services Limited Hinduja Housing Finance Limited Sundaram Home Finance Limited Northern Arc Capital Limited Vivriti Capital Private Limited Satin Creditcare Network Limited Hero Housing Finance Limited STCI Finance Limited NABSAMRUDDHI Finance Limited Netafim Agricultural Financing Agency Private Limited	
CHIEF FINANCIAL OFFICER	REGISTRAR & TRANSFER AGENTS	
Mr. Sachin Sharma	Link Intime India Private Limited C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra-400083 Tel: 022 - 4918 6270 Website: www.linkintime.co.in	
INTERNAL AUDITOR	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) KFintech, Tower – B, Plot No 31 & 32, Selenuim Building, Financial District, Nanakramguda, Gachibowli, Hyderabad –32. Tel:+91-040–67162222, +91- 040 – 79611000 Website: www.kfintech.com	
Mrs. Nilanjana Mukherjee		
STATUTORY AUDITOR	DEPOSITORIES FOR DEMAT National Securities Depository Ltd. (NSDL) 4th Floor, A Wing, Trade World, Kamala Mills Compound, S.B. Marg, Lower Parel, Mumbai - 400 013 Ph. No. : +91 022 24994200 Email id: info@nsdl.co.in Website : www.nsdl.co.in Central Depository Services (India) Ltd. (CDSL) Marathon Futurex, A-Wing, 25th Floor, N M Joshi Marg, Lower Parel, Mumbai - 400 01 Email id: helpdesk@cdslindia.com Website : www.cdslindia.com	
M/s Rajeev Bhatia & Associates Chartered Accountants 201, 202, 2nd Floor, A-20, Indraprastha Bhawan, Dr. Mukherjee Nagar, Commercial Complex, Delhi-110009 Email id: info@rajeevbhatiaassociates.com		
COMPANY SECRETARY & COMPLIANCE OFFICER	DEBENTURE TRUSTEE Catalyst Trusteeship Limited 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	
Ms. Vaishali Goyal	CREDIT RATINGS	
CONTACT DETAILS		
Satin Housing Finance Limited Registered Office: 505, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033 Corporate Office: Plot No. 492, 2nd Floor, B-Wing, Udyog Vihar Phase-III, Gurugram, Haryana-122016 CIN: U65929DL2017PLC316143 Email: compliance@satinhousingfinance.com Tel. No.: 0124-4346200 Website: www.satinhousingfinance.com	Nature Subordinate Debt Issue/ Non-Convertible Debentures	Rating CARE BBB; Stable [Triple B; Outlook: Stable]
STOCK EXCHANGE	Long term Bank borrowings	CARE BBB+ (CE); Stable [Triple B Plus (Credit Enhancement);Outlook: Stable]
BSE Ltd. P.J. Towers, Dalal Street, Mumbai - 400 001 Ph. No. +91 022 22721234 Email: corp.comm@bseindia.com Website: www.bseindia.com		

ABOUT THE COMPANY

Satin Housing Finance Limited (SHFL) was incorporated on April 17, 2017 as Public Limited Company under the provisions of the Companies Act, 2013 as a wholly owned subsidiary of Satin Creditcare Network Limited (SCNL). SHFL is registered as Housing Finance Company under the provisions of Section 29A of the National Housing Bank Act, 1987 vide certificate of registration no. 11.0161.17 dated November 14, 2017.

SHFL is engaged in providing long-term finance for purchase, construction, extension and repair of houses for the retail segment, along with loans against residential property. Its innovative and flexible competitively priced loan products are aligned to the unique needs of customers.

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.

The company was founded on the belief that the dream of owning a home should be attainable to one and all. Keeping with this vision, Satin Housing Finance brought together financially sound promoters, visionary leadership and a highly experienced management team of home loan professionals, all with a shared endeavour – to help people turn their home ownership aspirations into a reality, with the purchase of an affordable dwelling unit to call their own.

To achieve this, Satin Housing Finance has created and implemented robust procedures and processes for its Credit, Operations and IT departments, alongside establishing extremely strong Corporate Governance systems. The company follows the best ethical practices code in place and their mission of maintaining the highest transparency in all aspects of their business. Satin Housing Finance also stays updated with contemporary technology, employing state-of-the-art

software and adopting excellent technological frameworks to ensure smoother processes through digitization and a paperless environment. All these factors serve to ensure that Satin Housing Finance maintains its unbeatable efficiency in customer delivery.

The other driving force behind the company's success is their actual product portfolio – all SHFL offerings stay true to their core organizational values of inclusivity, maintaining a keen focus on thin-file clients and the underserved sections of the society, which form the lower and middle levels of the income pyramid. So along with a host of innovative and flexible home loans that can enable the purchase, construction, extension and repair of affordable dwelling units, Satin Housing Finance also provides Loan Against Property (LAP) products.

With a focused approach to growth and expansion in the affordable housing segment, Satin Housing Finance is set to scale up operations from its current branches in Haryana, Rajasthan, Uttar Pradesh and Delhi followed by a phase-wise approach to deeper penetration in these states expansion into others like Madhya Pradesh, Gujarat, Bihar and parts of Uttar Pradesh.

The Company enjoys the stable credit ratings of BBB+ from CARE Ratings for its long term bank borrowings. These ratings reaffirm the reputation and trust SHFL has earned for its sound financial management and ability to meet financial obligations. SHFL has always maintained strong capital, liquidity, risk and profitability profile amidst pandemic situation to retain the highest credit rating across all types of borrowings.

The Company had to steer through a difficult year due to the COVID-19 pandemic. In the face of the pandemic, the Company focused on conservation and prudence which encompassed capital management, maintaining abundant liquidity, operating expenses management, expansion of collections and servicing capability.

MESSAGE FROM MD AND CEO'S DESK



“

It takes more than strategy and vision to create a long lasting/enduring institution. It is also about overcoming adversity with resilience and courage, as well as the ability to stay afloat in difficult times through optimistic thinking and opportunity mapping and that is how, we at Satin Housing Finance Limited remained agile in the wake of challenging environment caused by COVID-19 pandemic over the last 3 years.

”

Dear Shareholders,

On behalf of Board of Directors, I present the 5th Annual Report and the financial statements of Satin Housing Finance Limited (SHFL) for the year ended March 31, 2022. The financial year 2021-22 has been significant in many ways for SHFL, the fiscal year was upheaval of challenges as well as year of gains. Our right mix of strategies and principal of quality focused portfolio has helped us persevered our financial performance and aim high. We completed the financial year on a significant growth in portfolio with our consistent efforts of quality which helped us maintained the legacy of Zero NPA this year as well. SHFL has completed 5 financial years with zero NPA surpassing all business challenges. The experience gained through the volatile times have improved our ability to navigate through almost any challenges on our journey, which, SHFL team has handled very sensitively and demonstrated solidarity in order to protect the interest of every stakeholder.

Performance Report Card for 2021-22

With our robust foundation built on high asset quality, strong fundamentals, ethical and transparent practices, we began with assets of Rs. 226 crores and completed the final year with Rs. 317.95 crores, signifying 41% percentage growth with Zero NPA. The total number

of active loan clients as on March 31, 2022 are 3585 across 19 branches and 2 offices in 4 states specifically in Rajasthan, Uttar Pradesh, Haryana and Delhi.

The Company has reported total income during the year ended March 31, 2022 of Rs. 38.04 crores as compared to Rs. 29.57 crores for March 31, 2021, marking a net profit after tax at Rs. 3.03 crores as compared to Rs. 1.37 crores for March 31, 2021.

With the COVID-19 hitting the industry badly, Satin Housing Finance Limited has taken a very cautious approach in disbursals and still managed to do fine balance of growth and risk management with registering a growth of 41% in AUM. The Company followed the principal of quality over quantity and followed strict credit assessment of customers based on cash flows. 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.

Digital Footprints

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.

Affordable Housing Finance and Secured Business Loans are a very touch and feel business. Technology is a facilitator but in lending we can never take-out human connect. SHFL strictly believe in the concept of lending with human connect. The company already has a bouquet of products which caters to the large segment of urban and rural clients, although there is a slight change in the processing of files, to fit in the new social distancing concept. SHFL provides personal, door-step services to its customers. Customers (mainly salaried and self-employed) are educated on the need to maintain proper documentation by SHFL, which works hard to gain insights into customer needs. Credit assessment is a tough task and customer meeting is inevitable and extremely essential before disbursement. The market has always functioned like that and will continue to do so.

Online platform can be just lead generators in big way, but disbursement can happen only after strict on field credit verifications only. So SHFL believes in process automation but assessment will always be done on field.

I am delighted to inform our stakeholders that your Company has status quo over portfolio quality and compliance i.e. since from the date of inception SHFL has complied with the applicable laws and regulation with ZERO adverse regulatory observations and NIL NPAs.

This is not just the testimony to the quality of our people and our operations, it is also a remarkable endorsement by our customer who stood by us throughout the year showed extraordinary loyalty and trustworthiness.

Reward and Recognition

I am proud to share that purely based on SHFL's performance, your Company has been honored with prestigious awards during the year, namely:

- ◆ BFSI Excellence Award 2022;
- ◆ Rising Star – Housing Finance Company of the year” by Quantic;
- ◆ Indian Achievers Award for Emerging Company, 2021-22; and
- ◆ Financial Inclusion leader of the year – NBFC.

We are gratified by these accomplishment during the year and dedicate it to our employees, stakeholders for their resolute support and the faith they entrust in us.

Rise for Good

The current financial year 2022-23 will be the real test with full of challenges and opportunities for the Housing Finance business post 3 waves of COVID. Now the moto of the Industry has changed from survival to growth in order to balance the overall organizational objectives. Being in the lending business of Home Loans which is the basic necessity of human needs, SHFL believes that epidemic will subside or have minimal impact and people will gradually start buying houses in turn propelling credit offtake., SHFL is hopeful of positive response from the market as well as from the stakeholder, viz, lenders, regulators, government bodies and other stakeholders in the pyramid.

HFC business model was severely tested in 2021-22. The fact that many HFCs have managed to overcome this severe stress without significant impact is a testimony to their resilience. With superior capital adequacy, abundant liquidity, frugal cost management and have performing loan assets, the HFC sector is well poised to seize the opportunity provided in the post pandemic revival cycle.

The Company will continue to follow all the strict policies while lending the money and will try to retain the book and build a new book with quality. Further, the Company will focus on rural clients in the following years. SHFL Business Mantra for the year will be Quality & Quantity. SHFL is all geared up on all fronts to take the challenges heads on and come up very strongly. SHFL truly believe that there are many important things that have to be preserved and strengthened but business is not only about profit of shareholders its creating value for all stakeholders like employees, customer, lenders and entire ecosystem. we believe that we don't build business, we build people and people build business. One of the most critical is creating the value for all stakeholders and good governance. Good governance has always been the hallmark for the company. It is one of the top most priorities to ensure that this great tradition of impeccable governance continues and strengthens and that the Company preserves and enhances its reputation for clean administration, fair dealing and transparency.

As we move forward, our role as a housing company to contribute to the nation building and create a meaningful difference in the life's of our clients will continue. Our objective to build upon overall efficiencies and deliver on the expectations of our stakeholders remains intact. We look to further work on the balanced approaches that accelerates business growth and sustainable business.

Acknowledgements

I extend my sincere gratitude to our honourable Members of the Board and promoters, our Auditors for their consistent commitment, generosity and valuable guidance which has helped us reach the pinnacles of success. Also, I thank all our shareholders and customers for their continued trust and faith in our Company's potential and future. I assure each of you of our continued sincerity and commitment towards our business endeavours. Not to forget, our journey towards sustainable growth in all these years would not have been possible without the hard work, zeal, passion of our young energetic employees. Our people have been great assets and with us they will foster the next growth journey. We also believe that with the right combination of ambience, altruism and ambition,

great deeds can be achieved. We sincerely value our lenders and appreciate their confidence on us and express our gratitude for having trust on us. We also sincerely express our gratitude to our regulators like NHB, RBI, ROC etc.

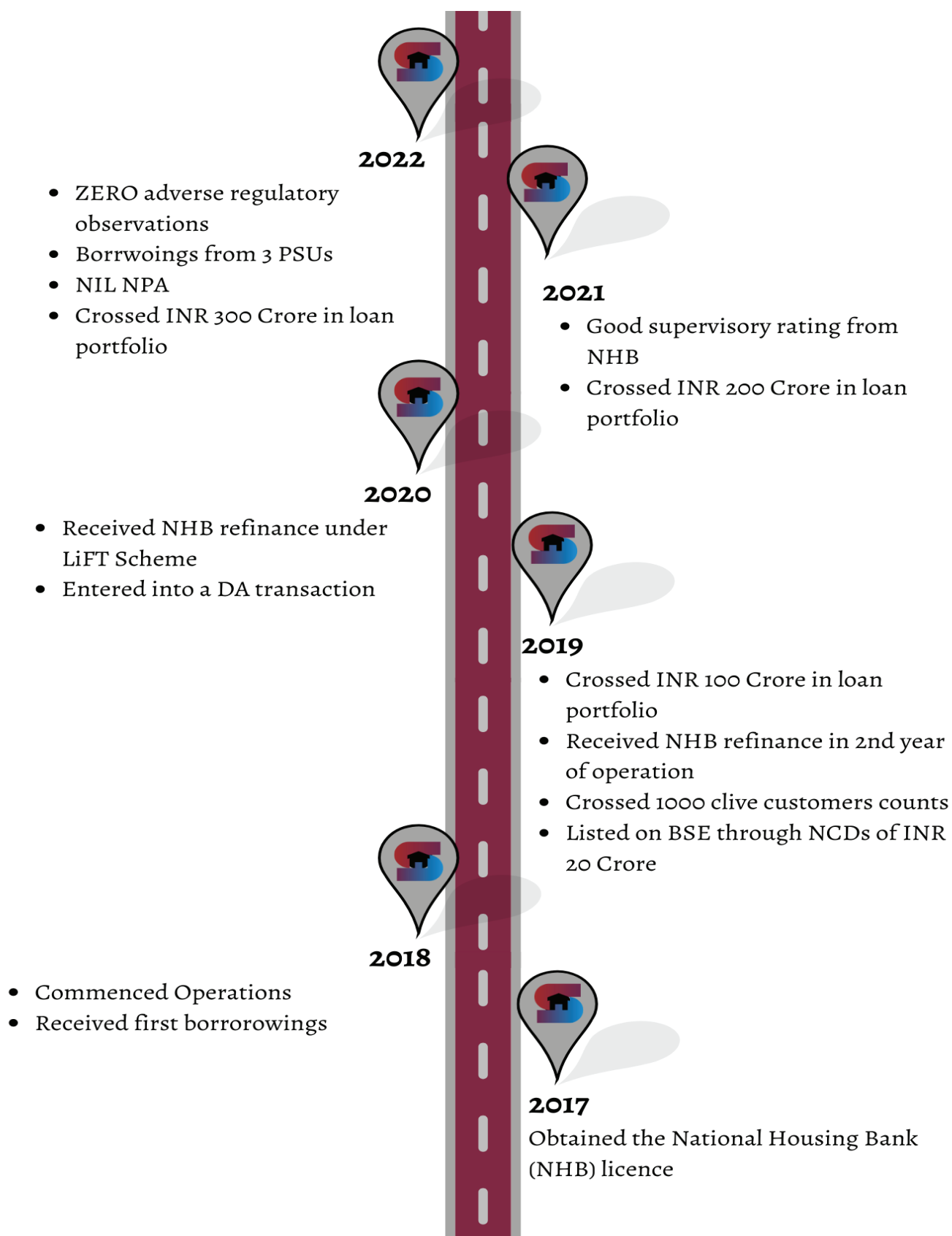
I congratulate them and look forward to working towards another year of great achievements - together!

We have and We will make a noise and difference in the eco system.

Thanking You,
With warm regards,

Amit Sharma
Managing Director and CEO

ON THE PROGRESSIVE JOURNEY



REWARDS & RECOGNITION



**Indian Achievers' Award
for Emerging Company
2021-22**



**BFSI Excellence Award
2022- Amit Sharma (MD
& CEO)**



**Financial Inclusion
Leder of the
Year-NBFC**



**Rising Star-Housing
Finance Company of
the Year**

“PILLARS OF STRENGTH”

THE BOARD OF DIRECTORS



Mr. Harvinder Pal Singh
Non Executive Director

A law graduate and fellow of The Institute of Chartered Accountants of India since 1984, Mr. HP Singh has over three decades of microfinance experience to his credit and is responsible for pioneering the unique concept of daily collection of repayments of loans.

Aside being an expert in lending, particularly in the microfinance field, Mr. Singh also has experience across auditing, accounts, project financing, advisory services and company law matters.

Mr. Singh also participated in Harvard Business School's Accion Program on Strategic Leadership for Microfinance in 2009, as well as the leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011.

He continues to be actively involved in the company's day-to-day operations. Under his leadership, SCNL has grown into one of India's leading microfinance institutions in the North and is poised to further expand its operations across the country.



Mr. Amit Sharma
Managing Director & Chief Executive Officer

Mr. Sharma brings to the table over 21 years of experience across NBFCs and the financial services sector, both in domestic and global markets.

A Company Secretary, Mr. Sharma also holds a B.Com (Hons.) and a LLB degree from Delhi University, as well as a DIFC (Dubai) Certification. Before joining the Satin family, he worked at the Religare Group, P.N. Vijay Financial Services, Abhipra Capital Ltd and the Association of National Exchange Members of India, among others. He also held several key positions in various large corporate houses, the most recent being Chief Business Officer (CBO) for LAS & Agri-Commodity Funding and Commercial Vehicle Finance at Karvy Financial Services Limited for 5 years.

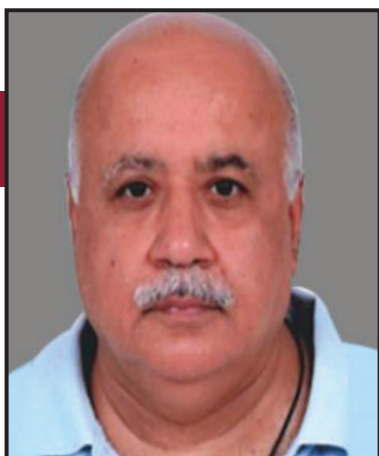
Here, he was instrumental in starting, conceptualizing and developing the Home Loans business, playing a pivotal role in building up the LAS and Agri-Commodities, Commercial Vehicle Finance, Loan Against Property- SME (Cross-sell) and Structured Financing departments.

Mr. Sharma's general areas of specialization and in-depth knowledge of myriad business facets is truly inspiring, covering the likes of Retail and Institutional Lending, Investment Banking, Fund Raising, Treasury, Capital Markets, Legal, International Syndication Structures, Operations, Products, Risk Management, Private Equity, Retail & Institutional Business (Mergers & Acquisitions), Sales & Marketing and to top it all off, building and scaling up businesses.



Mr. Sundeep Kumar Mehta **Independent Director**

Mr. Mehta is a science graduate from the University of Rajasthan and holds a PG Diploma in Business Administration from Annamalai University. He has also earned numerous other certifications, degrees and diplomas in the fields of cyber law, history, labour laws, auto engineering and human resources. Mr. Mehta joined the SCNL board in 2013 after a versatile career spanning 32 years that saw him working in high-capacities roles like human resource management, business management, performance evaluation and enhancements, corporate restructuring, across organizations like the RKJ group, Escorts Ltd., Panacea Biotech, Bata India and Eicher Good Earth Limited. He is currently associated as Director with International Quality Management Systems.



Mr. Anil Kumar Kalra **Independent Director**

With 35 years of banking experience across leading companies in London and India, Mr. Kalra is extremely well versed in the areas of banking, financial services, investment banking and infrastructure financing. He spent 5 years as the Chief Executive Officer in the Financial Services Company in London, UK and has been associated with various well-known banks and financial Institutions across India and London, including public sector banks. Prior to this, Mr. Kalra served as Senior Vice President in a leading NBFC engaged in providing financial services to corporates (including asset financing, debt syndication, corporate advisory, merchant banking etc.) and support to sister companies within the

group with focus on infrastructure projects financing. He holds a Finance MBA from the Faculty of Management Studies (FMS), Delhi University and B.Com (H) from the Shree Ram College of Commerce.



Dr. Jyoti Ahluwalia **Independent Director**

She is a Ph.D. holder and Master's in Commerce from University of Allahabad. She also holds degree of Chartered Financial Analyst from Institute of Chartered Financial Analysts of India. Dr. Ahluwalia currently works as an Assistant Professor of Data Analytics and Machine Learning at Sushant University. Prior to her current role, she has worked as Finance Professor at ICFAI Business School, Gurugram for more than 7 years and taught courses in Finance, Analytics, Strategy, Financial Management, Mergers and Acquisitions, Financial Business Analytics. She is also certified by HDFC Bank as a Banking Faculty in HDFC Train and Trainer Program. In addition, she has also cleared six actuarial papers and

has held various important roles in corporates such as Actuarial Analysts at Milliman India (Actuaries and Consultants), Syndicated Research Analyst at Corporate Executive Board. With her contribution in a two day MDP workshop on Personal Financing Planning, she has received the "Best Summer Internship Programme Award 2015".

