

22nd ANNUAL REPORT
2011-2012



SATIN CREDITCARE NETWORK LIMITED



SATIN CREDITCARE NETWORK LTD.

BOARD OF DIRECTORS

Sh. H P Singh	Chairman cum Managing Director
Sh. Satvinder Singh	Director
Sh. Rakesh Sachdeva	Director
Sh. Naresh Khanna	Director
Sh. Vishal Mehta	Director
Sh. Sujan Singh Chawla	Director
Sh. Davis Frederick Golding	Director
Smt. Deepa Hingorani	Director

COMPANY SECRETARY & COMPLIANCE OFFICER:

Sh. Kuldeep Singh Yadav

AUDITORS

A. K. Gangaher & Co.
Chartered Accountants

BANKERS & OTHER LENDERS

Ananya Finance for Inclusive Growth Private Limited
Andhra Bank
AXIS Bank Limited
Central Bank of India
Corporation Bank
Development Credit Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IFMR Capital Finance Private Limited
IFMR Mezzanine Finance Private Limited
Indian Bank
IndusInd Bank Limited
MV Microfinance Private Limited
Maanaveeya Development & Finance Private Limited
Mahindra & Mahindra Financial Services Limited
Mas Financial Services Limited
Oriental Bank of Commerce
Punjab National Bank
Small Industries Development Bank of India (SIDBI)
State Bank of Mauritius Limited
Syndicate Bank
The Karur Vysya Bank Limited
The Ratnakar Bank Limited
The South Indian Bank Limited
Yes Bank Limited

REGISTERED OFFICE

306, Lusa Tower,
Azadpur Commercial Complex, Delhi-110033

CORPORATE OFFICE

5th Floor, Kundan Bhawan,
Azadpur Commercial Complex, Delhi- 110033

REGISTRAR & TRANSFER AGENT (EQUITY SHARES)

Link Intime India Pvt. Ltd.
A-40, 2nd floor,
Naraina Industrial Area, Phase-II,
Near Batra Banquet Hall, New Delhi-110028

REGISTRAR & TRANSFER AGENT(NON CONVERTIBLE DEBENTURES)

Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad-500081

Website

www.satincare.com



SATIN CREDITCARE NETWORK LTD.

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of **SATIN CREDITCARE NETWORK LIMITED** will be held on Saturday, the 29th September, 2012 at 10 a.m. at 'TYAGI FARMS', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi - 110043, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Naresh Khanna, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint a Director in place of Sh. Davis Frederick Golding, who retires by rotation and being eligible, offers him for re-appointment.
4. To appoint Statutory Auditors for the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, to fix their remuneration and to authorize them also to conduct audit of accounts of the Company's Branches.

SPECIAL BUSINESS

5. To consider and if thought fit to pass the following resolution, with or without modification, as an ordinary resolution:
"RESOLVED THAT consent be and is hereby accorded to the Board of Directors of the Company pursuant to section 293 (1) (d) of the Companies Act, 1956, for borrowing from time to time any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the company in the ordinary course of business including the cash credit limit) shall not exceed in aggregate, at any one time, Rs. 1,000.00 Crores (Rupees One Thousand Crores only) notwithstanding that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."
6. To consider and if thought fit to pass the following resolution, with or without modification, as an ordinary resolution:
"RESOLVED THAT pursuant to section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 the consent be and is hereby accorded to the Board of Directors of the Company authorizing them to create charge on the movable and immovable properties of the Company, by way of hypothecation, mortgage or otherwise subject to the conditions that the aggregate amount of charges so created in favour of the Bankers, Financial Institutions and other lenders shall not at any time exceed the amount of Rs. 1,000.00 Crores (Rupees One Thousand Crores only)

**By Order of the Board of Directors
For SATIN CREDITCARE NETWORK LIMITED**

Registered Office :
306, Lusa Tower,
Azadpur Commercial Complex,
Delhi-110 033

**Kuldeep Singh Yadav
Company Secretary & Compliance Officer**

Dated : 22nd May 2012

NOTES:

1. A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. A blank proxy form is enclosed and if intended to be used, it should be returned duly completed at the registered office of the Company not less than 48 hours before the scheduled time of the Annual General Meeting.
2. The register of members and share transfer books of the Company shall remain closed from 15.09.2012 to 29.09.2012 (both days inclusive).
3. Shareholders/proxy holders are requested to produce at the entrance the attached admission slip duly completed and signed for admission to the meeting place.