THE MANAGEMENT TEAM

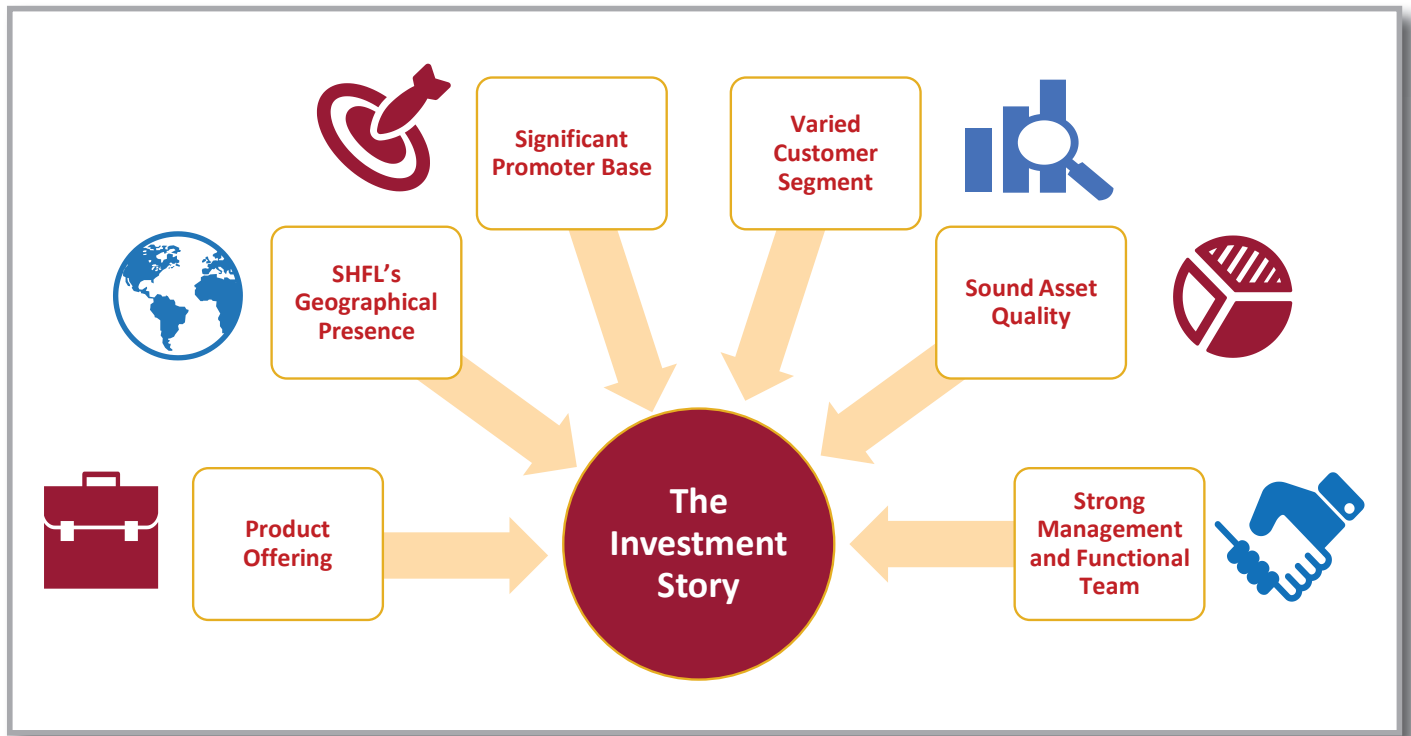


Mr. Sachin Sharma
Chief Financial Officer

Career Banker with 15 plus years of experience in Banking & Financial Services with ability to oscillate between micro & macro thinking. Since receiving his LLB qualification and MBA in Finance, Mr. Sharma has moved on to hold various critical and strategic positions, both functional and senior level ones, at the likes of Deutsch Post-Bank Home Finance Ltd, Habitat Housing and ART Affordable Housing.

Mr. Sharma has garnered admiration in all his professional roles, involving rollout in start-up companies, fund raising, treasury operations management, accounts, internal control and statutory compliance. His core proven strengths include delivery of decision matrices through Planning, Controlling, Taxation and Audits and institution of Financial Systems.

THE INVESTMENT STORY



PRODUCT OFFERINGS





Home Purchase



Home Construction



Home Extension



Home Improvement

A. Affordable Housing

The Company continued its commitment towards supporting the government's flagship scheme, 'Housing for All' and pursued efforts towards lending to the Salaried, Self Employed (Professional and Non-Professional) (SEP and SENP), Low Income Group (LIG) and Middle Income Group (MIG) segments for amount upto INR 45 Lakhs. The Company continued its focus on lending to credit worthy home loan customers across all income segments and accounts 66.8% of the total loan portfolio during the year.

B. Urban Lap

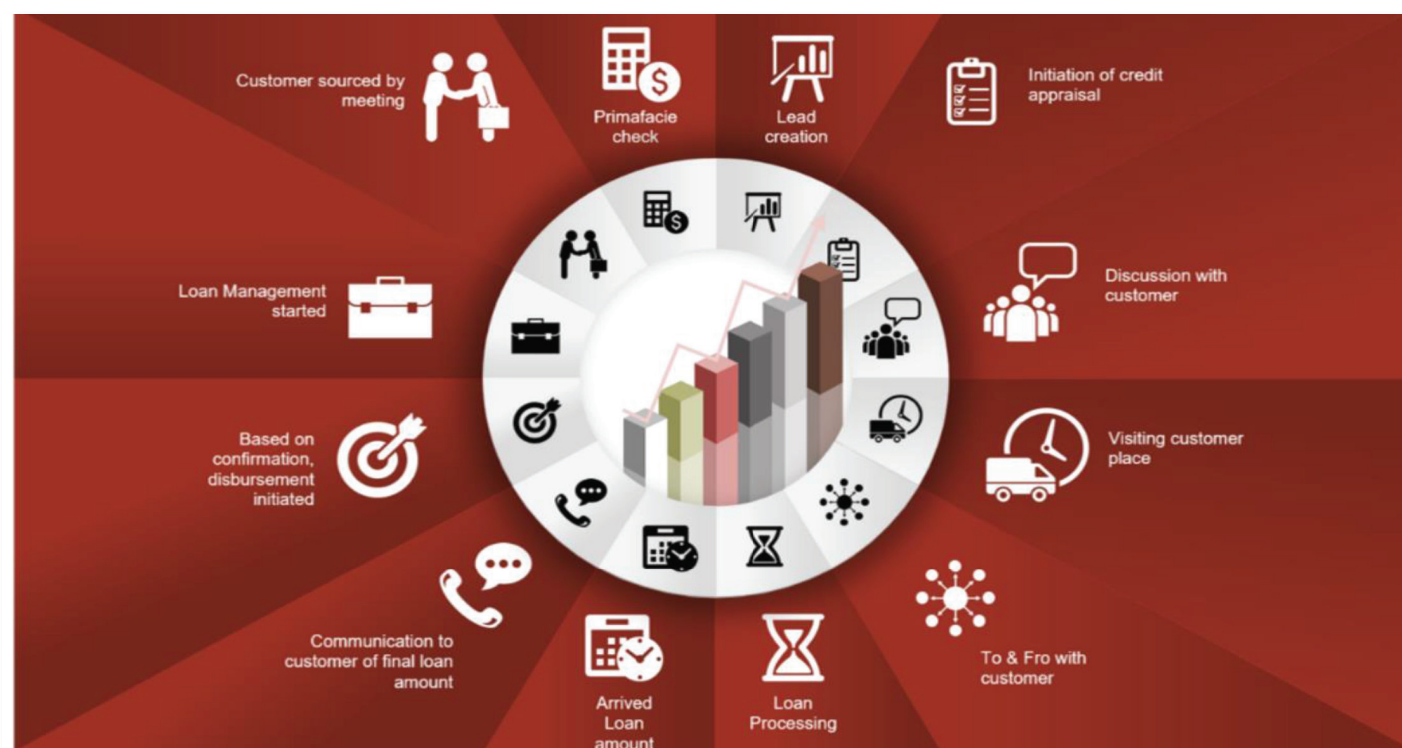
The Company continued its focus on urban housing, providing loans to salaried, SENP, SEP, LIG, Partnership

firms and Companies for properties situated in urban areas. Urban Housing loans accounted for approximately 26.4% of total loans disbursed during the year.

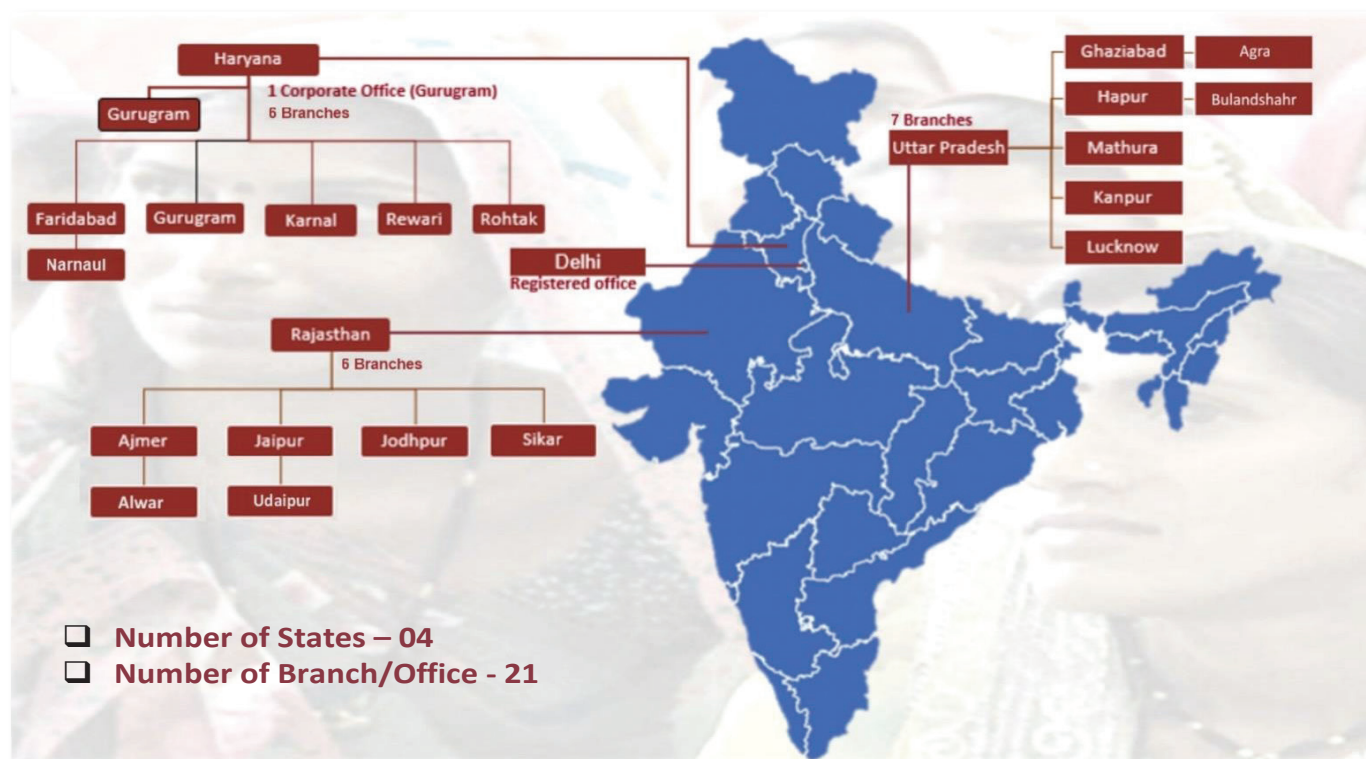
C. Micro Housing and Loan Against Property (LAP)

The Company provides loan to the borrowers for the purpose of using their Land/Dwelling unit for increasing their Income Earning Abilities for purely business purpose segmented into Salaried, Self Employed (Professional and Non-Professional) (SEP and SENP), Low Income Group (LIG) and Middle Income Group (MIG). This accounts for 6.8% of the total loan disbursed during the year.

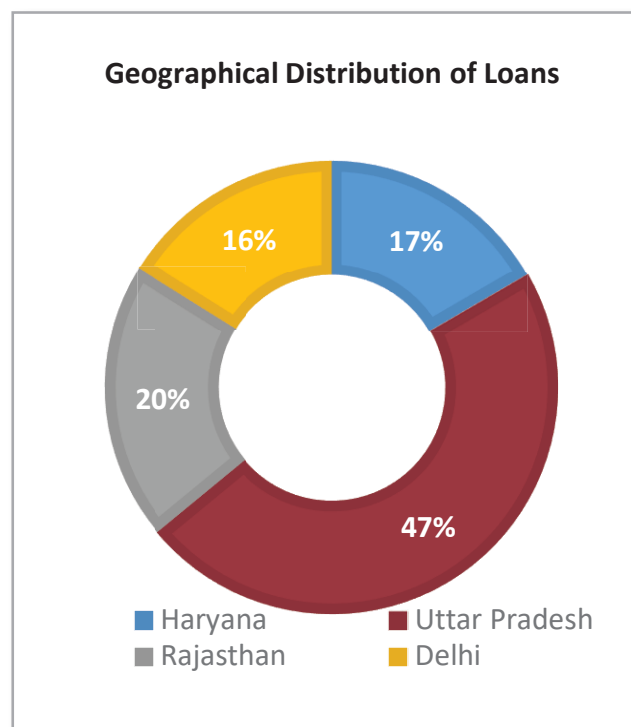
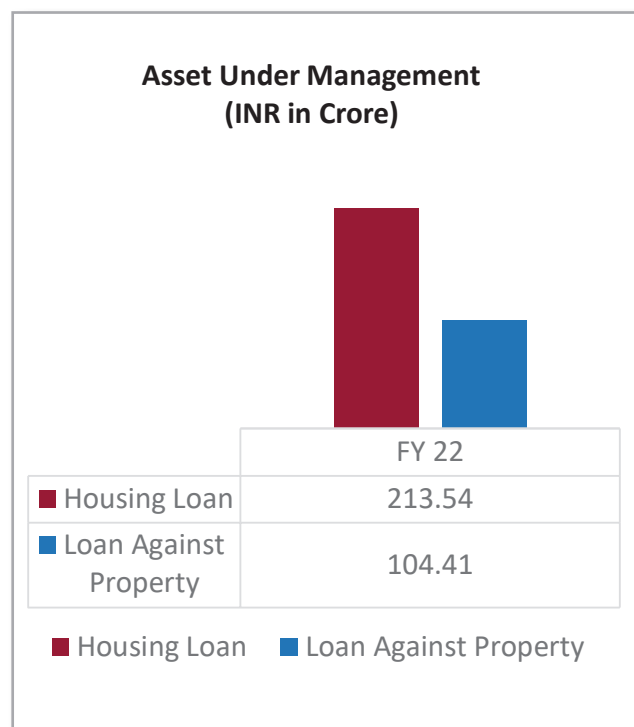
LENDING PROCESS IN SNAP



GEOGRAPHICAL PRESENCE



KEY FINANCIAL INDICATORS



Number of Logins



	FY 20	FY 21	FY 22
■ Number of Logins	2734	2779	3690

Number of Sanctions



	FY 20	FY 21	FY 22
■ Number of Sanctions	736	1309	1734

Disbursements (Amount in Crore)



	FY 20	FY 21	FY 22
■ Disbursements (Amount in Crore)	74.09	117.72	149.58

Number of Loan Disbursed



	FY 20	FY 21	FY 22
■ Number of Loan Disbursed	680	1243	1673



	FY 20	FY 21	FY 22
■ No. of States	4	4	4
■ No. of Branches	15	14	19



	FY 20	FY 21	FY 22
■ No. of Loan Officers	106	97	123
■ No. of Total Staff	216	186	202



GROWTH CONSISTENCY

The importance of housing as a sector cannot be overstated in an economy that needs an urgent kick-start. Every ₹1 lakh invested in housing leads to an addition of ₹2.9 lakh to the GDP, owing to inter-linkages with nearly 270 ancillary industries. Consequently, promoting housing finance gains strategic importance. The turn of the century saw banks shift their sights towards mortgage lending. Hitherto, the sector had been dominated by Housing Finance Companies (HFCs). Regulatory directives, coupled with statutory incentives around increased qualifiers for priority sector lending, helped the cause.

The second decade saw an aggressive focus towards promoting HFCs, especially in the affordable housing segment. The Pradhan Mantri Awas Yojna (PMAY) has been an impactful initiative, providing impetus to borrowers and lenders alike. The number of licensed HFCs nearly doubled in this period. Most of them carved out niche geographies or segments and addressed borrowing requirements of a hitherto unbanked segment.

Nearly 40 per cent of these borrowers had no prior credit history. The period also saw a sharp growth in internet usage and a phenomenal rise in digital payments (8 per cent in 2010 to about 40 per cent in 2020). This enabled newer lenders evaluate alternative data sources to assess creditworthiness. The socio-economic impact of these players was palpable albeit sub-scale. The industry continued to be asymmetric, with the top 5 lenders having 50 per cent market-share despite an influx of several new players.

The tailwinds far outweigh any turbulence that the housing finance industry might face in the short term. The housing sector is poised for robust growth once there is a slight turnaround in consumer sentiment, which has been impacted by the pandemic. The sheer breadth of the industry will ensure profitable growth segments exist for players across categories depending on their strategic intent. This, in turn, will provide the much-needed buoyancy for economic growth.

IMPACT OF COVID-19

'The COVID-19 pandemic has continued to cause a disruption of the economic activities across the globe including India throughout the year. The Government of India announced a lockdown during the first quarter of their financial year to contain the spread of the virus and various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company's operations including lending and collection activities.

'In assessing the impairment allowance for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing second wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the all the three waves of Covid, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

'The Company has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Company has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Company is significantly dependent on uncertain future economic conditions.

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 receivables, investments, property plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external

sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including credit losses) could be different from that estimated by the Company.

B. Loss allowance for loan receivables and other receivables

'The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

C. 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.

D. Impairment assessment of Property plant and equipment, intangible assets

The Company is engaged primarily in providing affordable housing finance services in the northern region India. Considering the nature of business the Company does not have major PP&E assets. \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

The economic consequences and uncertainties resulting from the Coronavirus itself or from actions taken by governments and the 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.

DIRECTORS' REPORT



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 5th Annual Report on the business and operations of Satin Housing Finance Limited ("The Company/SHFL") along with the Audited Financial Statements for the financial year ending March 31, 2022.

1. COMPANY INCORPORATION & NATIONAL HOUSING BANK REGISTRATION

Your Company was incorporated on April 17, 2017 under the Companies Act, 2013 as Public Limited Company and holds the Certificate of Registration (COR) as Housing Finance Company (not holding/accepting of Public deposits) issued by National Housing Bank (NHB) on November 14, 2017 to carry on activities of housing finance business under Section 29A of the National Housing Bank Act, 1987.

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 principle of highest transparency in business. The Company professionally managed Housing Finance Company (HFC) engaged in the business of providing long-term housing loans and Loan Against Property to customers to the Middle and Low Income Groups in peripherals of urban India, semi-urban and rural India.

During the reporting year, the Company has availed refinance facilities from the NHB and Term Loan/ credit facilities from other eminent lenders like State Bank of India, NABSAMRUDDHI Finance Limited & STCI Finance Limited. Lenders and financial institutions have shown faith on your Company and extended the liquidity support. Your Company during the reporting year has successfully done four Direct Assignment transactions with three different financial institutions amounting INR 18.90 Crore.

3. REGISTERED & CORPORATE OFFICE

The registered office is situated at 505, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex,

Delhi-110033 and the corporate office at Plot No. 492, 2nd Floor, B-Wing, Udyog Vihar Phase-III, Gurugram, Haryana-122016.

4. BRANCH OFFICES

Your Company has total of 19 branches excluding registered office and corporate office namely Agra, Alwar, Bulandshahr, Ghaziabad, Kanpur, Lucknow, Jaipur, Ajmer, Rohtak, Hapur, Mathura, Sikar, Rewari, Karnal, Jodhpur, Udaipur, Narnaul, Gurugram and Faridabad. All the branches opened are fully operation.

5. FINANCIAL HIGHLIGHTS

The highlights of the financial statement is as under

(Amount in Lakhs)

Particulars	For the Year from 01 April, 2021 to 31 March 2022	For the period from 01 April, 2020 to 31 March, 2021
Income from Operations	3,715.31	2,753.40
Other Income	89.06	203.90
Total Income	3,804.37	2,957.30
Less: Expenses	3,378.28	2,745.83
Profit / (Loss) before tax	426.09	211.47
Add/ (Less): Tax expenses	122.33	74.20
Net Profit / (Loss) after Tax	303.76	137.27
Other Comprehensive Income	0.18	(3.16)
Total Comprehensive Income	303.94	134.11
Earnings per share (Basic)	0.31	0.16
Earnings per Share(Diluted)	0.31	0.16

6. OPERATING AND FINANCIAL PERFORMANCE

Your Company's net worth stood at Rs. 101.23 crores for the year ended March 31, 2022. As of that date, the regulatory Capital to Risk Assets Ratio (CRAR) was 60.65% Your Company's total income during the year ended March 31, 2022 is Rs. 38.04 crores as compared to the previous period ended March 31, 2021 is Rs. 29.57 crores and net profit after tax during the year ended March 31, 2022 is Rs. 3.04 crores as compared to the previous period ended March 31, 2021 amounting to Rs. 1.37 crores.

7. DISBURSEMENT & AUM

The beginning of the reporting financial year was not a welcome year from the business point of view due to 3rd wave of COVID 19. Again, the reporting year was a very tough year with HFC facing business and stability challenges and collapse of ecosystem due to uncontrolled spread of virus in its 3rd wave. With the COVID-19 hitting the industry badly during the year, your company took very cautious approach in disbursements and was proactive in doing the business.

Your company still managed to do fine balance of growth and risk management, our AUM on March 31, 2022 is Rs. 317.94 crores as compared to Rs. 225.54 crores as of March 31, 2021, signifying the growth of 41% in a year. Your Company has been credit driven organisation and is very cautious in sanctions & disbursements of loans. The Company follows the principle of quality over quantity and cash flow based on strict credit assessment of customers.

8. ASSETS QUALITY

Your company since its inception is a very conservative company. We have put a lot of emphasis on 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) as on March 31, 2022. 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 67.92% Home Loans. Being conservative and always being fully getting prepared for future planning's keeping in view the

COVID 19 effect, your company has made ECL provision of 0.90% on its assets, which is more than 2 times of regulatory requirement of NHB/RBI guidelines.

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 that 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

The Company being a Housing Finance Company registered with National Housing Bank primarily engaged in the business of housing finance is exempted from the provisions of Section 186 of the Companies Act, 2013. Accordingly, there are no details of particulars of loans, guarantees or investments that are required to be provided as per Section 134(3)(g) of the Companies Act, 2013.

12. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any subsidiary, joint venture and associate company at any time during the year ended March 31, 2022. Thus, the requirement of attaching form AOC-1 is not applicable.

13. 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/2021/05/Related-Party-Transaction-Policy-1.pdf>

All Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. Further, details of all transactions with related parties are provided in the accompanying financial statements of the Company.

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

14. BOARD MEETINGS

The Board met seven (7) times during the financial year ended March 31, 2022 viz. on May 12, 2021, June 02, 2021, August 02, 2021, September 14, 2021, October 26, 2021, January 28, 2022 and March 31, 2022. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013

The 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	7
Mr. Anil Kumar Kalra	Independent Director	7
Mr. Sundeep Kumar Mehta	Independent Director	7
Mr. Amit Sharma	Managing Director & Chief Executive Officer	7

15. COMMITTEES

The Company has various committees constituted in accordance with the provisions of Companies Act, 2013, RBI/NHB Guidelines, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The

details of number of committee meetings are provided in Corporate Governance Report which forms part of the Annual Report as "Annexure-2".

16. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

1. Change in Directorate and KMP:

During the year under review, there has been no change in the composition of the Board of Directors and KMP apart from the change in designation of Mr. Amit Sharma who was appointed as Managing Director & Chief Executive Officer (erstwhile Managing Director & CEO).

2. Director liable for rotation:

Pursuant to Section 152 of the Companies Act, 2013, Mr. Harvinder Pal Singh (DIN: 00333754), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment offers himself for reappointment post recommendation by the Board of Directors

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 adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The directors are persons of eminence in areas such as business, industry, finance, law, administration, research, etc., and bring with them experience / skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality

None of the Directors of your company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 and RBI/NHB norms.

Each of the Independent Director, at the first meeting of the Board in which he/she participated has given a declaration that he/she meets the criteria of independence as provided under Section 149 of the Company Act, 2013.

The details of Board of Directors as on March 31, 2022 is as follows:

S. No.	Name of Director	Designation
1.	Mr. Amit Sharma	Managing Director & CEO
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, 2022, the Company has the following Key Managerial Personnel:

S. No.	Name of Director	Designation
1.	Mr. Amit Sharma	Managing Director & CEO
2.	Mr. Sachin Sharma	Chief Financial Officer
3.	Mr. Prince Kumar	Company Secretary and Compliance Officer

Additionally, post the recommendation by Nomination and Remuneration Committee, the Board in its meeting held on April 27, 2022, appointed Dr. Jyoti Ahluwalia as an Additional Director (Independent Director) with immediate effect for period of 5 years. Further, Mr. Prince Kumar, Company Secretary & Compliance Officer had resigned and Ms. Vaishali Goyal has been appointed as Company Secretary & Compliance Officer w.e.f. April 28, 2022.

17. 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 public deposits. The Board of Directors, in compliance with RBI/NHB directions, has passed the resolution on April 27, 2022 that the Company had not accepted the deposit in the previous Financial Year 2021-22 and further declared that the Company shall not accept any deposits from the public in the Financial Year 2022-23 without the prior permission of the RBI/NHB.

18. DEBENTURES

During the year under review, the Company has not raised money through debentures. As on March 31, 2022, the outstanding Non-Convertible Debentures (NCDs) stood at INR 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 in Corporate Governance Report as “Annexure-2”.

During the financial year under review, the interest on NCDs 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 Master Direction- Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 for Non-Convertible Debentures:

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

19. VIGIL MECHANISM/WHISTLE 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 deal with instances of unethical practices, fraud and mismanagement or gross misconduct with regards to business operations, if any that can lead to financial loss or reputational risk to the organization. The Company take strong exception to any untoward business practices and encourages its stakeholders to make disclosures whether they are

Directors, permanent/contractual employees, customers, contractors, vendors, suppliers, customers or any other person having an association with the Company. This 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 details of the same are explained in the Corporate Governance Report as “Annexure-2”. 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>.

During the financial year 2021-22, no complaint pertaining to the Company has been received under the whistle blower mechanism.

20. CORPORATE GOVERNANCE

Corporate Governance is about upholding the highest standards of integrity, transparency, and accountability. The Company’s governance standards are initiated by senior management, and percolate down across the organization. To ensure the same, all the decisions are taken in a fair and transparent manner, well within an ethical framework. The organizational governance structure, practices and processes are actively monitored and revised periodically to reflect the best ethical practice.

SHFL is subject to the regulations of the Reserve Bank of India (“RBI”)/National Housing Bank (“NHB”), Securities and Exchange Board of India (“SEBI”) and the Companies Act 2013. The Corporate Governance structures and practices are predominantly impacted by the respective regulations of these ruling bodies.

The Compliance Certificate from M/s S. Behera & Co., Company Secretary in Practice regarding compliance of conditions of Corporate Governance and to certify that

none of the directors have been debarred or disqualified from being appointed or continuing as directors of the Companies by the SEBI/ Ministry of Corporate Affairs or any such authority, under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for 2021-22, is annexed to the Corporate Governance Report as “Annexure-2”, provided separately in this Annual Report. A report on Corporate Governance, forming part of the Directors’ Report, is also enclosed herewith.

21. 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. Independent Director appointed in the Company during the period under review possess integrity, relevant expertise and experience in the opinion of the Board as required under the applicable provisions of the Companies Act, 2013.

22. EXTRACT OF ANNUAL RETURN

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 this report. The Annual Return will be uploaded on the website of the Company www.satinhousingfinance.com.

23. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the board of directors, to the best of their knowledge and ability, confirm that:

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

24. DIVIDEND

As your Company has business expansion plans for the next financial year i.e. FY 2022-23, your Directors do not recommend any dividend for the period under review.

25. RESERVES

(i) Statutory Reserve in terms of Section 29C of the National Housing Bank Act, 1987

Reserve Fund is created as per the Section 29C of the National Housing Bank Act, 1987, which requires every housing finance company to create a reserve fund and transfer therein sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

In this regard, during the year, the Company transferred Rs. 0.61 Crores (including the transfer to Special Reserve created to avail the deduction as per the provisions of Section 36(1)(viii) of the Income Tax Act, 1961 amounting to Rs. 0.54 Crores) to the reserves.

(ii) Debenture Redemption Reserve

The Company was not required to create any debenture redemption reserve during the year.

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Annex IV of the Master Direction-Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021, a detailed discussion on the Company's competitive position and its financial performance are given in the Management Discussion and Analysis Report, which has been appended as "Annexure-4" to this Report.

27. STATUTORY AUDITORS

At the Company's 1st 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 they are not disqualified from continuing as Auditors of the Company. Further, pursuant to the provisions of the Master Direction-Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021, Partners of the Audit Firm need to be rotated at every three years. The rotated partner is Mr. Jatin Goel, Chartered Accountant bearing membership no. 553420 from the Financial Year Q3 of 2021-22 and onwards.

Further, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by Ministry of Corporate Affairs, the appointment of statutory auditors is not required to be ratified at every Annual General Meeting.

28. STATUTORY AUDITORS REPORT

Your Company has received Audit Report from M/s Rajeev Bhatia & Associates, Chartered Accountants which is unmodified, i.e., it does not contain any qualification, reservation, adverse remark or disclaimer. The same forms part of the Annual Report of this financial year for your adoption.

29. INTERNAL AUDITOR

The internal control system is supported by an Internal audit process for reviewing the adequacy and efficacy of Company's Internal controls, including its systems, processes and compliance with applicable regulations and procedures.

Mrs. Nilanjana Mukherjee, Internal Auditor of the Company performed the internal audit for the year ended March 31, 2022 and Internal Audit reports received on a quarterly basis were placed before the Audit Committee and the Board.

30. SECRETARIAL AUDITOR AND 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 Board of Directors has appointed M/s. S. Behera & Co., Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the FY 2021-22. The Secretarial Audit Report in the prescribed form MR-3 for the financial year ended March 31, 2022 is appended as "Annexure- 5" to this Annual Report.

The auditor has not reported any matter under section 143(12) of the Act, and therefore, no detail is required to be disclosed under section 134(3)(ca) of the Act. There is no adverse remark, qualifications or reservation in the Secretarial Audit Report.

31. FRAUD REPORTED BY THE AUDITORS OF THE COMPANY

The Auditors of the Company have not reported any fraud to the Audit Committee or/and the Board as required to be disclosed under Section 143(12) read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

32. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of directors (SS-1) and general meetings (SS-2) read with the MCA Circulars granting exemptions in view of the COVID-19 pandemic.

33. CORPORATE SOCIAL RESPONSIBILITY

Since, provisions of Section 135 of the Companies Act, 2013 read with applicable rules are not applicable on the Company, therefore, no policy on Corporate Social Responsibility initiatives are required to be implemented.

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

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder. The policy provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. All employees (permanent, contractual, temporary, trainees) are covered under the Policy. There was no complaint received from any employee during the year ended 31 March 2022.

35. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any stock options to the employees. However, in accordance with applicable rules, Satin Creditcare Network Limited, holding company has granted options to Mr. Amit Sharma, Managing Director and Chief Executive Officer and Mr. Sachin Sharma, Chief Financial Officer being eligible employees under Satin Employee Stock Option Scheme, 2017.

36. SHARE CAPITAL

1. Increase in authorized share capital:

During the year under review, there has been an increase in the authorized share capital from INR 95 crores to INR 100 crores which was approved by the shareholders in their extra-ordinary general meeting held on September 16, 2021.

2. Right Issue:

Post increase in authorized share capital, the Working Committee in its meeting held on

September 28, 2021 allotted 50,00,000 equity shares at face value of Rs.10/- per share to its Holding Company amounting Rs. 5 crores.

37. 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 dematerialization 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 shares held by the shareholders in physical form.

As on March 31, 2022, out of the Company's total paid-up Equity Share Capital comprising of 100,00,00,000 Equity Shares, 99,99,99,994 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.

38. RISK MANAGEMENT POLICY

The 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' which provides for identification, assessment and control of risks which in the opinion of the Board may pose significant loss or threat to the Company.

The status of all the identified risks is periodically put up to the Risk Management Committee which critically evaluates the same and provides necessary guidance. This procedure paves the way for effective risk management to safeguard the interest of the Company.

RBI, vide its circular dated 22 October 2020, reviewed the regulatory framework for Housing Finance Companies (HFCs). Vide the said circular, all non-deposit taking HFCs with asset size of more than INR 100 crore shall pursue liquidity risk management which, inter alia, should cover adherence to gap limits. The Board, has approved a Liquidity Risk Management

framework encompassing, inter alia, strategies and practices, internal controls, maturity profiling, liquidity coverage ratios and high quality liquid assets.

39. 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 were also discussed.

40. NATIONAL HOUSING BANK/ RESERVE BANK OF INDIA GUIDELINES

Regulatory change following the amendment in the Finance Act, 2019 and the subsequent notification by the Reserve Bank of India (RBI) in August 2019, HFCs would be treated as one of the categories of non-banking financial companies (NBFCs) for regulatory purposes and accordingly would come under RBI's direct oversight. The RBI issued revised regulatory framework for HFCs vide Master Direction on February 17, 2021. The supervision of HFCs along with regulatory compliances and grievance redressal mechanism continues to remain with NHB.

In this regards, the Company has complied with the provisions by National Housing Bank (NHB) and the Reserve Bank of India (RBI) and has been in compliance with the various circulars, notifications and guidelines

issued by RBI and NHB from time to time. The circulars and the notifications issued by RBI/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

Reserve Bank of India (RBI) 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, Internal Guidelines on Corporate Governance, Related Party Transactions and asset liability management. The Company is in compliance with applicable prudential norms and guidelines.

Customer Education Literature for awareness over the Prudential Norms related to SMA/NPA has been placed over the website of the Company and can be viewed over <https://satinhousingfinance.com/wp-content/uploads/2022/03/PPT-Consumer-Education.pdf>.

41. PARTICULARS OF EMPLOYEES

There are 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. The form and amount of director's remuneration will be recommended by the NRC to the Board for approval within the maximum amount permissible under the law. Employee directors will not be paid for Board membership in addition to their regular employee compensation. The NRC will conduct a review of director compensation on periodic basis to ensure directors of the company are compensated effectively in a manner consistent with the strategy of the Company, and to further ensure that the Company will be able to attract, retain and reward those who contribute to the success of the Company.

42. NOMINATION AND REMUNERATION POLICY

The Board of Directors and Nomination and Remuneration Committee of the Company formulated policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management in pursuance of the Directors, Key Managerial Personnel

(KMP), Senior Management and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of Section 178 of the Companies Act, 2013.

This policy act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company. 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/2021/04/Policy-on-Nomination-and-Remuneration.pdf>

The Company has "Fit & Proper" policy in place for ascertaining the fit & proper criteria to be adopted at the time of appointment of directors and on continuing basis, pursuant to RBI Master Directions and NHB guidelines.

In case of revision in remuneration of KMP post their appointment, the proposed revision is to be placed before the NRC for its approval/ratification, as the case maybe. The remuneration proposed will be consistent with the strategy of the company and in line with the comparable market and internal remuneration benchmarks.

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

During the period under review, there were no significant or material orders were passed by any Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

44. COST RECORDS & COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

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

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis. In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence not been provided.

Foreign Exchange Earnings and Outgo

Remittance outward in foreign currency towards:

for purchase of material NIL

Investment in shares NIL

Remittance inwards in foreign currency NIL

46. DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Your Company has neither filed any application nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the reporting year, hence no disclosure is required under this section. Further, there is no details required to be reported with regard to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions as your Company has not done any settlement with any Bank or Financial Institutions since its inception.

47. HUMAN RESOURCE DEVELOPMENT

Employees are the company's most valuable assets. 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 a better operational and financial position. All the employees are committed to the company and each one of them has a sense of ownership. The company is led by the principle of leadership which believe in influencing rather than management based on the authority and this approach really bind all our employees as one family with one mission.

The well-being of our employees has always been at the centre of our philosophy. In response to the COVID-19 outbreak, the Company took number of steps to prevent the spread. These included i) migrating from physical to digital trainings and conferences; ii) curtailing domestic travels; iii) taking precautionary measures like sanitisation of offices, availability of hand sanitisers and masks; iv) ensure lesser number of employees at the workplace, and v) implementing various COVID-19 related policies for the welfare of the employees.

48. LENDERS

Our lenders have full faith in us and have been instrumental in our growth. We take this opportunity to thank them and look forward to continuous support. We very proudly state that NHB reposed confidence in us and we received sanction of Rs. 49 crores till the date of this report. We look forward to such faith and carry a great amount of respect for our lenders.

49. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere gratitude and appreciation for the support and co-operation received from Reserve Bank of India, 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 who have extended their valuable sustained support and encouragement during the year under review.

The Board also places on record its sincere appreciation for the commitment and hard work put in by the management and the employees in these trying times.

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

Place: Gurugram
Date: April 27, 2022

Sd/-
Harvinder Pal Singh (Director)
DIN: 00333754

Sd/-
Amit Sharma (Managing Director & CEO)
DIN: 08050304

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

- 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:
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board:
- Amount paid as advances, if any:
- 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 Agreement for Corporate Office of the Company i.e. B Wing, 2nd Floor, Plot No. 492, Udyog Vihar, Phase-III, Gurugram, Haryana – 122016	11 months	Lease Rent of Rs. 5,000 per month per seat inclusive of all expenses for 52 seats including cabin(s) and meeting room(s)	February 01, 2021	Nil
2	Satin Creditcare Network Limited (Holding Company)	Corporate Guarantee by Satin Creditcare Network Limited in favour of National Housing Bank against the refinance assistance	One-time payment	Corporate Guarantee fee of Rs. 93,67,015.79/-	October 26, 2021	Nil
3	Satin Creditcare Network Limited (Holding Company)	Corporate Guarantee by Satin Creditcare Network Limited in favour of State Bank of India against the Long term borrowing by Satin Housing Finance Limited	5 years (including 6 months moratorium)	Corporate Guarantee fee of Rs. 67,80,459.61/-	April 27, 2022	Nil

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

Place: Gurugram
Date: April 27, 2022

Sd/-
Harvinder Pal Singh (Director)
DIN: 00333754

Sd/-
Amit Sharma (Managing Director & CEO)
DIN: 08050304

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance in the Company goes beyond the fundamentals of the legislative and regulatory compliance. The management strives to entrench an enterprise-wide culture of good corporate governance. With an aim to ensure the same, all the decisions are taken in a fair, transparent manner and within an ethical framework. The Company has an active, experienced and a well-informed Board. Through the governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities towards all its stakeholders by encompassing best practices to support effective and ethical leadership, sustainability and good corporate citizenship.

Corporate Governance has always been an integral element of the Company and believes in sustainable corporate growth that emanates from the top management down through the organization to the various stakeholders which is reflected in its sound financial system and enhanced market reputation. This promotes the responsible consideration of all stakeholders, while also holding decision-makers appropriately accountable. In line with the philosophy, that good governance is an evolving discipline, governance structures, practices and processes are actively monitored and revised from time-to time to reflect the best ethical practice. SHFL is subject to the regulations of the RBI ('Reserve Bank of India') and SEBI ('Securities and Exchange Board of India').

The Corporate Governance structures and practices are predominantly impacted by the respective regulations of these ruling bodies. The Company has a well-developed system of compliance in place and the quarterly compliance certificate on a quarterly basis confirming the compliances w.r.t. relevant laws, rules and regulations being taken from all departments of the Company. The quarterly compliance certificates obtained from the departments of the Company are placed before the Board for its consideration. Further, an annual review of the compliance of the Fair Practices Code and functioning of the Grievance Redressal Mechanism also being conducted. All the desired committees had

been constituted as per the applicable provisions and the Company is complying with the guidelines. The Company undertaken its activities in compliance with the Internal Guidelines on Corporate Governance. The Company followed the prudential norms on Income Recognition, Assets Classification, Provision Norms, Disclosures, Writing Off or waiver of Interest, Due Diligence, Recovery Procedures, Record Retention, and Technical Write Off as per the RBI/NHB Directions. The Committees of the Company met at regular intervals to discuss the matters entrusted with the respective committees.

2. BOARD OF DIRECTORS

The Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The present composition broadly meets this objective. The directors are persons of eminence in areas such as business, industry, finance, law, administration, research, etc., and bring with them experience / skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

A brief profile of the Board of directors is available on the website of the Company at <https://satinhousingfinance.com/about-us/#1540445009039-b73db26d-2b1f>

a) Composition and category of the Board of Directors

The Company is managed and controlled through a professional body of Board of Directors, which comprises of an optimum combination of Executive and Non-Executive Directors. The strength of Board of Directors as on March 31, 2022 is 4 (Four) out of which 2 (Two) are Independent and 2 (Two) are Non-Independent Directors (including one CEO & Managing Director, one Non-Executive Director). The Company's Board consists of eminent persons with considerable professional expertise and experience. The Independent Directors do not have any pecuniary relationship or transactions with the Company, Promoters and Management, which

may affect independence or judgment of the Directors in any manner.

The dates for the Board meetings are fixed after taking into account the convenience of all the Directors and sufficient notice, in terms of applicable laws, is given to all of them. All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis via e-mail to all the Directors at least seven days in advance from the date of Board Meetings and Committee Meetings. During the year under review, few shorter notice meetings also convened as per the consent of all Board Members. At the Board meetings, the Executive Director(s) and Senior Management make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc.

All the information required for decision making are incorporated in the agenda. The Board reviews the performance of the Company and sets the strategy for future. The Board takes on record the actions taken by the Company on all its decisions periodically.

Furthermore, towards digitization, the Company has also started using Board PAC Software, a paperless meeting solution that offers the highest standards of confidentiality and security for ease of Board members to access agenda documents properly through a phone based application. None of the Directors on the Board, holds directorships in more than ten public companies and the composition of the Board of Directors of the Company is in conformity with the provisions of the Companies Act, 2013 and also in terms of guidelines as issued by Reserve Bank of India.

(b) Attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting

Name of the Director	DIN	Category	Designation	No. of Board meetings during the year 2021-22		Whether Attended the last AGM	Total Number of other Directorship held	Number of Directorship held in Listed Entity	Total No. of Chairmanship/ Membership of Board Committee	
				Held during their tenure	Attended				Chairman	Member
Mr. Amit Sharma	08050304	Non-Independent Director	MD & CEO	7	7	Yes	Nil	Nil	2	4
Mr. Harvinder Pal Singh	00333754	Non-Independent Director	Non-Executive Director	7	7	No	18	1	-	3
Mr. Sundeep Kumar Mehta	00840544	Non-Executive & Independent Director	Director	7	7	Yes	4	1	1	2
Mr. Anil Kumar Kalra	07361739	Non-Executive & Independent Director	Director	7	7	Yes	2	1	1	2

(c) Number and Dates of Board meetings

During the year under review, the Board met 07 (Seven) times on May 12, 2021, June 02, 2021, August 02, 2021, September 14, 2021, October 26, 2021, January 28, 2022 and March 31, 2022. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173 of Companies Act 2013 and Secretarial Standards - 1 as issued by the Institute of Company Secretaries of India (ICSI). As per applicable laws, minimum of four Board meetings are required to be held every year. The Company has convened additional Board meetings to address specific needs of the business.

(d) Independent Directors Meeting

In accordance with the requirement of Schedule IV of the Companies Act, 2013 during the year under review, one separate Meeting of the Independent Directors without the attendance of non-independent directors and members of the Management was held on March 31, 2022 to discuss:

- ♦ review the performance of non-independent directors and the board of directors as a whole;
- ♦ review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;

- ♦ assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

(e) Performance Evaluation of Board Members

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013, the annual performance evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of the mandatory committees viz., Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Assets Liability Committee etc. The Company has devised a process and criteria for the performance evaluation, which has been recommended by the Board approved Nomination and Remuneration Policy, framed in terms of applicable provisions in this regard. The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings etc. Similarly, the Director's evaluation was carried out on the basis of questionnaire containing criteria such as level of participation by individual Directors, independent judgment by the Director, understanding of the Company's business etc.

The performance evaluation of the Board and the mandatory Committees, viz., Audit Committee, Nomination and Remuneration Committee were done by all the Directors and the respective members of the committee as the case may be. The performance evaluation of each Independent Director was carried out by the entire Board excluding the Independent Director being evaluated. The performance evaluation of the Chairman and Non-Executive Directors was carried out by the Independent Directors.

The Board believes that evaluation will lead to a closer working relationship among the Board members, greater efficiency in use of the Board's time and increase effectiveness of the Board as a governing body.

3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company and for operational convenience, powers have been delegated different functional areas to different Committees in accordance with the applicable laws. These Committees monitor the activities falling within their terms of reference. Further, terms of reference were revised to align with the provisions of Companies Act, 2013, SEBI LODR, NHB Act, 1987 and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. The role and the composition of these Committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under:

(a) Audit Committee

Composition:

The Audit Committee comprises of three members, namely, Mr. Anil Kumar Kalra as the Chairman and Member, Mr. Sundeep Kumar Mehta, Mr. Harvinder Pal Singh as members. Out of three members two members are Independent Directors and one is Non-Executive 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.
- (ix) Other roles and responsibilities as prescribed under various applicable laws from time to time

Meetings and Attendance during the year:

During the financial year, the Committee met four (4) times. The dates of the meetings being May 12, 2021, August 2, 2021, October 26, 2021 and January 28, 2022. The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Harvinder Pal Singh	4
Mr. Sundeep Kumar Mehta	4
Mr. Anil Kumar Kalra	4

(b) Nomination & Remuneration Committee

Composition:

The Nomination & Remuneration Committee of the Board comprises of three Directors namely, Mr. Sundeep Kumar Mehta as Chairman and member, Mr. Anil Kumar Kalra and Mr. Harvinder Pal Singh as Members:

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 Other role and responsibilities prescribed under various applicable laws from time to time.

Meetings and Attendance during the year:

During the financial year, the Committee met three (3) times i.e. on, May 12, 2021 and June 02, 2021, March 31, 2022. The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Harvinder Pal Singh	3
Mr. Sundeep Kumar Mehta	3
Mr. Anil Kumar Kalra	3

Policy for selection and appointment of Directors:

The Nomination and Remuneration Committee (N&R Committee) has adopted a charter which, inter-alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- i. The incumbent for the positions of Executive Directors and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- ii. The Non-Executive Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in the fields of finance, banking, regulatory, taxation, law, governance and general management.

- iii. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- iv. The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- v. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

The Company has “Fit & Proper” policy in place for ascertaining the fit & proper criteria to be adopted at the time of appointment of directors and on continuing basis, pursuant to RBI Master Directions and NHB guidelines.

Remuneration Policy:

Company’s Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. The said policy also provides for a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The N&R Committee recommends the remuneration payable to the Executive Directors and Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary. The Remuneration Policy is also available at the website of the Company, at web-link <https://satinhousingfinance.com/policies/#Policy-On-Nomination-Remuneration>.

Director’s Remuneration:

(i) Remuneration of Executive Directors:

The Managing Director & CEO and other Executive Directors are being paid remuneration as recommended by Nomination & Remuneration Committee and approved by the Board of Directors/Shareholders. Details

of remuneration paid to the Executive directors during the year under review are provided in the Annual Return as on March 31, 2022, which is available on the Company’s website on <https://satinhousingfinance.com> and also attached with this report.

(ii) Remuneration of Non-Executive Directors:

Though day-to-day management of the Company is delegated to its Executive Directors, the Non-Executive Directors also contribute significantly for laying down the policies and providing guidelines for conduct of Company’s business. Considering the need for the enlarged role and active participation / contribution of Non-Executive Directors to achieve the growth in operations and profitability of the Company, it is appropriate that the services being rendered by them to the Company are recognized by it by way of payment of compensation, commensurate with their contributions, as permissible within the applicable regulations. The Company’s non-executive directors between them have extensive entrepreneurial experience, and deep experience in the fields of financial sector regulation and supervision, banking, judiciary, accounting, administration, and law enforcement etc. The non-executive directors both exercise effective oversight, and also guide the senior management team. Their experience and inputs have been invaluable, especially so over the course of the last two years, as the Company faced headwinds affecting the NBFC/HFC sector, and the ongoing COVID-19 pandemic. They also devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company. The Company is making payment of fee/remuneration payable to its NEDs in accordance with the provisions of the Companies Act, 2013. During the Financial Year ended March 31, 2022, the Non-Executive Directors have been paid, sitting fees for attending the Board meetings of the Company, the details of which are provided in the Annual Return as on March 31, 2022, which is available on the Company’s website. The Non-Executive Directors of the Company do not have any pecuniary relationships or transactions with the Company or its directors, senior management or holding company, other than in the normal course of business.

(c) Working Committee

Composition:

The Working Committee of the Board comprises of three (3) Directors namely, Mr. Harvinder Pal Singh, Mr. Amit Sharma and Mr. Sachin Sharma as members of the Committee

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.

Meetings and Attendance during the year:

During the financial year, the Committee met twelve (12) times i.e. on, June 28, 2021, June 29, 2021, July 15, 2021, August 26, 2021, September 28, 2021, October 28, 2021, November 23, 2021, December 24, 2021, February 15, 2022, February 28, 2022, March 02, 2022 and March 24, 2022. The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Harvinder Pal Singh	12
Mr. Amit Sharma	12
Mr. Sachin Sharma	12

d) Assets Liability Committee (ALCO)

Composition:

The Assets Liability Committee of the Board comprises of three (3) members Managing Director & CEO, Chief Financial Officer and AVP- Accounts and a permanent invitee from IT Department

Functions/Terms of Reference:

- (i) Product pricing for borrowings and advances.
- (ii) Desired maturity profile and mix of the incremental assets and liabilities.
- (iii) Monitor prevailing interest rates offered by other peer HFCs for similar services/ product, etc. and benchmarking its services/ products within Company's objectives.
- (iv) Monitoring the risk levels of the Company.
- (v) Monitor the adherence to prudential tolerance limits set by the Board. Review the results of and progress in implementation of the decisions made in the previous meetings. (Articulate the current interest rate view of the Company and base its decisions for future business strategy on this.
- (vi) Decide the funding policy with respect to the source and mix of liabilities or sale of assets.
- (vii) 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.
- (viii) Acting proactively to develop alternative courses of action, and prioritize them based on cost/ benefit relationships, long-term effectiveness.
- (ix) 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.

Meetings and Attendance during the year:

During the financial year, the Committee met four (4) times i.e. on May 03, 2021, July 15, 2021, October 22, 2021 and January 20, 2022. The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Managing Director and Chief Executive Officer	4
Chief Financial Officer	4
AVP-Accounts	4

(e) Risk Management Committee

Composition:

The Risk Management Committee of the Board comprises of Mr. Sharad Mittal as Chairman, Mr. Amit Sharma, Mr. Sachin Sharma and Mr. Deepak Kumar as its members.

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.

Meetings and Attendance during the year:

During the financial year, the Committee met two (2) times i.e. on, June 01, 2021 and November 30, 2021. The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Amit Sharma	2
Mr. Sachin Sharma	2
Mr. Sharad Mittal	2
Mr. Deepak Kumar	2

f) Grievance Redressal Committee

Composition:

The Grievance Redressal Committee of the Board comprises of 4 members Mr. Amit Sharma as Chairman, Mr. Sachin Sharma, Mrs. Noopur Bhardwaj and Mrs. Komal Sharma as its members.

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.

Meetings and Attendance during the year:

During the financial year, the Committee met four (4) times i.e. on April 09, 2021, July 12, 2021 and October

14, 2021 and January 24, 2022. The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Amit Sharma	4
Mr. Sachin Sharma	4
Mrs. Noopur Bhardwaj	4
Mrs. Komal Sharma	4

Name and designation of Compliance Officer:

Mr. Prince Kumar, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI (LODR) Regulations, 2015.

Details of queries / complaints received and resolved pertaining to Non-Convertible Debentures of the Company during the year 2021-22:-

S. No.	Particulars	Opening	Received	Disposed	Pending
1.	Legal Cases / Cases before Consumer Forums	0	0	0	0
2.	Letters from SEBI / Stock Exchange.	0	0	0	0
3.	Non-receipt of Interest	0	0	0	0
4.	Non-receipt of annual report	0	0	0	0
5.	Non-receipt of securities after transfer	0	0	0	0
	Total	0	0	0	0

4. GENERAL MEETINGS

(A) Location and time of last three Annual General Meetings (AGMs):

Year	Meeting	Location	Date	Time
2019-20	2nd AGM	Kundan Bhawan, Azadpur Commercial Complex, Azadpur- 110033	June 07, 2019	11.00 A.M.
2020-21	3rd AGM	Kundan Bhawan, Azadpur Commercial Complex, Azadpur- 110033	August 03, 2020	10.00 A.M.
2021-22	4th AGM	Kundan Bhawan, Azadpur Commercial Complex, Azadpur- 110033	June 15, 2021	10.30 A.M.

B) Extraordinary General Meeting during the FY 2021-22:

The Company during the financial year conducted as Extraordinary General Meeting on September 16, 2021 and passed an ordinary resolution for increase in authorized share capital of the Company.

5. GENERAL SHAREHOLDERS INFORMATION

(A) Company Registration Details

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65929DL2017PLC316143.

(B) Financial year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

(C) Listing on Stock Exchanges

The Company's NCD's are listed at the following stock exchanges:

BSE Ltd.

P.J. Towers, Dalal Street, Mumbai - 400 001
Ph. No. +91 022 22721234
Email: corp.comm@bseindia.com
Website: www.bseindia.com

(D) Registrar and Transfer Agents

i. Link Intime India Private Limited

C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra-400083
Tel: 022 - 4918 6270 | Website: www.linkintime.co.in

ii. KFin Technology Private Limited

(Erstwhile known as Karvy Fintech Private Limited)
KFintech, Tower – B, Plot No 31 & 32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad –32
Tel: +91-040-67162222, +91- 040 – 79611000
Website: www.kfintech.com

(E) Shareholding pattern as on March 31, 2022

The shareholding pattern of the company forms part of Extract of Annual return attached as **Annexure-3**.

(F) Address for Correspondences:

(i) Registered Office:

505, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033
Email: compliance@satinhousingfinance.com
Tel: 0124-4346200
Website: www.satinhousingfinance.com

(ii) Corporate Office:

Plot No. 492, 2nd Floor, B-Wing, Udyog Vihar, Phase-III, Gurugram, Haryana-122016
Email: compliance@satinhousingfinance.com
Tel: 0124-4346200
Website: www.satinhousingfinance.com

(G) Debenture Trustees

Catalyst Trusteeship Limited

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

(H) Credit Ratings and Change/ Revisions in Credit Ratings for Debt Instruments

Name of Rating Agency	Period	Nature of Borrowings	Rating assigned
CARE Ratings	July 2021	i. Subordinate Debt Issue/ Non- Convertible Debentures ii. Long term Bank borrowings	CARE BBB; Stable (Triple B; Outlook: Stable) CARE BBB+ (CE); Negative#[Triple B Plus (Credit Enhancement); Outlook: Negative]
CARE Ratings	October 2021	i. Subordinate Debt Issue/ Non-Convertible Debentures ii. Long term Bank borrowings	CARE BBB; Stable (Triple B; Outlook: Stable) CARE BBB+ (CE); Negative@ [Triple B Plus (Credit Enhancement); Outlook: Negative]

(I) Fees paid to Statutory Auditors

Particulars	F.Y. 2021-22 (Amount in Lakhs)
Auditor's Fee	11.32
Certification Fee	7.30
Total	18.62

7. OTHER DISCLOSURES

(i) Related Party Transactions

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company.

(ii) MD & CEO / CFO Certification

MD & CEO / CFO Certification is being taken on quarterly basis and placed before the Board of Directors in the immediate next Board Meeting.

(iii) Codes of the Company

a. Code of Conduct for Direct Selling Agents (DSAs)/ Direct Marketing Agents (DMAs)

This code will apply to person/legal entity involved in marketing and distribution of any loan or other financial products or services of HFCs. The DSA / DMA or/and its employees / representatives must agree to abide by this code prior to undertaking any direct marketing operation and distribution on behalf of the HFC. Any employee / representative of DSA / DMA found to be violating this code may be blacklisted and such action taken be reported to the HFC from time to time by the DSA / DMA. Failure to comply with this requirement may result in permanent termination of business of DSA/DMA with HFCs and may even lead to permanent blacklisting.

b. Fair Practices Code

This Code is applicable to all the products and services, whether they are provided by the Company or subsidiaries across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other mode, except in the event of any force majeure. The Code is based on ethical principles of integrity and transparency and all actions and dealings shall follow the spirit of the Code.

c. Code of Commitment

This is a voluntary Code, reflecting SHFL's positive commitment to customers/members to provide easy, speedy and transparent access to our services. This Code is not only a citizens charter but also enshrines his obligations vis-à-vis SHFL.

The Code has been developed to:

- ♦ Promote good and fair practices in dealing with you;
- ♦ Increase transparency so that you can have a better understanding of what you can reasonably expect of the services;
- ♦ Improve our understanding of your needs through effective communication.
- ♦ Encourage co-operative spirit and movement;
- ♦ Promote a fair and cordial relationship between you and SHFL
- ♦ Foster confidence in the co-operative system and institutions.

(iv) Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy

applies to all employees working for the Company and its subsidiaries and no personnel have been denied access to the audit committee.

The Company take strong exception to any untoward business practices and encourages its stakeholders to make disclosures whether they are Directors, permanent/contractual employees, customers, contractors, vendors, suppliers, customers or any other person having an association with the Company.

Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds/assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2022
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 Company
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.	<p>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</p> <p>KFin Technologies Private Limited (Erstwhile known as 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</p>

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 Address: 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	
A. PROMOTERS									
(1) Indian	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	94999994	0	949999994	100%	999999994	0	999999994	100%	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
SUB TOTAL:(A) (1)	949999994	0	949999994	100%	999999994	0	999999994	100%	0
(2) Foreign									
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
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	949999994	0	949999994	100%	999999994	0	999999994	100%	0

B. PUBLIC SHAREHOLDING									
(1) Institutions									
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
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non Institutions									
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
SUB TOTAL (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	94999994	6	95000000	100%	99999994	6	100000000	100%	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	94999994	6	95000000	100%	99999994	6	100000000	100%	0

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Satin Creditcare Network Limited	94999994	100	0	99999994	100	0	0

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
Satin Creditcare Network Limited	At the beginning of the year	94999994	100	99999994	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease Allotment: 50,00,000 Equity Shares on September 28, 2021	5000000	-	-	-
	At the end of the year	99,999,994	100	99,999,994	100

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

Name of Shareholder	For Each of the Top 10 Shareholders	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
Subir Roy Choudhary (As a Nominee of Satin Creditcare Network Limited)	At the beginning of the year	1	0	1	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.):	0	0	1	0
	At the end of the year	1	0	1	0
Bhupinder Pal Singh (As a Nominee of Satin Creditcare Network Limited)	At the beginning of the year	1	0	1	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.):	0	0	1	0
	At the end of the year	1	0	1	0
Sanjay Mahajan (As a Nominee of Satin Creditcare Network Limited)	At the beginning of the year	1	0	1	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.):	(1)	0	(1)	0
	At the end of the year	0	0	0	0
Susheel Kumar Menon (As a Nominee of Satin Creditcare Network Limited)	At the beginning of the year	1	0	1	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.):	(1)	0	(1)	0
	At the end of the year	0	0	0	0
Sunil Yadav (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.):	1	0	1	0
	At the end of the year	1	0	1	0
Tahir Zafar (As a Nominee of Satin Creditcare Network Limited)	At the beginning of the year	1	0	1	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.):	(1)	0	(1)	0
	At the end of the year	0	0	0	0
Anil Kwatra (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.):	1	0	1	0
	At the end of the year	1	0	1	0

Dev Verma (As a Nominee of Satin Creditcare Network Limited)	At the beginning of the year	1	0	1	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.):	(1)	0	(1)	0
	At the end of the year	0	0	0	0
Aditi Singh (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.): (Mr. Dev Verma transferred 1 equity share held by him to Mrs. Aditi Singh dated October 10, 2020)	1	0	1	0
	At the end of the year	1	0	1	0
Urvashi Tyagi (As a Nominee of Satin Creditcare Network Limited)	At the beginning of the year	1	0	1	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.):	(1)	0	(1)	0
	At the end of the year	0	0	0	0
Manish Kumar Mittal (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.):	1	0	1	0
	At the end of the year	1	0	1	0

v) Shareholding of Directors and Key Managerial Personnel

Name of the shareholders	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
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
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

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
Prince Kumar	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 yearw	0	0	0	0
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
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

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,18,43,53,649	19,95,05,993	-	1,38,38,59,642
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35,10,291	69,04,110		1,04,14,401
Total (i+ii+iii)	1,18,78,63,940	20,64,10,103	-	1,39,42,74,043
Change in Indebtedness during the financial year				
Additions	1,66,35,75,393	1,51,053		1,66,37,26,446
Reduction	96,04,32,944	0		96,04,32,944
Net Change	70,31,42,449	1,51,053		70,32,93,502
Indebtedness at the end of the financial year				
i) Principal Amount	1,88,25,93,516	19,95,80,334		2,08,21,73,850
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	84,12,873	69,80,822		1,53,93,695
Total (i+ii+iii)	1,89,10,06,389	20,65,61,156	-	2,09,75,67,545

VII. 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/WTD/ Manager: Amit Sharma (Managing Director & CEO) (for the period 12.05.2021 to 11.05.2026) (Amount in Rs.)	Total Amount (In INR)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	81,50,004	81,50,004
2.	Stock Option*	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...		
5.	Others	-	-
6.	Total (A)	81,50,004	81,50,004
	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)	
1	Independent Directors • Fee for attending board/ committee meetings • Commission • Others, please specify	1,50,000	1,50,000	3,00,000
	Total (1)	1,50,000	1,50,000	3,00,000
2	Other Non-Executive Directors • Fee for attending board/ committee meetings • Commission • Others, please specify			
	Total (2)	-	-	-
	Total (B)=(1+2)	1,50,000	1,50,000	3,00,000
	Total Managerial Remuneration	1,50,000	1,50,000	3,00,000
	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 (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	11,26,260	34,55,400	45,81,660
2.	Stock Option**	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
6.	Total	11,26,260	34,55,400	45,81,660

** 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 2021-22

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

Place: Gurugram
Date: April 27, 2022

Sd/-
Harvinder Pal Singh
DIN: 00333754
Director

Sd/-
Amit Sharma
DIN: 08050304
Managing Director & CEO

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Company

Satin Housing Finance Limited (“SHFL or the Company”) is registered with National Housing Bank (NHB) under section 29A of National Housing Bank Act, 1987 vide Registration No. 11.0161.17 as a Housing Finance Company (HFC) Now, your Company is being regulated by Reserve Bank of India (RBI) and the Company need to follow the circulars, directions or/and notification issued by RBI from time to time such as Master Direction-Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI dated February 17, 2021.

Satin Housing Finance Limited (SHFL) is a professional managed Housing Finance Company having registered office at 505, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033 and corporate office at Plot No. 492, 2nd Floor, B-Wing, Udyog Vihar Phase-III, Gurugram, Haryana-122016.

The main objects of the Company are as under:

- ♦ To carry on the business of housing finance in India.
- ♦ To carry on the business of providing Finance (long term and short term finance), and to undertake all lending and finance activity to any person or persons, Company, AOP, Corporations, Society(ies), Co-operative Societies, or associations, Institutions, Firms, Builders, Developers, persons or body of individuals, others, either individually or jointly, either at interest or without and / or with or without any security for the purpose of enabling the borrower for either, construction, erection, purchase, enlarge, or repair, renovate, furniture and fitting, equipment and such other things required of any house/s, flats, raw houses, bungalows, townships, rooms, huts used for housing/ residential purpose either in total or part thereof or otherwise, upon such terms and conditions as the Company may think fit and proper.

The COVID-19 Pandemic

The COVID-19 pandemic has continued to cause a disruption of the economic activities across the globe including India throughout the year. The Government of India announced a lockdown during the first quarter of their financial year to contain the spread of the virus and various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company’s operations including lending and collection activities.

In assessing the impairment allowance for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing second wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the all the three waves of COVID, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Company’s operations and financial metrics, more specifically on the borrower’s ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company’s responses thereto. Accordingly, the management’s estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

‘The Company has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Company has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The impact of

the pandemic on the operations of the Company is significantly dependent on uncertain future economic conditions.

Future Outlook

The industry has navigated the COVID-19 pandemic with moderate disruptions in collection efficiency and a build-up in asset quality, partially also led by the implementation of the circular on NPA classification. This is accompanied with the need for a bigger housing space during the pandemic bodes well for financiers to drive the overall assets under management (AUM) growth higher, despite high competition from banks.

The basic theme of the corporates being survival rather than growth, SHFL has tried to balance both the goals of the survival and growth. SHFL believe that this year, affordable housing finance business could witness strong loan growth due to increasing geographic penetration and a possible increase in ticket size will lead to higher loan growth in 2022-23. HFC business model was severely tested in FY2022. The fact that many HFCs have managed to overcome this severe stress without significant impact is a testimony to their resilience. With superior capital adequacy, abundant liquidity, favourable interest rate environment, frugal cost management and lower non-performing loan assets (NPAs), the HFC sector is well poised to seize the opportunity provided in the post pandemic revival cycle.

The Company will continue to follow all the strict policies while lending the money and will try to retain the book and build a new book with quality. Further, the Company will focus on rural clients in the following years. SHFL is all geared up on all fronts to take the challenges heads on and come up very strongly.

Regulatory Developments

Following the amendment in the Finance Act, 2019 and the subsequent notification by the Reserve Bank of India (RBI) in August 2019, HFCs would be treated as one of the categories of non-banking financial companies (NBFCs) for regulatory purposes and accordingly would come under RBI's direct oversight. The RBI issued revised regulatory framework for HFCs vide Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 on February 17, 2021 ("Directions"). The supervision of

HFCs along with regulatory compliances and grievance redressal mechanism continues to remain with NHB.

The Directions issued by RBI broadly accumulate the regulatory requirements, from the Regulations notified on October 22, 2020, erstwhile Master Circular for Housing Finance Companies (NHB) Directions, 2010 and other applicable circulars. The Directions neither impose any new requirements nor amend any existing regulation, but merely aggregate them.

Further, RBI through its discussion paper on Revised Regulatory Framework for NBFCs- A Scale-Based Approach dated January 22, 2021 proposed regulatory and supervisory framework of NBFCs will be based on a four-layered structure — the base layer (NBFC-BL), middle layer (NBFC-ML), upper layer (NBFC-UL) and the top layer.

As per bifurcation, Satin Housing Finance Limited being Housing Finance Company, has been bifurcated based on activity and come under Middle Layer (NBFC-ML).

Prudential Norms for Housing Finance Companies

Reserve Bank of India (RBI) 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, Internal Guidelines on Corporate Governance, Related Party Transactions and asset liability management. The Company is in compliance with applicable prudential norms and guidelines.

Customer Education Literature for awareness over the Prudential Norms related to SMA/NPA has been placed over the website of the Company and can be viewed over <https://satinhousingfinance.com/wp-content/uploads/2022/03/PPT-Consumer-Education.pdf>

Economy and Industry Overview, Opportunities and Threats

The second wave of the pandemic, which started in March 2021, has tapered in most parts of the country currently. Although it was far more devastating in terms of its spread, casualties, and impact on health of

people than the first wave, the economic impact of the second wave has been lower as the lockdowns were more region specific, and not as strict as those during the first wave. Also, the economy and people were better prepared as they had the experience of the first wave to go by.

However, as more data and information emerge with respect to the incomes, repayments and debt servicing at retail level, it seems that the actual situation on ground is worse than what was earlier estimated. Some indicative data points include persistence of high bounce rates, fall in savings rate, increase in stressed assets in the loan portfolios of financiers of retail loans, etc.

India Ratings and Research has maintained a neutral sector outlook and a stable rating outlook for housing finance companies for 2022-23. For 2022-23, the agency has said gross stage 3 numbers of HFCs could increase to 3.3 per cent from 2.8 per cent in the third quarter of the fiscal and an estimated 2.9 per cent for the whole of the current fiscal.

This would be largely due to slippages from the re-structured book. Additionally, two per cent of AUM is supported by lending under Emergency Credit Line Guarantee Scheme which could also see slippages. The broad stage 3 number could rise by 70 basis points as it was seen in the third quarter of the fiscal due to the change in NPA recognition norm.

In current financial year 2022-23, Affordable housing finance companies' (AHFCs) loan book is likely to expand by 17-20 per cent in the current financial year, supported by the government's higher focus on housing and a favourable tax regime, says a report. As on December 31, 2021, the total loan book of AHFCs stood at Rs 66,221 crore and constituted about 6 per cent of the overall housing finance companies (HFCs) loan book.

Further, as per ICRA Rating latest report, the expected loan books for affordable housing finance companies (AHFCs) to grow by 17-20 per cent in FY2023, driven by factors like largely under-penetrated market, favourable demographic profile, government trust on housing and a favourable regulatory/tax regime that support the growth outlook.

The agency said the second wave of the Covid-19 pandemic exerted pressure on the asset quality indicators

of AHFCs and delinquencies, especially in the softer buckets (0-30, 30-60 and 60-90 days past due, i.e. dpd) shot up significantly. However, with improvement in collection efficiency in Q2 and Q3 FY2022, the delinquencies in the softer buckets moderated, it said. At the same time, the reported gross NPAs/stage 3 percentage increased as entities aligned their reporting with the clarification issued by RBI on Income Recognition, Asset Classification and Provisioning (IRACP) norms.

The 30 days past due for some AHFCs declined from 9 per cent as on June 30, 2021 to 6.8 per cent as on December 31, 2021 while the reported GNPA/Stage 3 percentage marginally increased from 4.2 per cent as on June 30, 2021 to 4.3 per cent as on December 31, 2021, the report said. With some improvement in operating environment and business outlook, the agency expects that the reported gross NPA/stage 3 percentage will moderate in FY2023, supported by book growth and controlled fresh slippages

Overall view on HFCs remains stable as HFCs continue to remain one of the most resilient asset classes. While we expect that the impact of the pandemic on GS3 assets would be higher than what was earlier estimated, stronger balance sheets of large HFCs, and higher equity capital buffers provide good comfort. Also, improvement in fund-raising abilities of HFCs by tapping retail deposits augurs well for the longer-term credit outlook of HFCs.

Performance

SHFL's net worth stood at Rs. 101.23 crores for the year ended March 31, 2022. As on that date regulatory Capital to Risk Assets Ratio (CRAR) was 60.19%.

SHFL's Total Income during the year ended March 31, 2022 is Rs. 38.04 crores as compared to previous period ended March 31, 2021 is Rs 29.57 crores and net profit after tax during the year ended March 31, 2022 is Rs. 3.04 crores as compared to previous year ended March 31, 2021 Rs. 1.37 crores.

We have put lot of emphasize on the credit quality and customer selections. SHFL is a credit driven organization viz-a -viz number driven organization. During the year under review, SHFL 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 68.92% Home Loans. Being conservative and always being fully getting prepared for future planning keeping in view the COVID 19 pandemic, your company has made ECL provision of 0.90% on its Assets, which is almost 2 times of regulatory requirement of NHB/RBI guidelines. The Company has kept such a high provision even after achieving great collection efficiency in FY 2021-22.

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 the industry badly during the year, your company took very cautious approach in disbursals and was proactive in slowing down the business. Due to these factors our AUM on March 31, 2022 was Rs. 317.94 crores as compared to Rs. 225.54 crores as on March 31, 2021. Your Company has been credit driven organisation and is very cautious in sanctions & disbursements of loans, we followed the principal of quality over quantity and were still able to achieve good growth in AUM in FY 2021-22.

Financial Highlights

(Amount in Lakhs)

Particulars	For the Year from 01 April, 2021 to 31 March 2022	For the period from 01 April, 2020 to 31 March, 2021
Income from Operations	3,715.31	2,753.40
Other Income	89.06	203.90
Total Income	3,804.37	2,957.30
Less: Expenses	3,378.28	2,745.83
Profit / (Loss) before tax	426.09	211.47
Add/ (Less): Tax expenses	122.33	74.20
Net Profit / (Loss) after Tax	303.76	137.27
Other Comprehensive Income	0.18	(3.16)
Total Comprehensive Income	303.94	134.11
Earnings per share (Basic)	0.31	0.16
Earnings per Share(Diluted)	0.31	0.16

Accolades

- ♦ Zero NPA
- ♦ Borrowings from PSUs
- ♦ NHB Refinance - The National Housing Bank (NHB) offers refinance assistance to Housing Finance Companies (HFCs) in respect of their loans given to individuals for housing. SHFL is one of the few companies to receive refinance assistance within short period of its operations;
- ♦ Rising Star Housing Finance Company of the year 2021-22 by Quantic;
- ♦ BFSI Excellence Award 2022 in BFSI CTO Virtual Summit
- ♦ Indian Achievers Award for emerging Company of 2021-22;
- ♦ Financial Inclusion Leader of the year 2021-22 by Quantic;
- ♦ Observed March 2022 as the highest disbursal month of Rs. 30 Crore;
- ♦ AUM of Rs. 300 Crore+ as on March 31, 2022; and
- ♦ Highly balanced quality portfolio focused on end user home loans

Outlook, Risk and Concerns

As a HFC, SHFL is exposed to credit, liquidity and interest rate risk. It continues to invest in talent, processes and emerging technologies for building advanced risk and underwriting capabilities.

Asset Quality is one of the most critical parameters while assessing HFCs. Asset quality is dependent on the portfolio mix of the HFC. In view of high competition from banking sector in prime housing/salaried segment and to improve profitability, HFCs focus on various other borrower segments also. Apart from traditional home loans to salaried individuals, HFCs also lend to self-employed individuals and individuals belonging to mid-income/low-income groups. Such loans exhibit greater credit risk and are priced higher vis-à-vis prime housing loans.

The overall outlook is expected to remain moderately positive for the housing finance space.

- ♦ The three important parameters that will help drive demand for home loans are lower interest rate, affordable prices of houses and decreasing parity of EMI versus rent. Further, the pile up inventories offloading is also gaining momentum with builders and developers propelling demand by providing huge discount for home buying to end users.
- ♦ The income tax deduction rules combined with extension of PMAY scheme for the end users will propel the demand for the home loans.
- ♦ Due to the reduction in stamp duty, the demand has been good since the last few months in Maharashtra and Karnataka.

SHFL has a well-defined risk governance structure which provides for identification, assessment and management of risks. Risk management involves making decisions and establishing governance systems that embed and support effective risk process, as well as building an organizational culture that supports agility.

Digitalisation

Affordable Housing Finance and Secured Business Loans are a very touch and feel business. Technology is a facilitator but in lending we can never take-out

human connect. SHFL strictly believe in the concept of lending with human connect. The company already has a bouquet of products, which caters to the large segment of urban and rural clients, although there is a slight change in the processing of files, to fit in the new social distancing concept. SHFL provides personal, door-step services to its customers. Customers (mainly salaried and self-employed) are educated on the need to maintain proper documentation by SHFL, which works hard to gain insights into customer needs. Credit assessment is a tough task and customer meeting is inevitable and extremely essential before disbursement. The market has always functioned like that and will continue to do so.

Home Loans or Secured Business Loans are more of an offline business in terms of execution and assessment of customers. Online platforms can be used only till the stage of lead generation and application of loans. Further to that offline PD and credit expert's visits to access business and financial stability of the client is very important. Customer existence, verification of informal business lifestyle must be assessed by actual credit visit to review the customer and to finance them. Informal assessment market which is a big part of business today and in future according to me will work like this only. Rural anyways do not have online Home Loans or Secured Business Loans due to limitations in terms of restricted access to computers. Hence, majority of loan applicants still rely on offline loan application process. In my opinion, offline loan mode will dominate for at least next half decade in the rural home loans markets. While for Home Loan and Urban Secured Business loans, online mode can be used as lead generators, ties ups with distribution platforms but business execution cannot happen fully online for them. Lot of online lending is coming into unsecured loans, personal loans etc. This trend is going to stay for long. Online platform can be just be lead generators in big way, but disbursement can happen only after strict on field credit verifications only. With mobile apps and other digital platforms, the TAT has gone down substantially. Few of the facilitating tools are KYC documents on real-time basis, use of artificial intelligence for face detection, and optical character reading for helping the clients in KYC autofill, tools for income verification in addition to a psychometric test to assess the client intention to pay back. Keeping a check on the bank e-statement of the client on real-time basis is

now possible. UPI can be used as a medium to collect EMLs and login fee. Transactions can now be conducted without the help of an intermediary.

Internal Control Systems and their adequacy

The Company has in place adequate financial controls commensurate with its size, scale and complexity of operations with reference to its financial statements. These have been designed to provide reasonable assurance regarding recording and providing reliable financials information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors

The controls encompass safeguarding of the Company's assets, strict adherence to policies, prevention and detection of frauds and errors against any unauthorised use or disposition of assets and misappropriation of funds. These controls help to keep a check on the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Audit Committee ensures that all procedures are properly authorised, documented, described and monitored.

SHFL has a full-fledged in-house Internal Audit department with processes and systems to design an annual audit plan and ensure optimum portfolio quality, keeping risks at bay. The Regional Office Audit takes place on a quarterly basis, while Compliance Audit is done based on feedback from other audits. Annual Secretarial Audit is being conducted by the Independent Secretarial Auditor appointed by the Board of Directors based on the recommendation of the Audit Committee.

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

in IT systems, including back-up systems, to improve the operational efficiency, customer service and decision-making process.

Corporate Governance

Corporate Governance in the Company goes beyond the fundamentals of the legislative and regulatory compliance. The management strives to entrench an enterprise-wide culture of good corporate governance. With an aim to ensure the same, all the decisions are taken in a fair, transparent manner and within an ethical framework. This promotes the responsible consideration of all stakeholders, while also holding decision-makers appropriately accountable. In line with the philosophy, that good governance is an evolving discipline, governance structures, practices and processes are actively monitored and revised from time-to-time to reflect the best ethical practice.

SHFL is subject to the regulations of the RBI ('Reserve Bank of India') and SEBI ('Securities and Exchange Board of India'). The Corporate Governance structures and practices are predominantly impacted by the respective regulations of these ruling bodies.

The Company has well developed system of compliance in place and the Quarterly Compliance certificate on quarterly basis confirming the compliances w.r.t. relevant laws, rules and regulations being taken from all departments of the Company. The quarterly compliance certificates obtained from the departments of the Company are placed before the Board for its consideration.

Further, annual review of the compliance of the Fair Practices Code and functioning of the Grievance Redressal Mechanism also being conducted. All the desired committees had been constituted as per the applicable provisions and the Company is complying with the guidelines. Internal Guidelines on Corporate Governance was approved by the Board in its meeting dated July 30, 2019 and reviewed on April 27, 2022. The Company undertaken its activities in compliance with the Internal Guidelines on Corporate Governance.

The Company followed the prudential norms on Income Recognition, Assets Classification, Provision Norms, Disclosures, Writing Off or waiver of Interest, Due Diligence, Recovery Procedures, Record Retention, and Technical Write Off as per the RBI/NHB Directions.

Material development in Human Resources/ Industrial Relations front, including number of people employed

The employee strength of your Company was 202 as on March 31, 2022. Employees' contribution is vital to the Company's performance both qualitative and quantitative. Accordingly, the Company's performance management system is used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility and productivity enhancement. An exclusive Training and Development Department, headed by a senior officer, has been set-up to give additional impetus to the growing training needs of the employees. In-house on-the-job coaching and enhanced training programmes in various other functional areas were conducted during the year to upgrade the skills of employees and achieve functional effectiveness.

In addition, executives were seconded to various external training programmes and seminars on risk management, regulatory know-your-customer guidelines, anti-money laundering and the fair practices code. These training programmes enabled the staff members to sharpen their knowledge in their areas of responsibility. New employees are put through an induction programme covering business requirements, Company's processes, regulatory prescriptions and contours of personality development. There are no material

developments in the human resources/industrial relations front adversely affecting the Company's business.

While the year gone by has been challenging, the Company has focused on role elevation of existing talent to leadership positions, who in turn as a team, have steered favorable strategic decisions and demonstrated high efficiency. With powerful leadership, the entire organization has clear orientation with the new business requirements & roadmap. This will help us in rebuilding the business and rejuvenating the platform from where we can offer our valued customers an integrated suite of financial services. The new organisational strategy to ensure strong synergy and clear orientation with the new business requirements

Cautionary Statement

Some of the statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, and expectations may be "forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.

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

Place: Gurugram
Date: April 27, 2022

Sd/-
Harvinder Pal Singh
DIN: 00333754
Director

Sd/-
Amit Sharma
DIN: 08050304
Managing Director & CEO

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 (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, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SATIN 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, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 and made available to us, according to the 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. Increased its authorized and paid up share capital by way of right issue amounting INR 5 Crores.

For S. Behera & Co.
Company Secretaries

Sd/-
Shesdev Behera
Company Secretary in Practice
CP. No. 5980
M. No. 8428
UDIN: F008428D000147402

Date: 18/04/2022
Place: New Delhi

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 (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, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our examination.
2. We have followed the audit practices and 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.

For S. Behera & Co.
Company Secretaries

Sd/-
Shesdev Behera
Company Secretary in Practice
CP. No. 5980
M. No. 8428
UDIN: F008428D000147402

Date: 18/04/2022
Place: New Delhi



Independent Auditor's Report



INDEPENDENT AUDITORS' 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, 2022, 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, 2022, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note No 44 to the financial statements which explains that the extent to which COVID-19 pandemic will continue to impact the Company's operations and financial position and performance are dependent on future developments, which are still 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 is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional 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, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (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, 2022 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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated April 27, 2022 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, 2022;
 - (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, 2022;
 - (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, 2022.
 - (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As per the information and records provided to us by the company, no dividend has been declared or paid during the year.

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

Sd/-
Jatin Goel
Partner
Membership No.: 553420
UDIN - 22553420AHWJMM7015

Place: Delhi
Date: April 27, 2022

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 year ended 31 March 2022)

(i) Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.
The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property, Plant and Equipment and right-of-use assets of the Company was physically verified as at the year-end by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancy was noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property during the period under audit. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.
- d) The Company has not revalued any of its Property, Plant & Equipment and intangible assets during the year. Thus, paragraph 3(i) (d) of the Order is not applicable to the Company.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Thus, paragraph 3(i)(e) of the Order is not applicable to the Company.

(ii) Inventories

- a) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- b) As per the information and explanation provided to us, the company does not have a working capital limit sanctioned from any bank or financial institution during the year and as on 31-03-2022. Hence, the reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) Loans granted by company

- a) The Company is registered with National Housing Bank as a Housing Finance Company and its main business is to provide housing finance. Hence, reporting under clause 3(iii)(a) of the order is not applicable to the company.
- b) In our opinion, the terms and conditions of the grant of loans in nature of loans and advances, during the year are, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount above 90 days remaining outstanding as at the balance sheet date. Hence reporting under clause 3(iii)(d) is not applicable.
- e) The Company has been registered with National Housing Bank as a Housing Finance Company and its main business is to provide housing finance. Hence, reporting under clause 3(iii)(e) of the order is not applicable to the company.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

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

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 to the Company.

(v) Acceptance of Deposits

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

(vi) Maintenance of Cost records

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

(vii) Payment of Applicable Taxes

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

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, provident fund, employees' state insurance, professional taxes and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

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

(viii) Undisclosed income

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

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

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

- f) The Company does not have any subsidiary, associate or joint venture during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) Initial Public Offer

- a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) Fraud by the Company or on the Company

- a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year,
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year. hence reporting under clause 3(xi)(c) of the Order is not applicable.

(xii) Nidhi Company

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

(xiii) Related Party Transactions

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

(xiv) Internal Audit

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

(xv) Non – Cash Transactions

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

(xvi) Registration with RBI

- a) The Company 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
- b) The Company has conducted Housing Financing activities during the year having a Certificate of Registration with National Housing Bank.

- c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- d) As per the information and explanation provided to us by the company, 2 companies in the group are in the process of registration as Core Investment Company under the Reserve Bank of India Act.

(xvii) Cash Losses

The Company has not incurred any Cash Losses during the year and the immediately preceding financial year, accordingly, paragraph 3(xvii) of the Order is not applicable.

(xviii) Resignation of Statutory Auditor

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

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

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors' and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Corporate Social Responsibility

The compliance with section 135 of the Companies Act is not applicable during the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(xxi) Qualification or Adverse Remarks by the respective auditors

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

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

Sd/-
Jatin Goel
Partner
Membership No.: 553420
UDIN - 22553420AHWJMM7015

Place: Delhi
Date: April 27, 2022

Annexure B to the Independent Auditors' Report of even date to the members of Satin Housing Finance Limited on the financial statements for the year ended 31 March 2022

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

1. In conjunction with our audit of the financial statements of Satin Housing Finance Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

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 2022, 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

Sd/-
Jatin Goel
Partner
Membership No.: 553420
UDIN - 22553420AHWJMM7015

Place: Delhi
Date: April 27, 2022

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

Sub:- Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

We, Rajeev Bhatia & Associates, have audited the financial statements of Satin Housing Finance Limited (the “Company”) for the period ended 31 March 2022 and have issued our report dated 27 April 2022.

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. Further The housing finance company is complying with the principal Business Criteria as defined in para 4.1.17 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
- 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 2022. The housing finance company has not issued paid-up preference shares which are compulsorily convertible into equity.
- 3> The housing finance company has complied with Section 29C of the National Housing Bank Act, 1987 by creating a reserve fund in which 20 percent of its net profit has been transferred during the financial year ended 31 March 2022.
- 4> The total borrowings of the housing finance company are within the limits prescribed under Paragraph 27.2 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
- 5> The housing finance company has complied with the prudential norms on income recognition, accounting standards, asset classification, 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 Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. With respect to the calculation of Loan To Value (LTV) Ratio, the housing finance company computes Loan to Value ratio, for all loans except Ready Purchase Housing Loans so sanctioned, on the basis of Market Value, considering it as realisable value, of the residential property as denominator
- 6> The capital adequacy ratio as disclosed in the half-yearly statutory return, submitted to the NHB during the financial year ended 31 March 2022, as per the directions issued by NHB in this regard, has been determined based on LTV calculated on Market Value of residential property, as reported in para 5 above, as denominator for all of its loan assets except Ready Purchase Housing Loans, As on 31 March 2022, such ratio is in compliance with the prescribed minimum capital to risk weighted asset ratio (CRAR).

- 7> The housing finance company, during the financial year 31 March 2022 has furnished to the NHB within the stipulated period the half-yearly statutory return, as specified in the directions issued by NHB.
- 8> The housing finance company, during the financial year 31 March 2022 has furnished to the NHB within the stipulated period, the quarterly statutory return on Statutory Liquid Assets, as specified in the directions issued by NHB.
- 9> The housing finance company has opened six new branches/ offices and closed one branch, with respect to the requirements contained in the directions issued by NHB and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
- 10> The housing finance company has complied with the provisions contained in Paragraph 3.1.3 for Loans against securities of shares, Paragraph 3.1.4 for Loans against securities of single product – gold jewellery and Paragraph 18 for Loans against HFCs own shares of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
- 11> The Board of Directors of the housing finance company has passed a resolution for non-acceptance of any public deposits dated May 12, 2021;
- 12> The housing finance company has not accepted any public deposits during the financial year ended 31 March 2022.

B> Applicable to Housing Finance Companies accepting/holding public deposits

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. Accordingly, Paragraph 70.2.1 to 70.2.7 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 are not applicable to the Company for the financial year ended 31 March 2022.

This certificate has been issued solely at the request of the Company in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 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

Sd/-
Jatin Goel
Partner
Membership No.: 553420
UDIN - 22553420AHWJNG1349

Place: Delhi
Date: April 27, 2022



FINANCIAL STATEMENTS

Satin Housing Finance Limited
Balance Sheet as at March 31, 2022

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,095.58	1,862.02
Bank balances other than above	5	818.82	377.28
Receivables	6		
(I) Trade receivables		-	17.70
(II) Other receivables		-	-
Loans	7	28,969.72	20,858.54
Investments	8	-	-
Other financial assets	9	62.47	126.32
		30,946.59	23,241.86
Non financial assets			
Current tax assets (net)		-	0.63
Deferred tax assets (net)	10	10.09	49.66
Property, plant and equipment	11	29.60	44.55
Intangible assets	12	11.81	14.76
Other non financial assets	13	553.64	276.39
		605.14	385.99
TOTAL		31,551.73	23,627.85
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	14		
total outstanding dues of MSMEs		-	3.03
total outstanding dues of creditors other than MSMEs		1.10	20.53
Borrowings (other than debt securities)	15	18,910.06	11,878.64
Subordinated liabilities	16	2,065.61	2,064.10
Other financial liabilities	17	225.13	159.07
		21,201.90	14,125.37
Non financial liabilities			
Current tax liabilities (net)		8.07	-
Provisions	18	45.13	99.58
Other non financial liabilities	19	172.76	78.47
		225.96	178.05
Total Liabilities		21,427.86	14,303.42
EQUITY			
Equity share capital	20	10,000.00	9,500.00
Other equity	21	123.87	(175.57)
Total equity		10,123.87	9,324.43
TOTAL		31,551.73	23,627.85

Accompanying notes form an integral part of these financial statements.

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

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

Sd/-
Jatin Goel
Partner
M. No. 553420

Place: Gurugram
Date: April 27, 2022

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

Sd/-
H P Singh
(Director)
DIN: 00333754

Sd/-
Prince Kumar
(Company Secretary)

Sd/-
Amit Sharma
(MD & CEO)
DIN: 08050304

Sd/-
Anil Kumar Kalra
(Director)
DIN: 07361739

Sd/-
Sachin Sharma
(Chief Financial Officer)

Satin Housing Finance Limited
Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in rupees in lakhs, unless stated otherwise)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Revenue from operations			
Interest income	22	3,381.23	2,480.26
Fees and commission income	23	123.22	96.46
Net gain on fair value changes	24	-	27.89
Net gain on derecognition of financial instruments	25	210.86	148.79
Total Revenue from operations		3,715.31	2,753.40
II. Other income	26	89.06	203.90
III. Total income (I+II)		3,804.37	2,957.30
IV. Expenses:			
Finance costs	27	1,710.86	1,364.36
Impairment on financial instruments	28	104.11	6.22
Employee benefits expenses	29	1,189.56	1,053.88
Depreciation, amortization and impairments	30	25.98	36.14
Other expenses	31	347.77	285.23
Total expenses		3,378.28	2,745.83
V. Profit before tax for the year		426.09	211.47
VI. Tax expense	33		
Current tax		82.83	35.47
Deferred tax credit		39.50	38.73
Total tax expense		122.33	74.20
VII. Net profit for the year		303.76	137.27
VIII. Other comprehensive income			
Item that will not to be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(1.99)	(4.27)
Income tax relating to these items		0.55	1.11
Item that will be reclassified to profit or loss			
Change in fair value of loan asset		2.24	-
Income tax relating to above		(0.62)	-
Other comprehensive income/(loss) for the year		0.18	(3.16)
XV. Total comprehensive income for the year		303.94	134.11
XVI. Earnings per share (basic and diluted)	32		
(in ₹ per share)			
Basic		0.31	0.16
Diluted		0.31	0.16

Accompanying notes form an integral part of these financial statements.

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

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

Sd/-
Jatin Goel
Partner
M. No. 553420

Place: Gurugram
Date: April 27, 2022

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

Sd/-
H P Singh
(Director)
DIN: 00333754

Sd/-
Prince Kumar
(Company Secretary)

Sd/-
Amit Sharma
(MD & CEO)
DIN: 08050304

Sd/-
Anil Kumar Kalra
(Director)
DIN: 07361739

Sd/-
Sachin Sharma
(Chief Financial Officer)

Satin Housing Finance Limited
Statement of Changes in Equity as at March 31, 2022
(All amounts in rupees in lakhs, unless stated otherwise)

A Equity share capital
As at March 31, 2022

Particulars	Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year*	Balance as at March 31, 2022
Equity Share Capital	9,500.00	-	-	500.00	10,000.00

As at March 31, 2021

Particulars	Balance as at April 01, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year*	Balance as at March 31, 2021
Equity Share Capital	8,000.00	-	-	1,500.00	9,500.00

*Equity Share Capital was issued to holding company i.e Satin Creditcare Network Limited at par value.

B Other equity

Particulars	Reserves and surplus		Total
	Special Reserve	Retained earnings	
Balance as at April 1, 2020	-	(289.69)	(289.69)
Changes in accounting policy/prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-
Profit/(Loss) for the period	-	137.27	137.27
Transfer to Special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of Income Tax Act, 1961	26.82	(26.82)	-
Other comprehensive income for the year	-	(3.16)	(3.16)
Expenses on a/c of issue of shares	-	(19.99)	(19.99)
Balance as at March 31, 2021	26.82	(202.39)	(175.57)
Changes in accounting policy/prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-
Profit for the period	-	303.76	303.76
Other comprehensive income for the period	-	0.18	0.18
Transfer to Special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of Income Tax Act, 1961	60.75	(60.75)	-
Expenses on a/c of issue of shares	-	(4.50)	(4.50)
Balance as at March 31, 2022	87.57	36.30	123.87

Accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our review 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

Sd/-
Jatin Goel
Partner
M. No. 553420

Sd/-
H P Singh
(Director)
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(Director)
DIN: 07361739

Place: Gurugram
Date: April 27, 2022

Sd/-
Prince Kumar
(Company Secretary)

Sd/-
Sachin Sharma
(Chief Financial Officer)

Satin Housing Finance Limited
Statement of Cash Flows for the year ended March 31, 2022
(All amounts in rupees in lakhs, unless stated otherwise)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss)before tax	426.09	211.47
Adjustments for:		
Depreciation and amortisation expense	20.36	29.89
Depreciation on ROU assets	5.62	6.25
Interest expense on lease rental assets	1.37	2.00
Interest income on security deposits	(0.31)	(0.67)
Change in amortized subordinated liabilities	1.51	0.65
Re-measurement gains on defined benefit plans	(1.44)	(3.16)
Operating Profit Before Working Capital Changes	453.20	246.43
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	17.70	29.50
Loans	(8,109.55)	(7,126.87)
Other bank balances	(441.54)	(19.11)
Other financial assets	64.16	31.87
Other non financial assets	(277.25)	(130.59)
Adjustments for (increase) / decrease in operating liabilities:		
Trade payables	(22.47)	22.55
Other financial liabilities	66.06	130.70
Other non financial liabilities	94.29	48.04
Provisions	(54.45)	45.66
Movement in Operating Assets and Liabilities	(8,663.05)	(6,968.25)
Cash used in operations	(8,209.85)	(6,721.82)
Less: Income tax paid (net)	74.06	21.77
Net cash used in operating activities (A)	(8,283.91)	(6,743.59)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (net of disposed off)	(8.08)	(11.43)
Purchase of intangible assets	-	-
Net cash used in investing activities (B)	(8.08)	(11.43)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of equity share capital	500.00	1,500.00
Proceeds from borrowings	16,635.75	8,168.56
Repayment of borrowings	(9,598.86)	(4,211.75)
Paid towards lease liability	(6.84)	(7.21)
Expenses on a/c of issue of shares	(4.50)	(20.00)
Net cash flow from financing activities (C)	7,525.55	5,429.60
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	(766.44)	(1,325.42)
Cash and Cash Equivalents at the Beginning of the period	1,862.02	3,187.44
Cash and Cash Equivalents at the End of the period	1,095.58	1,862.02
Reconciliation of cash and cash equivalents as per the cash flow statement*	(766.44)	(1,325.42)

Accompanying notes form an integral part of these financial statements.

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

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

Sd/-
Jatin Goel
Partner
M. No. 553420

Place: Gurugram
Date: April 27, 2022

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

Sd/-
H P Singh
(Director)
DIN: 00333754

Sd/-
Prince Kumar
(Company Secretary)

Sd/-
Amit Sharma
(MD & CEO)
DIN: 08050304

Sd/-
Anil Kumar Kalra
(Director)
DIN: 07361739

Sd/-
Sachin Sharma
(Chief Financial Officer)

Satin Housing Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

1. Corporate Information

Satin Housing Finance Limited ("the Company") is a public company incorporated in India under Companies Act, 2013. The Company is a wholly owned subsidiary of Satin Creditcare Network Limited (the 'Holding Company'). The Company has received Certificate of Registration from National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987 dated November 14, 2017 vide registration number 11.0161.17.

The main objects of the Company, inter alia, are to carry out the business of providing long term finance to individuals, companies, corporations, societies or association of persons for purchase/construction/repair and renovation of new/existing flats/houses for residential purposes and loan against collateral.

The Company is domiciled in India and its registered office is situated at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, New Delhi – 110033.

2. Basis of preparation

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

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in this financial statements.

The financial statements for the year ended March 31, 2022 were authorized and approved for issue by the Board of Directors on April 27, 2022.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

a) Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions and intent of the management for future business. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company shall change the classification of the financial assets held in that business model. Based on this assessment with respect to the direct assignment transaction executed during the year and considering future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose primary objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ('the 'SPPI criterion').

b) Property, plant and equipment

Recognition and initial measurement

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

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013.

Satin Housing Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

Asset class	Useful life
Office equipment	5 years
Computer and accessories	3 years
Computer and accessories	6 years
Furniture and fixtures	10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

The Company fully depreciates the assets having individual value of Rs. 5,000 or less in the year of acquisition.

De-recognition

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

Capital work-in-progress

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

c) Revenue recognition

Interest income

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets.

Additional interest/overdue interest/penal charges are recognised only when it is reasonable certain that the ultimate collection will be made.

Fees and commission income

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

Dividend income

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

Gain on derecognition of financial instruments

Income from assignment transactions i.e. present value of excess interest spread is recognized when the related loan assets are de-recognized. Interest income is also recognized on carrying value of assets over the remaining period of such assets.

Processing charges

The Company collects certain non-refundable processing charges at the time of application from all the prospective borrower, and recognise this income on collection basis.

Miscellaneous income

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

d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

Satin Housing Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

e) Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised loss amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

f) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

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

Satin Housing Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

g) Share based payments

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

h) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

i) Impairment of financial assets

Loan assets

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

- ♦ Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- ♦ Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- ♦ Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

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

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

Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default.

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

Other financial assets

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

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

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

j) Cash and cash equivalents and cash flow statements

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

Satin Housing Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

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

k) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

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

l) Leases

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

The Company as a lessee

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

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

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined

on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

Satin Housing Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

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

The Company as a lessor

The company does not have any leases as a lessor.

m) Financial instruments

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

- i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:
 - ♦ The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - ♦ Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

- ii. Financial assets (debt instruments e.g. loans) are measured at FVOCI when both of the following conditions are met: – a financial asset is measured at the FVOCI if both the following conditions are met:
 - ♦ The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
 - ♦ The contractual terms of the financial asset meet the SPPI test

FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized cost

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

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

Satin Housing Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

n) Earnings per share

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

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

o) Segment reporting

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

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

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

Significant management judgements

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

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

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

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

- ♦ Determining criteria for significant increase in credit risk;
- ♦ Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and

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

Significant estimates

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

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

q) Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Satin Housing Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

Ind AS 103 “Business Combination”

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements.

Ind AS 109 “Financial Instruments”

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022
(All amounts in rupees in lakhs, unless stated otherwise)

4 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks in current accounts	595.19	560.17
Cash in hand	0.11	0.36
Term deposits with banks for original maturity of 3 months or less	500.28	1,301.49
	1,095.58	1,862.02
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 March 31, 2022	As at March 31, 2021
Term deposits with Banks for remaining maturity of more than 3 months and upto 1 year*	671.62	238.45
Term deposits with Banks for remaining maturity of more than 1 year*	147.20	138.83
	818.82	377.28
Note: *The amount under lien as security against overdraft facility availed, bank guarantee against loan refinance facility and cash collateral are as follows.		
Deposit pledged with banks for overdraft facilities availed by the Company	267.74	238.45
Deposit pledged with banks for bank guarantee against loan refinance facility	300.75	138.83
Deposit pledged with banks as cash collateral for Term loan	250.33	-

6 Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Trade Receivables		
Trade Receivables	-	17.70
Less: Provision for impairment on trade receivables	-	-
A	-	17.70
(II) Other Receivables		
Other Receivables	-	-
Less: Provision for impairment on other receivables	-	-
B	-	-
Total (A+B)	-	17.70

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

Notes:

Trade Receivables aging schedule

Trade Receivable's total outstanding dues as on March 31, 2022.

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Trade Receivable's total outstanding dues as on March 31, 2021.	-	-	-	-	-	-

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022

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

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	17.70	-	-	-	-	17.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

7 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
	At fair value through OCI	At amortised cost
Housing loans	19,590.08	16,350.00
Non Housing loans	9,640.60	4,665.39
Total - Gross	29,230.68	21,015.39
Less: Allowance for impairment loss for loan assets	(260.96)	(156.85)
Total - Net	28,969.72	20,858.54

Note:

- 1) The Company has reassessed its business model and with the background of series of assignment transactions, has changed its business model from 'hold to collect' to 'hold to collect and sell'. Accordingly, the Company has reclassified its eligible portfolio from amortised category to fair value through other comprehensive income (FVOCI) category and hence recorded a fair value gain in other comprehensive income.
- 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.
- 5) The Company is not granting any loans against gold jewellery as collateral.

Particulars

Interest accrued	249.07	184.38
Unamortized loan processing fees	603.63	420.64

8 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Quoted & Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Total	-	-

9 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
	At amortised Cost	
Security deposits (unsecured, considered good)	11.61	8.59
Advance insurance receivable	7.74	93.78
Receivables from Govt. Authorities	43.12	23.95
	62.47	126.32

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022
(All amounts in rupees in lakhs, unless stated otherwise)

10 Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets recognised on account of:		
(a) Preliminary and pre-operative expenses	-	0.80
(b) Employee benefits	12.55	25.89
(c) Allowance for impairment of loans	72.60	40.78
(d) Measurement of financial assets and liabilities at amortised cost	1.11	1.11
(e) Depreciation and amortisation	4.90	3.46
(f) Mat Credit Entitlement	19.28	24.89
(g) Others	0.20	0.19
	110.64	97.12
Deferred tax liabilities recognised on account of:		
(h) Measurement of financial assets and liabilities at amortised cost	-	-
(i) Impact of IND AS 116	3.73	4.88
(j) Gain on sale/fair valuation of portfolio	76.05	37.17
(k) Special reserve u/s 36 (i) (viii) under Income Tax Act, 1961	20.77	5.41
	100.55	47.46
Net deferred tax asset	10.09	49.66

Notes:

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

Particulars	As at April 1, 2021	Recognised in other comprehensive income	Recognised statement of profit and loss	As at March 31, 2022
Tax effect of items constituting deferred tax assets:				
(a) Carried forward losses	-	-	-	-
(b) Preliminary and pre-operative expenses	0.80	-	(0.80)	-
(c) Employee benefits	25.89	0.55	(13.89)	12.55
(d) Allowance for impairment of loans	40.78	-	31.82	72.60
(e) Measurement of financial assets and liabilities at amortised cost	1.11	-	0.00	1.11
(f) Depreciation and amortisation	3.46	-	1.44	4.90
(g) Mat credit entitlement	24.89	-	(5.61)	19.28
(h) Others	0.19	-	0.01	0.20
	97.12	0.55	12.97	110.64
Tax effect of items constituting deferred tax liabilities:				
(i) Impact of IND AS 116	4.88	-	(1.15)	3.73
(j) Gain on sale of portfolio	37.17	-	38.88	76.05
(k) Special reserve u/s 36 (i) (viii) under Income Tax Act, 1961	5.41	-	15.36	20.77
	47.46	-	53.09	100.55
Net deferred tax asset	49.66	0.55	(40.12)	10.09

(ii) Movement in deferred tax assets/(liabilities) for year ended March 31, 2021:

Particulars	As at April 1, 2020	Recognised in other comprehensive income	Recognised statement of profit and loss	As at March 31, 2021
Tax effect of items constituting deferred tax assets:				
(a) Carried forward losses	28.73	-	(28.73)	-
(b) Preliminary and pre-operative expenses	1.60	-	(0.80)	0.80
(c) Employee benefits	14.02	1.11	10.76	25.89
(d) Allowance for impairment of loans	39.16	-	1.62	40.78
(e) Measurement of financial assets and liabilities at amortised cost	1.09	-	0.02	1.11
(f) Measurement of financial instruments	0.15	-	(0.15)	-
(g) Depreciation and amortisation	2.53	-	0.93	3.46
(h) Mat credit entitlement	-	-	24.89	24.89
(i) Others	-	-	0.19	0.19
	87.28	1.11	8.73	97.12
Tax effect of items constituting deferred tax liabilities:				
(j) Impact of IND AS 116	-	-	4.88	4.88
(k) Gain on sale of portfolio	-	-	37.17	37.17
(l) Special reserve u/s 36 (i) (viii) under Income Tax Act, 1961	-	-	5.41	5.41
	-	-	47.46	47.46
Net deferred tax asset	87.28	1.11	(38.73)	49.66

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022

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

11 Property, plant and equipment

Description	Computers and accessories	Furniture and Fixtures	Office equipments	ROU Assets	Total
Gross carrying value					
As at April 01, 2020	58.32	5.04	17.03	24.75	105.14
Additions	8.92	1.54	1.14	-	11.60
Disposals	0.32	-	-	-	0.32
As at March 31, 2021	66.92	6.58	18.17	24.75	116.42
Additions	5.53	0.57	1.98	-	8.08
Disposals/adjustments	-	-	-	-	-
As at March 31, 2022	72.45	7.15	20.15	24.75	124.50
Accumulated depreciation					
As at April 01, 2020	28.15	1.58	4.90	4.95	39.58
Additions	19.05	1.21	5.93	6.25	32.44
Adjustment for disposals	0.15	-	-	-	0.15
As at March 31, 2021	47.05	2.79	10.83	11.20	71.87
Additions	12.57	1.04	3.80	5.62	23.03
Disposals/adjustments	-	-	-	-	-
As at March 31, 2022	59.62	3.83	14.63	16.82	94.90
Net block as at March 31, 2021	19.87	3.79	7.34	13.55	44.55
Net block as at March 31, 2022	12.83	3.32	5.52	7.93	29.60

12 Intangible assets

Description	Intangible assets	Total
*Intangible assets include softwares		
Gross carrying value		
As at April 01, 2020	21.61	21.61
Additions	-	-
Disposals	-	-
As at March 31, 2021	21.61	21.61
Additions	-	-
Disposals	-	-
As at March 31, 2022	21.61	21.61
Accumulated depreciation		
As at April 01, 2020	3.16	3.16
Additions	3.69	3.69
Adjustment for disposals	6.85	6.85
As at March 31, 2021	6.85	6.85
Additions	2.95	2.95
Adjustment for disposals	-	-
As at March 31, 2022	9.80	9.80
Net block as at March 31, 2021	14.76	14.76
Net block as at March 31, 2022	11.81	11.81

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022
(All amounts in rupees in lakhs, unless stated otherwise)

13 Other non financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advances recoverable in cash or in kind or for value to be received	8.54	5.62
Prepaid expenses	519.00	268.83
Prepaid rental asset	1.64	1.94
Acquired property (held for sale)*	24.46	-
	<u>553.64</u>	<u>276.39</u>

*Acquired property (held for sale)

Description of item of property	Gross carry- ing value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/director	Property held date	Reason for not being held in the name of the Company
Land & Building	24.46	Shailo Devi W/o Vijay singh	No	1/22/2022	Assest acquired under court order as per SARFAESI Act

14 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
total outstanding dues of MSMEs	-	3.03
total outstanding dues of creditors other than MSMEs	1.10	20.53
	<u>1.10</u>	<u>23.56</u>

Notes:

Trade Payables ageing Schedule

Trade Payable's total outstanding dues as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.10	-	-	-	1.10
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payable's total outstanding dues as on March 31, 2021.

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3.03	-	-	-	3.03
(ii) Others	20.53	-	-	-	20.53
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022

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

15 Borrowings (other than debt securities)

Particulars	As at March 31, 2022			
	At Amortised Cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
a) Term Loan				
i) from banks	6,147.80	-	-	6,147.80
ii) from financial institution	12,752.58	-	-	12,752.58
b) Finance lease obligations	9.68	-	-	9.68
Total (A)	18,910.06	-	-	18,910.06
Borrowings in India	18,910.06	-	-	18,910.06
Borrowings outside India	-	-	-	-
Total (B)	18,910.06	-	-	18,910.06
Secured	18,910.06	-	-	18,910.06
Unsecured	-	-	-	-

Particulars	As at March 31, 2021			
	At Amortised Cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
a) Term Loan				
i) from banks	1,300.87	-	-	1,300.87
ii) from financial institution	10,562.62	-	-	10,562.62
b) Finance lease obligations	15.15	-	-	15.15
Total (A)	11,878.64	-	-	11,878.64
Borrowings in India	11,878.64	-	-	11,878.64
Borrowings outside India	-	-	-	-
Total (B)	11,878.64	-	-	11,878.64
Secured	11,878.64	-	-	11,878.64
Unsecured	-	-	-	-

Notes:

(1) Details of borrowings outstanding under Guarantee

	As at March 31, 2022	As at March 31, 2021
from directors	4,691.67	-
from holding company (Satin Creditcare Network Limited)	6,074.73	1200.87

(2) The company has used the borrowings from banks and financial institutions for the purpose for which it was taken.

(3) Statements of book debts filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(4) Details of interest accrued and unamortised fees balance

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due	84.13	35.10
Unamortized debt securities fees	128.52	49.28

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022

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

(6) Terms of repayment of Borrowings (other than debt securities) as on March 31, 2022 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	160	2,150.02	168	2,483.23	148	2,395.59	103	2,045.97	78	1,441.50	10,516.31
	12.01% to 15%	158	1,350.70	101	998.01	34	466.03	2	27.44	-	-	2,842.18
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Below 9.00%	12	673	12	711	12	711	9	507.34	16	1,045.43	3,648.29
	9% to 12%	7	312.50	8	375.00	7	312.50	2	62.50	-	-	1,062.50
	12.01% to 15%	3	187.50	3	187.50	-	-	-	-	-	-	375.00
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Below 9.00%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12.01% to 15%	-	-	-	-	-	-	-	-	-	-	-
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Bullet	Below 9.00%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12.01% to 15%	-	-	-	-	-	-	-	-	1	500.00	500.00
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Total		340	4,673.60	292	4,755.06	201	3,885.44	116	2,643.25	95	2,986.93	18,944.28

Terms of repayment of Borrowings (other than debt securities) as on March 31, 2021 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	71	724.19	72	730.44	72	730.44	52	542.75	10	156.25	2,884.06
	12.01% to 15%	168	1,350.04	158	1,350.70	101	998.01	34	466.03	2	27.44	4,192.23
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Below 9.00%	11	366.33	8	263.32	8	263.32	8	263.32	12	144.58	1,300.87
	9% to 12%	4	250.00	3	187.50	4	250.00	3	187.50	-	-	875.00
	12.01% to 15%	4	250.00	3	187.50	3	187.50	-	-	-	-	625.00
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Below 9.00%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12.01% to 15%	-	-	-	-	-	-	-	-	-	-	-
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Annually	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
Bullet	Below 9.00%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12.01% to 15%	-	-	-	-	-	-	-	-	1	2,000.00	2,000.00
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Total		258	2,940.56	244	2,719.46	188	2,429.27	97	1,459.60	25	2,328.27	11,877.16

All the above mentioned repayments disclosed as per the contractual maturities of Borrowings (other than debt securities) at gross carrying value.

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022

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

16 Subordinated liabilities (at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Convertible Debentures - Unsecured 20 (31 March 21: 20) @14% Unsecured listed redeemable nonconvertible debentures of face value of Rs.1,00,00,000 each, The date of allotment is December 17, 2019.	2,065.61	2,064.10
Total (A)	2,065.61	2,064.10
Subordinated liabilities in India	2,065.61	2,064.10
Subordinated liabilities outside India	-	-
Total (B)	2,065.61	2,064.10

Non convertible debentures (unsecured)

Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
"20 (31 March 21: 20) @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	2,000.00
Total		2,000.00	2,000.00
Less : Unamortized transaction cost		4.20	4.94
Net Total		1,995.80	1,995.06

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due	69.81	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 (other than debt)	Subordinated liabilities	Liability against leased assets	Total
April 01, 2020	7,906.64	2,063.45	20.37	9,990.46
Adoption of Ind AS 116	-	-	-	-
Cash flows:				
- Repayment	(4,211.71)	-	(7.22)	(4,218.93)
- Proceeds from overdraft facility	-	-	-	-
- Proceeds other than overdraft facility	8,200.00	-	-	8,200.00
Non cash:				
- Addition during the year	-	-	-	-
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-	-
- Foreign exchange	-	-	-	-
- Amortisation of upfront fees and others	(31.44)	0.65	-	(30.79)
- Others	-	-	2.00	2.00
March 31, 2021	11,863.49	2,064.10	15.15	13,942.74
Adoption of Ind AS 116	-	-	-	-
Cash flows:				
- Repayment	(9,598.86)	-	(6.84)	(9,605.70)
- Proceeds from overdraft facility	-	-	-	-
- Proceeds other than overdraft facility	16,715.00	-	-	16,715.00
Non cash:				
- Addition during the year	-	-	-	-
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-	-
- Foreign exchange	-	-	-	-
- Amortisation of upfront fees and others	(79.25)	1.51	-	(77.74)
- Others	-	-	1.37	1.37
March 31, 2022	18,900.38	2,065.61	9.68	20,975.67

Satin Housing Finance Limited**Notes forming part of Financial Statements for the year ending March 31, 2022**

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

17 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Payable towards assignment transactions	91.68	60.76
Expenses payable	106.74	50.82
Employee related payables	25.27	11.28
Other liabilities	1.44	36.21
	<u>225.13</u>	<u>159.07</u>

18 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for Gratuity	-	20.49
Present value of obligation for gratuity	34.16	
Fair value of plan assets	34.16	
Net obligation	-	
Provision for compensated absences	45.13	79.09
	<u>45.13</u>	<u>99.58</u>

19 Other non financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advance received from customers	134.66	50.73
Statutory dues payable	38.10	27.74
	<u>172.76</u>	<u>78.47</u>

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

20 Equity share capital

Authorised equity share capital

10,00,00,000 (31 March 2021: 950,00,000) Equity shares of ₹10 each

Issued, subscribed and paid up equity share capital

10,00,00,000 (31 March 2021: 950,00,000) Equity shares of ₹10 each

	As at March 31, 2022	As at March 31, 2021
Authorised equity share capital	10,000.00	9,500.00
Issued, subscribed and paid up equity share capital	10,000.00	9,500.00

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 period

Balance at the end of the period

No. of shares	₹	No. of shares	₹
As at March 31, 2022		As on March 31, 2021	
950.00	9,500.00	800.00	8,000.00
50.00	500.00	150.00	1,500.00
1,000.00	10,000.00	950.00	9,500.00

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
As at March 31, 2022		As on March 31, 2021	
1,000.00	100%	950.00	100%
1,000.00	100%	950.00	100%

iv) Shareholding of Promoters

Shares held by promoters at the end of the year				% Change during the year
S. No	Promoter name	No. of Shares	% of total shares	
1	Satin Creditcare Network Limited	1,000.00	100.00%	0.00%

21 Other equity

Special Reserve u/s 29C of National Housing Bank Act, 1987 read with 36

(1) (viii) of Income Tax Act, 1961

Balance at the beginning of the year

Transferred during the year

Utilised during the year

Balance at the end of the year

	As at March 31, 2022	As at March 31, 2021
Special Reserve u/s 29C of National Housing Bank Act, 1987 read with 36 (1) (viii) of Income Tax Act, 1961	26.82	-
Balance at the beginning of the year	60.75	26.82
Transferred during the year	-	-
Utilised during the year	87.57	26.82

Retained earnings

Balance at the beginning of the year

Transferred from statement of profit and loss

Other comprehensive income

- Remeasurement income on defined benefit plans

- Income tax relating to above item

- Change in fair value of loan asset through other comprehensive income

- Income tax relating to above item

Transfer to Special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of Income Tax Act, 1961

Expenses on a/c of issue of shares

Balance at the end of the year

Total Other Equity

	As at March 31, 2022	As at March 31, 2021
Retained earnings	(202.39)	(289.69)
Balance at the beginning of the year	303.76	137.27
Transferred from statement of profit and loss	(1.99)	(4.27)
Other comprehensive income	0.55	1.11
- Remeasurement income on defined benefit plans	2.24	-
- Income tax relating to above item	(0.62)	-
- Change in fair value of loan asset through other comprehensive income	(60.75)	(26.82)
Transfer to Special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of Income Tax Act, 1961	(4.50)	(19.99)
Expenses on a/c of issue of shares	36.30	(202.39)
Balance at the end of the year	123.87	(175.57)

Note:

Other comprehensive income (OCI)

The Company has recognised remeasurements of defined benefits plans & fair value of loan assets through other comprehensive income.

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022

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

22 Interest income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on loans	3,303.33	2,378.86
Interest income on deposits with banks	77.59	100.73
Other interest income	0.31	0.67
	3,381.23	2,480.26

23 Fees and commission income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from fees and other charges	123.22	96.46
	123.22	96.46

24 Net gain on fair value changes

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Mutual Funds	-	27.89
Total Net gain/(loss) on fair value changes	-	27.89
Fair Value Changes:		
-Realised	-	27.89
-Unrealised	-	-
Total Net gain/(loss) on fair value changes	-	27.89

25 Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gain on sale of loan portfolio through assignment	210.86	148.79
	210.86	148.79

26 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from promotion of financial products	55.00	187.50
Miscellaneous income	34.06	16.40
	89.06	203.90

27 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Interest on borrowings		
Interest expense on bank overdraft	0.03	0.07
Interest expense on term loan from others	1,409.83	1,073.06
Interest expense on subordinated liabilities	280.77	280.00
Interest expense on lease rental assets	1.37	2.00
(B) Other interest expense		
Corporate guarantee fees	16.97	8.78
Commission on bank guarantee	1.89	0.45
	1,710.86	1,364.36

Satin Housing Finance Limited**Notes forming part of Financial Statements for the year ending March 31, 2022**

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

28 Impairment on financial instruments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Impairment on loan assets	104.11	6.22
	104.11	6.22

29 Employee benefits expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	1,082.13	953.77
Contribution to provident and other funds	65.37	62.62
Share based payment	-	2.76
Staff welfare expenses	40.64	33.98
Recruitment expenses	1.42	0.75
	1,189.56	1,053.88

30 Depreciation, amortization and impairments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant & equipments	17.41	26.20
Depreciation on right on use assets	5.62	6.25
Amortization on intangible assets	2.95	3.69
	25.98	36.14

31 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement expenses	1.03	0.56
Auditor's remuneration*	18.62	13.64
Rates and taxes	4.83	2.16
Legal and professional charges	30.17	24.76
Financial inspection expenses	8.79	5.47
Legal Verification Charges	16.51	17.71
Technical Verification Charges	14.01	16.16
Travelling and conveyance	25.92	16.84
Power and fuel	6.59	6.50
Office maintenance charges	23.20	22.52
Software expenses	67.71	67.09
Communication cost	12.10	8.14
Rent	72.91	50.45
Director sitting fees	3.27	2.91
Printing and stationery	15.46	16.62
Security guard expenses	(0.50)	3.10
DSA commission	11.84	0.76
Credit rating charges	1.30	0.09
Record maintainance charges	5.65	4.60
Bank charges	3.05	2.12
Miscellaneous expenses	5.31	3.03
	347.77	285.23
*Auditor's remuneration includes		
As Auditors	11.32	8.70
Other Services	7.30	4.94
	18.62	13.64

Satin Housing Finance Limited**Notes forming part of Financial Statements for the year ending March 31, 2022**

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

32 Earnings per share (basic and diluted)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit for the year	303.76	137.27
Weighted average number of equity shares for EPS (in lakhs)	975.34	869.04
Par value per share	10.00	10.00
Earnings per share - Basic and diluted	0.31	0.16

33 Tax expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax (including taxes earlier years)	82.83	35.47
Deferred tax credit	39.50	38.73
	122.33	74.20

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

Accounting profit before income tax	426.09	211.47
At country's statutory income tax rate of 27.82% (31 March 2021: 26%)	118.54	54.99
Adjustments in respect of taxes earlier years		
(i) Expenses in increase in Authorised Capital	4.50	-
(ii) Preliminary expenses allowed	(2.57)	(2.57)
(iii) Others	1.87	21.78
	122.33	74.20

34 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, 2022	March 31, 2021
Housing loans	2,371.29	1,963.69
Non Housing loans	932.04	415.18
Total	3,303.33	2,378.86

35 Contingent liability and Capital & other commitments

Contingent liability as on 31st March 2022 - Nil (31st March 2021 - Nil)

Estimated amount of contracts remaining to be executed on capital account is Nil (31st March 2021 - Nil)

The company has undrawn exposure towards borrowers of ₹ 1,417.67 lakhs (31st March 2021 - ₹ 1,862.91 lakhs)

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

36 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
Directors	Mr. Harvinder Pal Singh Mr. Sundeep Mehta Mr. Anil Kalra
Key management personnel (KMP)	Amit Sharma ; Managing Director & Chief Executive Officer Sachin Sharma ; Chief Financial Officer Prince Kumar ; Company Secretary

b. Transactions with Related Parties are as under:

Name of related party	Nature of transaction	Related Party Entities		Key Management Personnel	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Satin Creditcare Network Limited	i) Issue of Equity Shares	500.00	1,500.00	-	-
	ii) Employee Compensation expenses on account of ESOP Scheme of holding company	(33.09)	(11.88)	-	-
	iii) Expense of Rent for sharing registered office premises	32.27	7.68	-	-
	iv) Loan proceeds	4,500.00	3,000.00	-	-
	v) Loan repayment	6,000.00	1,000.00	-	-
	vi) Interest on Loan	127.67	6.51	-	-
	vii) Corporate guarantee fees payment#	136.84	19.01	-	-
	viii) Corporate guarantee fees expenses	16.97	8.78	-	-
Mr. Harvinder Pal Singh	Personal guarantee given	4,700.00	-	-	-
Mr. Sundeep Mehta	Sitting fees#	1.50	1.30	-	-
Mr. Anil Kalra	Sitting fees#	1.50	1.40	-	-
	#taxes extra				
c. Key Management Personnel					
* Salary and Bonus					
i. Amit Sharma; Managing Director & Chief Executive Officer		-	-	81.50	57.60
ii. Sachin Sharma; Chief Financial Officer		-	-	34.55	23.98
iii. Prince Kumar; Company Secretary		-	-	11.26	8.53

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, 2022	March 31, 2021
Short-term employee benefits	127.31	90.11
Post-employment benefits	5.00	3.80
Other long term benefits	(5.10)	4.60
Share based payment	(33.09)	(11.88)
Total remuneration	94.12	86.63

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

Name of related party	Nature of balance	As at March 31, 2022	As at March 31, 2021
Satin Creditcare Network Limited	Term Loan	500.00	2,000.00

e. Details of gurantee given against borrowings

Name of related party	Nature of balance	As at March 31, 2022	As at March 31, 2021
Mr. Harvinder Pal Singh	Personal guarantee	4,691.67	-
Satin Creditcare Network Limited	Corporate guarantee	6,074.73	1,200.87

Satin Housing Finance Limited**Notes forming part of Financial Statements for the year ending March 31, 2022**

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

37 Leases disclosure as lessee

The Company has taken various office premises under operating lease arrangements. Generally, the lease term varies from 10 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, 2022 are as follows:

1 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	
	As at March 31, 2022	As at March 31, 2021
Total number of leases	21	16
Number of leases considered as short term leases	19	13
No. of right-of use assets leased	2	3
Range of remaining term	From 2 months to 26 months	From 8 months to 38 months
Average remaining lease term	8.71 months	26 months
No. of leases with extension options	0	0
No. of leases with purchase options	0	0
No. of leases with variable payments linked to an index	0	0
No. of leases with termination options	2	3

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

Particulars	Right of use asset Office Premises	
	As at March 31, 2022	As at March 31, 2021
Carrying amount as on March 31, 2020	19.80	-
Reclassified on account of adoption of Ind AS 116	-	51.69
Addition	-	7.77
Deletion	-	34.71
Depreciation	6.25	4.95
Carrying amount as on March 31, 2021	13.55	19.80
Addition	-	-
Deletion	-	-
Depreciation	5.62	6.25
Carrying amount as on March 31, 2022	7.93	13.55

Note: The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current	5.06	5.46
Non-current	4.62	9.69
Total	9.68	15.15

4 At 31 March 2022 the Company do not have any committed leases which had not commenced.**5 The undiscounted maturity analysis of lease liabilities is as follows:**

As at 31 March 2022

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	5.86	0.80	5.06
1-2 years	4.61	0.21	4.40
2-5 years	0.22	-	0.22
Total	10.69	1.01	9.68

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

As at 31 March 2021

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	6.83	1.37	5.46
1-2 years	5.85	0.80	5.06
2-5 years	4.85	0.21	4.64
Total	17.53	2.38	15.15

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.

6 Operating leases

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

Office premises

	March 31, 2022	March 31, 2021
Short term leases	53.92	15.10
Leases of low value assets	-	-
Variable lease payments	-	-
Total	53.92	15.10

7 The Company had total cash outflows for leases of INR 76.61 Lakhs in 31 March 2022 (INR 56.95 Lakhs in 31 March 2021).

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation expense of right-of-use assets	5.62	6.25
Interest expense on lease liabilities	1.37	2.00
Expense relating to short-term leases (included in other expenses)	72.91	50.45
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
Total amount recognised in profit or loss	79.90	58.70

9 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.

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

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

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	-	-	-
Total		-	-	-

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022
(All amounts in rupees in lakhs, unless stated otherwise)

38 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 March 31, 2022	As at March 31, 2021
Employers contribution to provident and other fund	65.37	62.62

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 March 31, 2022	As at March 31, 2021
Present value of obligation	34.16	20.49
Fair value of plan assets	34.16	-
Net obligation recognised in balance sheet as provision	-	20.49

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	10.29	8.31
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	1.39	0.50
Net impact on profit (before tax)	11.68	8.81

Amount recognised in the other comprehensive income:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gain)/loss recognised during the year	1.99	4.27

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation as at the beginning of year	20.49	7.41
Current service cost	10.29	8.31
Interest cost	1.39	0.50
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	(1.42)	6.03
Actuarial (gain)/loss on arising from experience adjustment	3.41	(1.76)
Present value of defined benefit obligation as at the end of the year	34.16	20.49

Satin Housing Finance Limited**Notes forming part of Financial Statements for the year ending March 31, 2022**

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at beginning of year	-	-
Actual return on plan assests	-	-
Employer's contribution	34.16	-
Benefits paid	-	-
Expected return on plan assets	-	-
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	34.16	-

(v) Actuarial assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discounting rate	7.27%	6.76%
Future salary increase	8.00%	8.00%
Retirement age (years)	58.00	58.00
Withdrawal rate		
Up to 30 years	25.50%	25.50%
From 31 to 44 years	38.10%	38.10%
Above 44 years	0.00%	0.00%
Weighted average duration	3.29	3.42

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 reprotng date of the Company regarding move-ment of emoloyees.

(vi) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2022	As at March 31, 2021
Impact of the change in discount rate		
Present value of obligation at the end of the year	34.16	20.49
- Impact due to increase of 0.50 %	(1.35)	(0.92)
- Impact due to decrease of 0.50 %	1.43	0.98
Impact of the change in salary increase		
Present value of obligation at the end of the year	34.16	20.49
- Impact due to increase of 0.50 %	1.41	0.96
- Impact due to decrease of 0.50 %	(1.34)	(0.91)

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.

(vii) Maturity profile of defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
year	Amount	Amount
0 to 1 year	1.27	0.05
1 to 2 year	3.06	0.58
2 to 3 year	3.18	1.28
3 to 4 year	2.15	1.30
4 to 5 year	1.41	0.85
5 to 6 year	0.89	0.55
6 year onwards	22.21	15.88

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

39 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, 2022	As at March 31, 2021
Financial assets measured at fair value			
Loans measured at fair value through other comprehensive income	7	28,969.72	-
Financial assets measured at amortised cost			
Cash and cash equivalents	4	1,095.58	1,862.02
Bank balances other than above	5	818.82	377.28
Loans	7	-	20,858.54
Trade receivables	6	-	17.70
Security deposits	9	11.61	8.59
Other financial assets	9	50.86	117.73
Total		30,946.59	23,241.86
Financial liabilities measured at amortised cost			
Trade payables	14	1.10	23.56
Borrowings (other than debt securities but including interest accrued)	15	18,910.06	11,878.64
Subordinated liabilities	16	2,065.61	2,064.10
Other financial liabilities	17	225.13	159.07
Total		21,201.90	14,125.37

B Fair values hierarchy

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

The categories used are as follows:

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

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

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

B.1 a) Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Loans measured at fair value through other comprehensive income	-	-	28,969.72	28,969.72

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

For loans, adjusted discounted cash flow method (income approach) has been used.

b) Sensitivity analysis

Particulars	Fair Value at March 31, 2022	Impact of change in rates on total comprehensive income statement		
Loans	29,230.68	Sensitivity	Favourable	Unfavourable
		1%	1,390.73	(1,287.02)

c) The following table presents the changes in level 3 item for the year ended March 31, 2022.

Particulars	Loans
As at April 1, 2021	-
Acquisition during the year	28,967.48
Disposal during the year	-
Gains recognised in other comprehensive income	2.24
As at March 31, 2022	28,969.72

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022
(All amounts in rupees in lakhs, unless stated otherwise)

Fair value of instruments measured at amortised cost

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans	-	-	20,858.54	21,636.27
Security deposits	11.61	11.61	8.59	8.59
Other financial assets	50.86	50.86	117.73	117.73
Total	62.47	62.47	20,984.86	21,762.59
Financial liabilities				
Borrowings (other than debt securities)	18,910.06	18,910.06	11,878.64	11,878.64
Subordinated liabilities	2,065.61	2,065.61	2,064.10	2,210.04
Other financial liabilities	225.13	225.13	159.07	159.07
Total	21,200.80	21,200.80	14,101.81	14,247.75

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:

(i) 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 lending rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

(ii) 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.

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

A) Credit risk

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

a) Credit risk management

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

(i) Low credit risk on financial reporting date

(ii) Moderate credit risk

(iii) High credit risk

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

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents (other than cash), other bank balances, investments, loans in stage 1 and other financial assets	12 month expected credit loss
Moderate credit risk	Stage 2 loans	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 March 31, 2022	As at March 31, 2021
(i) Low credit risk - Stage 1		
Loans	27,235.14	20,611.31
Trade receivables	-	17.70
Cash and cash equivalents	1,095.58	1,862.02
Bank balances other than above	818.82	377.28
Security deposits	11.61	8.59
Other financial assets	50.86	117.73
(ii) Moderate credit risk - Stage 2		
Loans	1,734.58	247.23
(iii) High credit risk - Stage 3		
Loans	-	-

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.

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

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, 2022	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,095.47	0%	-	1,095.47
Bank balances other than above	818.82	0%	-	818.82
Trade receivables	-	0%	-	-
Security deposits	11.61	0%	-	11.61
Other financial assets	50.86	0%	-	50.86
As at March 31, 2021	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,861.66	0%	-	1,861.66
Bank balances other than above	377.28	0%	-	377.28
Trade receivables	17.70	0%	-	17.70
Security deposits	8.59	0%	-	8.59
Other financial assets	117.73	0%	-	117.73

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 March 31, 2022	As at March 31, 2021
Gross loans in respect of borrower's where no specific default has occurred	29,230.68	21,015.39
Expected loss rate	0.89%	0.75%
Loans due from borrowers where specific default has occurred		
Expected credit loss (loss allowance provision)	260.96	156.85

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

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

Particulars	Loans
Gross carrying amount as at April 1, 2020	13,882.30
Assets originated	6,884.00
Net transfer between stages	-
Transfer to stage 1	-
Transfer to stage 2	249.10
Transfer to stage 3	-
Assets derecognised or collected (excluding write offs)	-
Write - offs (including death cases)	-
Gross carrying amount as at March 31, 2021	21,015.39
Assets originated	6,727.94
Net transfer between stages	-
Transfer to stage 1	-
Transfer to stage 2	1,487.35
Transfer to stage 3	-
Assets derecognised or collected (excluding write offs)	-
Write - offs (including death cases)	-
Gross carrying amount as at March 31, 2022	29,230.68

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

Reconciliation of loss allowance	Loans
Loss allowance on April 1, 2020	150.63
Loss allowances on assets originated	6.22
Loss allowance written back	-
Write - offs	-
Loss allowance on March 31, 2021	156.85
Loss allowances on assets originated	104.11
Loss allowance written back	-
Write - offs	-
Loss allowance on March 31, 2022	260.96

c) Concentration of loans

Particulars	As at March 31, 2022	As at March 31, 2021
Housing Loans	19,981.87	16,687.36
Non-Housing Loans	9,850.20	4,748.67
Add: Changes in fair value	2.24	-
Less: Unamortised processing fee	603.63	420.64
Total	29,230.68	21,015.39

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.

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

(i) Financing arrangements

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

Floating rate	As at March 31, 2022	As at March 31, 2021
- Expiring within one year ((Financial Institutions- Floating rate)	-	-
- Expiring beyond one year ((Financial Institutions - Floating rate)	2,500.00	1,000.00
	2,500.00	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 book 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 March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial Assets					
Cash and cash equivalents	1,095.58	-	-	-	1,095.58
Bank balances other than above	671.62	-	-	147.20	818.82
Loans	7,856.30	7,179.33	6,490.84	27,188.06	48,714.53
Trade receivables	-	-	-	-	-
Other financial assets	62.47	-	-	-	62.47
	9,685.97	7,179.33	6,490.84	27,335.26	50,691.40
Financial Liabilities					
Borrowings (other than debt securities)	6,420.97	6,021.25	4,664.23	6,419.66	23,526.11
Subordinated liabilities	280.00	280.00	280.00	2,349.42	3,189.42
Trade payables	1.10	-	-	-	1.10
Other financial liabilities	225.13	-	-	-	225.13
Total	6,927.20	6,301.25	4,944.23	8,769.08	26,941.76

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial Assets					
Cash and cash equivalents	1,862.02	-	-	-	1,862.02
Bank balances other than above	238.45	-	-	138.83	377.28
Loans	5,664.44	5,169.82	4,676.55	20,871.64	36,382.45
Trade receivables	17.70	-	-	-	17.70
Other financial assets	123.45	-	2.72	0.15	126.32
	7,906.06	5,169.82	4,679.27	21,010.62	38,765.77
Financial Liabilities					
Borrowings (other than debt securities)	4,016.27	3,719.22	2,998.73	4,980.15	15,714.37
Subordinated liabilities	280.00	280.00	280.00	2,629.42	3,469.42
Trade payables	23.56	-	-	-	23.56
Other financial liabilities	159.07	-	-	-	159.07
Total	4,478.90	3,999.22	3,278.73	7,609.57	19,366.42

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

(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, 2022, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	18,910.06	11,878.64
Fixed rate borrowings	2,065.61	2,064.10
Total Borrowings	20,975.67	13,942.74

Sensitivity

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

Particulars	As at March 31, 2022	As at March 31, 2021
Interest sensitivity*		
Interest rates – increase by 50 basis points (50 bps)	(94.55)	(59.39)
Interest rates – decrease by 50 basis points (50 bps)	94.55	59.39

* 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.

40 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 March 31, 2022	As at March 31, 2021
Borrowings (other than debt securities)	18,910.06	11,878.64
Subordinated liabilities	2,065.61	2,064.10
Other financial liabilities	225.13	159.07
Less: Cash and cash equivalents and Bank balances	(1,914.40)	(2,239.30)
Total borrowings/net debt	19,286.40	11,862.51
Equity share capital	10,000.00	9,500.00
Other equity	123.87	(175.57)
Total equity/Capital	10,123.87	9,324.43
Net debt to equity ratio	1.91	1.27

* 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, 2022**

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

41 Assets hypothecated as security

The carrying amounts of assets hypothecated as security are:

Particulars	March 31, 2022	March 31, 2021
Non-current		
First charge	20,035.07	11,791.89
Total non-current assets hypothecated as security	20,035.07	11,791.89
Current		
First charge	2,863.18	1,640.22
Total current assets hypothecated as security	2,863.18	1,640.22
Total assets hypothecated as security	22,898.25	13,432.11

Company has hypothecated its loan assets as security against borrowings.

42 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
April 01, 2020	9,970.10	8,000.00	17,970.10
Cash flows (net):	3,956.81	1,500.00	5,456.81
Non cash:	-	-	-
- Others	0.68	-	-
March 31, 2021	13,927.59	9,500.00	23,426.91
Cash flows (net):	7,036.89	500.00	7,536.89
Non cash:	-	-	-
- Others	1.51	-	-
March 31, 2022	20,965.99	10,000.00	30,963.80

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

(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, 2022			March 31, 2021		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,095.58	-	1,095.58	1,862.02	-	1,862.02
Bank balances other than above	671.62	147.20	818.82	238.45	138.83	377.28
Trade receivables	-	-	-	17.70	-	17.70
Loans	3,703.05	25,266.67	28,969.72	2,708.94	18,149.60	20,858.54
Other financial assets	62.47	-	62.47	123.45	2.87	126.32
	5,532.72	25,413.87	30,946.59	4,950.56	18,291.30	23,241.86
Non Financial assets						
Current tax assets (net)	-	-	-	-	0.63	0.63
Deferred tax assets (net)	-	10.09	10.09	-	49.66	49.66
Property, plant and equipment	-	29.60	29.60	-	44.55	44.55
Intangible assets	-	11.81	11.81	-	14.76	14.76
Other non financial assets	120.39	433.25	553.64	75.26	201.13	276.39
	120.39	484.75	605.14	75.26	310.73	385.99
TOTAL ASSETS	5,653.11	25,898.62	31,551.73	5,025.82	18,602.03	23,627.85
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Trade Payables						
total outstanding dues of MSMEs	-	-	-	3.03	-	3.03
total outstanding dues of creditors other than MSMEs	1.10	-	1.10	20.53	-	20.53
Borrowings (other than debt securities)	4,637.69	14,272.37	18,910.06	2,799.14	9,079.50	11,878.64
Subordinated liabilities	69.81	1,995.80	2,065.61	69.04	1,995.06	2,064.10
Other financial liabilities	225.13	-	225.13	159.07	-	159.07
	4,933.73	16,268.17	21,201.90	3,050.81	11,074.56	14,125.37
Non Financial Liabilities						
Current tax liabilities (net)	-	8.07	8.07	-	-	-
Provisions	0.87	44.26	45.13	1.88	97.70	99.58
Other non financial liabilities	172.76	-	172.76	78.47	-	78.47
	173.63	52.33	225.96	80.35	97.70	178.05
TOTAL LIABILITIES	5,107.36	16,320.50	21,427.86	3,131.16	11,172.26	14,303.42
NET	545.75	9,578.12	10,123.87	1,894.66	7,429.77	9,324.43

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

44 Impact of COVID-19 Pandemic

"The COVID-19 pandemic has continued to cause a disruption of the economic activities across the globe including India throughout the year. The Government of India announced a lockdown during the first quarter of their financial year to contain the spread of the virus and various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company's operations including lending and collection activities. 'In assessing the impairment allowance for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing second wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the all the three waves of Covid, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated. 'The Company has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Company has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Company is significantly dependent on uncertain future economic conditions."

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 receivables, investments, property plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including credit losses) could be different from that estimated by the Company.

B Loss allowance for loan receivables and other receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

C 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.

D Impairment assessment of Property plant and equipment, intangible assets

The Company is engaged primarily in providing affordable housing finance services in the northern region India. Considering the nature of business the Company does not have major PP&E assets. 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

The economic consequences and uncertainties resulting from the Coronavirus itself or from actions taken by governments and the 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.

Satin Housing Finance Limited
Notes forming part of Financial Statements for the year ending March 31, 2022

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

45 Disclosure of Schedules to the balance sheet in compliance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

A) Liabilities Side		
Particulars	Amount Outstanding (in Lakhs)	Amount Overdue (in Lakhs)
1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	2065.61	Nil
: Unsecured	Nil	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	18900.38	Nil
(d) Inter-corporate loans and borrowing	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits	Nil	Nil
(g) Other Loans (specify nature)	Nil	Nil
2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil

B) Assets Side

Particulars	Amount Outstanding (in Lakhs)
3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	29230.68
(b) Unsecured	Nil
4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

5) Break-up of Investments

Current Investments	
a) Quoted	
i) Shares	
(a) Equity	Nil
(b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others	Nil
b) Unquoted	
i) Shares	
(a) Equity	Nil
(b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others	Nil
Long Term investments	
a) Quoted	
i) Shares	
(a) Equity	Nil
(b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others	Nil
b) Unquoted	
i) Shares	Nil
(a) Equity	Nil
(b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others	Nil

6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions*		
	Secured	Unsecured	Total
1) Related Parties	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2) Other than related parties	29,139.81	Nil	29,139.81
Total	29,139.81	Nil	29,139.81

* provision considered above is provision as prescribed in RBI directions.

Satin Housing Finance Limited**Notes forming part of Financial Statements for the year ending March 31, 2022**

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

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1) Related Parties	Nil	Nil
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2) Other than related parties	Nil	Nil

8) Other information

Particulars	Amount
i) Gross Non-Performing Assets	Nil
(a) Related parties	Nil
(b) Other than related parties	Nil
(ii) Net Non-Performing Assets	Nil
(a) Related parties	Nil
(b) Other than related parties	Nil
(iii) Assets acquired in satisfaction of debt	Nil

- 46** Disclosure pursuant to RBI notification dated September 24, 2021 on “Transfer of Loan Exposures” are given below :
- a) The company has transferred loans amounting ₹ 1,889.86 lakhs during year ended March 31, 2022 under Direct Assignment.
- b) The company has not transferred or acquired, any stressed loans during nine months ended March 31, 2022.
- 47** No Resolution plan have been implemented under Resolution framework - 2.0 dated May 21, 2021, hence no disclosure is required.

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

48 Disclosure on compliance with Principal business criteria in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

	As at March 31, 2022	As at March 31, 2021
Financials assets in business of providing finance for housing	19,590.08	16,350.00
Financials assets in business of providing finance for housing to Individuals	19,590.08	16,350.00
Total Assets (net of intangible assets)	31,010.83	23,613.09
% of financials assets in business of providing finance for housing to total assets (net of intangible assets)	63.17%	69.24%
% of financials assets in business of providing finance for housing to Individuals to total assets (net of intangible assets)	63.17%	69.24%

49 Disclosures in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021:

(I) Reserve fund u/s 29C of NHB Act, 1987

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the period		
a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	6.02	-
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	20.80	-
Total (A)	26.82	-
Addition / Appropriation / withdrawal during the period		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	6.90	6.02
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	53.85	20.80
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	-	-
Total (B)	60.75	26.82
Balance at the end of the period		
a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	12.93	6.02
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	74.65	20.80
Total [A+B]	87.57	26.82

(II) Investment

	As at March 31, 2022	As at March 31, 2021
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	-	-
(ii) 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	-	-

(III) Capital

	As at March 31, 2022	As at March 31, 2021
Capital to Risk Asset Ratio (CRAR) (%)	60.65%	90.16%
CRAR-Tier I Capital (%)	51.60%	74.11%
CRAR-Tier II Capital (%)	9.05%	16.05%
Amount of subordinated debt raised as Tier- II Capital	1,400.00	1,795.06
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

(IV) The company has no transactions/exposure in any type of derivatives in the current and previous year. The company has no unhedged foreign currency exposure on March 31, 2022 (March 31, 2021 : Nil)

(V) The Company has not entered into any securitisation transaction from inception till reporting date.

(VI) The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset reconstruction from inception till reporting date

(VII) Details of Assignment transactions undertaken by the Company:

	For the year ended March 31, 2022	For the year ended March 31, 2021
No. of accounts	227.00	209.00
Aggregate value (net of provisions) of accounts assigned	1,889.86	1,847.61
Aggregate consideration	1,889.86	1,847.61
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-
Interest spread recognized in the statement of profit and loss during the year	210.86	148.79

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

1) Details of non-performing financial assets purchased:

The company has not purchased non-performing financial assets in the current and previous year.

2) Details of non-performing financial assets sold:

The company has not sold non-performing financial assets in the current and previous year.

(IX) Assets Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2022

	Liabilities			
	Deposits	Borrowings from Bank	Market Borrowings	Foreign Currency Liabilities
1 day to 7 days	-	103.90	82.13	-
8 days to 14 days	-	-	63.07	-
15 days to 30/31 days	-	-	139.07	-
Over one month to 2 months	-	-	248.60	-
Over 2 months upto 3 months	-	73.56	348.91	-
Over 3 months to 6 months	-	268.99	958.34	-
Over 6 months to 1 year	-	629.15	1,882.99	-
Over 1 year to 3 years	-	2,516.62	6,068.38	-
Over 3 years to 5 years	-	2,009.47	4,175.01	-
Over 5 years to 7 years	-	546.11	851.69	-
Over 7 years to 10 years	-	-	-	-
Over 10 years	-	-	-	-
Total	-	6,147.80	14,818.19	-

	Assets		
	Advances	Investments (FDs)	Foreign Currency Assets
1 day to 7 days	30.24	500.28	-
8 days to 14 days	211.71	-	-
15 days to 30/31 days	60.48	-	-
Over one month to 2 months	308.66	-	-
Over 2 months upto 3 months	314.36	-	-
Over 3 months to 6 months	935.61	421.29	-
Over 6 months to 1 year	1,841.99	250.33	-
Over 1 year to 3 years	6,990.70	147.20	-
Over 3 years to 5 years	6,297.14	-	-
Over 5 years to 7 years	5,648.13	-	-
Over 7 years to 10 years	6,330.70	-	-
Over 10 years	-	-	-
Total	28,969.72	1,319.10	-

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

	Liabilities			
	Deposits	Borrowings from Bank	Market Borrowings	Foreign Currency Liabilities
1 day to 7 days	-	-	42.77	-
8 days to 14 days	-	-	51.04	-
15 days to 30/31 days	-	17.37	105.86	-
Over one month to 2 months	-	100.00	171.91	-
Over 2 months upto 3 months	-	-	239.55	-
Over 3 months to 6 months	-	65.83	643.58	-
Over 6 months to 1 year	-	131.66	1,298.61	-
Over 1 year to 3 years	-	526.64	4,747.08	-
Over 3 years to 5 years	-	360.64	2,379.97	-
Over 5 years to 7 years	-	98.73	2,961.50	-
Over 7 years to 10 years	-	-	-	-
Over 10 years	-	-	-	-
Total	-	1,300.87	12,641.87	-

	Assets		
	Advances	Investments (FDs)	Foreign Currency Assets
1 day to 7 days	19.59	-	-
8 days to 14 days	289.75	-	-
15 days to 30/31 days	83.31	1,301.49	-
Over one month to 2 months	209.64	-	-
Over 2 months upto 3 months	214.17	-	-
Over 3 months to 6 months	637.77	-	-
Over 6 months to 1 year	1,254.72	238.45	-
Over 1 year to 3 years	4,749.75	-	-
Over 3 years to 5 years	4,219.41	138.83	-
Over 5 years to 7 years	3,741.01	-	-
Over 7 years to 10 years	4,835.96	-	-
Over 10 years	603.47	-	-
Total	20,858.54	1,678.77	-

(X) Exposure to Real Estate Sector

		As at March 31, 2022	As at March 31, 2021
a. Direct exposure			
i) Residential Mortgages-			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		28,969.72	20,858.54
ii) Commercial Real Estate-			
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.). Exposure also include non-fund based limits		-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures			
a. Residential		-	-
b. Commercial Real Estate		-	-
b. Indirect Exposure			
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		-	-
Total		28,969.72	20,858.54

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

(XI) Exposure to Capital Market

	As at March 31, 2022	As at March 31, 2021
(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 / ESOPs), 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)	-	-
Total Exposure to Capital Market	-	-

(XII) The Company has not financed any parent company product from inception till reporting date

(XIII) The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB/RBI prudential norms applicable to HFC.

(XIV) The Exposure to Unsecured Advances is Nil (PY:Nil)

(XIV) The Company has Nil exposure (PY:Nil) to any group company engaged in real estate business

(XV) Penalties imposed by RBI and other Regulators
- No Penalties have been imposed by RBI and other Regulators during the FY 2021-22

(XVI) Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded
- The Company has not exceed Single Borrower Limit (SBL)/Group Borrower Limit (GBL) as set by RBI during FY 2021-22.

(XVII) Disclosure on frauds pursuant to RBI Master direction
- No fraud has been detected and reported during FY 2021-22.

50 Miscellaneous disclosures in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

(I) The Company has following Registrations effective as on March 31, 2022:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
National Housing Bank	11.0161.17	11/14/2017	-	Housing finance institution without permission to accept public deposits.

(II) **Disclosure of penalties imposed by NHB/RBI and other regulators**
During FY 2020-21, there were no penalties imposed by NHB/RBI and other regulators (PY:Nil)

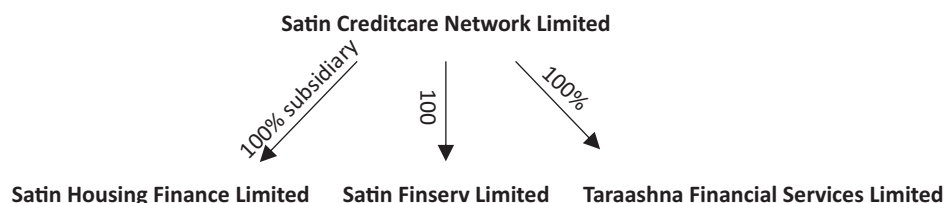
(III) **Related party transactions are disclosed in Note 36**

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

(IV) Group Structure



(V) Ratings assigned by credit rating agencies and migration of ratings during the year:

Nature of Borrowing

Long Term - Bank Borrowings

Long Term - Non Convertible Debentures

Rating / Outlook

CARE Ratings Ltd

CARE BBB+ (CE)

CARE BBB

There has been no change in credit rating during the year

(VI) Remuneration of Directors

Details of Remuneration of Directors are disclosed in Form No. MGT - 9 as part of annual report.

(VII) Management

Details of Management is provided in annual report under the head Management Discussion and Analysis report

(VIII) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have material impact on the current year's profit and loss.

There is no change in accounting policy during the current financial year.

(IX) Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

(X) Consolidated Financial Statements (CFS)

The Company does not have any subsidiary or associate, hence CFS is not applicable to the Company

51 Additional disclosures in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

(I) Provisions and Contingencies

	As at March 31, 2022	As at March 31, 2021
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	82.83	35.47
Other Provision and Contingencies (with details)	-	-
Provision for Gratuity	13.67	13.08
Provision for compensated absences	(33.97)	33.31
Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)*	104.11	6.22

*Provision for Standard Assets Nil amount for CRE, CRE-RH

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

Break up of Loans & Advances & Provisions thereon

	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard Assets				
a) Total Outstanding Amount	19,590.08	16,350.00	9,640.60	4,665.39
b) Provisions made	183.38	121.86	77.58	34.99
Sub- Standard Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category I				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	19,590.08	16,350.00	9,640.60	4,665.39
b) Provisions made	183.38	121.86	77.58	34.99

(II) The Company has not made any drawdown of reserves during the period (PY: Nil)

(III) Concentration of Public Deposits, Advances, Exposures and NPAs

(i) Concentration of Public Deposits (for Public Deposit taking/ holding HFCs) - The Company is a non-deposit taking housing finance Company

(ii) Concentration of Loans & Advances

	As at March 31, 2022	As at March 31, 2021
Total Loans & Advances to twenty largest borrowers	1,156.93	1,054.25
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	3.96%	5.02%

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

	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers*	1,365.48	1,160.41
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	4.67%	5.52%

(iv) Concentration of NPAs

The Company does not have any NPA as on 31 March 2022 (PY: Nil)

(v) Sector-wise NPAs

The Company does not have any NPA as on 31 March 2022 (PY: Nil)

(IV) Movement of NPAs

The Company does not have any NPA as on 31 March 2022 (PY: Nil)

(V) The company does not have overseas asset as on 31 March 2022 (PY: Nil)

(VI) The Company has not sponsored any SPVs from inception till reporting date

Satin Housing Finance Limited

Notes forming part of Financial Statements for the year ending March 31, 2022

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

52 Disclosure of Customer complaints in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
a) No. of complaints pending at the beginning of the period	-	-
b) No. of complaints received during the period	11	95
c) No. of complaints redressed during the period	11	95
d) No. of complaints pending at the end of the period	-	-

53 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 (1)	Asset classification as per Ind AS 109 (2)	Gross carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP Norms (6)	Difference between Ind AS 109 Provisions and IRACP Norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	27,496.11	102.44	27,393.67	85.61	16.83
	Stage 2	1,734.58	158.53	1,576.05	5.26	153.27
Subtotal		29,230.68	260.96	28,969.72	90.87	170.09
Non-Performing Assets (NPA)						
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
Subtotal for doubtful		NIL	NIL	NIL	NIL	NIL
Loss	Stage 3	NIL	NIL	NIL	NIL	NIL
Subtotal for NPA		NIL	NIL	NIL	NIL	NIL
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	NIL	NIL	NIL	NIL	NIL
	Stage 2	NIL	NIL	NIL	NIL	NIL
	Stage 3	NIL	NIL	NIL	NIL	NIL
Subtotal		NIL	NIL	NIL	NIL	NIL
Total	Stage 1	27,496.11	102.44	27,393.67	85.61	16.83
	Stage 2	1,734.58	158.53	1,576.05	5.26	153.27
	Stage 3	NIL	NIL	NIL	NIL	NIL
	Total	29,230.68	260.96	28,969.72	90.87	170.09

54 During the period ended March 31, 2022, Company has received interest subsidy under CLSS scheme of Central Government through NHB of INR 162.79 Lakhs and utilised INR 31.20 Lakhs through upfront credit given to respective eligible borrowers' account. Unutilised amount of INR 131.59 Lakhs will be utilize through upfront credit to respective eligible borrowers' account with in prescribed timelines.

Satin Housing Finance Limited**Notes forming part of Financial Statements for the year ending March 31, 2022**

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

- 55 The Company has not charged interest on interest to any of its borrowers during the moratorium period in view of RBI Notification dated 7 April 2021..
- 56 Disclosure of Liquidity Risk as on March 31, 2021 as required under RBI notification DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020

i) Funding Concentration based on significant counterparty

Sr. No.	Number of Significant Counterparties	Amount (Rs. In Crores)*	% of Total Deposits	% of Total Liabilities
1	3	85.48	N.A.	39.89%

Note:

- Included only Principal amount.
- "Significant Counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

ii) Top 20 large deposits (amount in Rs. Crore and % of total deposits)

- Nil. The Company is registered with NHB as Non Deposit accepting HFC.

iii) Top 10 borrowings (amount in Rs Crores & % of total borrowings*)

Amount (Rs crore)	% of Total Borrowings
179.29	85.51%

Note: Included only principal amount and considered basis outstanding amount.

iv) Funding Concentration based on significant instrument / product:

Name of the instrument/product	Number of Counterparties	Amount (Rs in Crore)	% of Total Liabilities
Long Term Loans	14	189.44	88.41%
Long Term NCD	1	20	9.33%
Short Term NCD	-	Nil	0%
Short Term Loans	-	Nil	0%
Commercial Paper	-	Nil	0%
Total	15	209.44	

Satin Housing Finance Limited**Notes forming part of Financial Statements for the year ending March 31, 2022**

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

v) Stock ratios:

Commercial papers as a % of total liabilities	N.A.
Commercial papers as a % of total assets	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total Assets	N.A.
Other short-term liabilities as a % of total liabilities	23.83%
Other short-term liabilities as a % of total assets	16.18%

vi) Institutional set up for liquidity risk management:

The Company has well defined ALM policy which covers various aspects of liquidity risk management.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds.

The Asset Liability Management Committee, inter alia, reviews the asset liability profile, risk monitoring system, liquidity risk management, funding and capital planning, and contingency planning.

57 The Company does not have any joint ventures and overseas subsidiaries**58 The Company has not done any business related to insurance broking/agency, hence no fees/brokerage has been received in respect of such business during the current and previous financial year.****59 The Company has not received any notice under section 142(1) of Income Tax Act, 1961 during the current financial year.****60 The Company has not any exposure/loans against Gold and Shares****61 Foreign Remittance**

1. Earning (remittance inward) in foreign currency for the period ended 31 March 2022 is Nil (PY: Nil)

2. Expenditure (remittance outward) in foreign currency for the period ended 31 March 2022 is Nil (PY: Nil)

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

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

Sd/-
Jatin Goel
Partner
M. No. 553420

Place: Gurugram
Date: April 27, 2022

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

Sd/-
H P Singh
(Director)
DIN: 00333754

Sd/-
Prince Kumar
(Company Secretary)

Sd/-
Amit Sharma
(MD & CEO)
DIN: 08050304

Sd/-
Anil Kumar Kalra
(Director)
DIN: 07361739

Sd/-
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- Plot No. 492, Udyog Vihar,
Phase – III, Gurugram, Haryana – 122016, India

Email ID- compliance@satinhousingfinance.com

Website- www.satinhousingfinance.com

Contact- 1800-120-40-50-60
(+91) 0124 -4346200



Please find our online version at:

<https://satinhousingfinance.com/annual-report/>