**By Order of the Board of Directors
For SATIN CREDITCARE NETWORK LIMITED**

**Place : Delhi
Date : 22nd May 2012**

**Kuldeep Singh Yadav
Company Secretary & Compliance Officer**



SATIN CREDITCARE NETWORK LTD.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ATTACHED ALONGWITH THE NOTICE DATED 22ND MAY 2012.

Item No. 5 and 6

Pursuant to the provisions of clause (d) of sub section (1) of section 293 of the Companies Act, 1956, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the shareholders of the Company in the General Meeting. At present, the shareholders have granted approval upto Rs.500 Crores under Section 293(1)(d) of the Companies Act, 1956 vide Annual General Meeting held on 29th September, 2007. The Company has plans to expand the operations and would need additional funds for the same. The Board of Directors has proposed that the shareholders may allow borrowing from time to time any sum or sums of money which together with the money already borrowed by the Company (apart from temporary loans obtained from the bankers of the company in the ordinary course of business including the cash credit limit) not exceeding in aggregate at any one time Rs. 1,000.00 Crores irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. The resolution at item no. 5 is intended to seek the approval of the shareholders for the said purpose.

Resolution at item no. 6 is intended under section 293(1)(a) of the Companies Act 1956 authorizing the Board of Directors to create charge on the properties of the Company subject to limit of Rs. 1,000.00 Crores at any one time by way of security towards monies so borrowed by the Company from Bankers and others.

None of the Directors of your Company is interested, either directly or indirectly, in the said proposal. The Directors recommend your approval thereof.

**By Order of the Board of Directors
For SATIN CREDITCARE NETWORK LIMITED**

**Kuldeep Singh Yadav
Company Secretary & Compliance Officer**

**Place : Delhi
Date : 22nd May 2012**



SATIN CREDITCARE NETWORK LTD.

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Twenty Second Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March 2012.

(Rs. in lacs)

Particulars	Current Year	Previous year
Gross Income	5622.58	5861.96
Expenses	5345.21	5452.88
Profit before Depreciation and tax	277.37	409.08
Depreciation and Non Cash Expenditure	66.61	70.32
Profit before Tax	210.76	338.76
Provision for Tax (including Deferred Tax and Other Adjustment)	70.86	121.52
Profit after Tax	139.90	217.24
Brought forward from Previous Year	590.68	418.51
Profit available for appropriation	730.58	635.75
Transfer to Statutory Reserve Fund	27.98	45.07
Surplus carried to Balance Sheet	702.60	590.68

OPERATIONS, PROSPECTS AND FUTURE PLANS

- As you would notice, your Company has performed well as compared to its peers in the industry during the year under review. The Company continues to engage itself into microfinance operations only. The Company has expanded its operations in the rural areas by providing loans under Joint Liability to the un-served / underserved poor women borrowers in Northern India. The Company provides micro loans on both joint liability basis and individual lending basis. The Company enjoys good relationship with its borrowers and has very good portfolio quality. The Company is quite hopeful of achieving even better results in the current financial year. During the current financial year, the Company has started its operations in the state of Bihar.
- The Company has been availing credit facilities from public & private sector banks, foreign banks, financial institutions for its financial needs. The Company has entered into various loan, securitization and assignment agreements with various institutions for its financial needs and is in the process of negotiating with other financial institutions for arranging funds for its growing operations. Your Company has been regular in discharging its liabilities to all lenders. It continues to enjoy good relationship with all of them.
- During the year, the Company had allotted 37 (Thirty Seven) 14.10% Rated, Listed, Secured Redeemable Non Convertible Debentures (NCDs) of Face Value of Rs.25,00,000/- per NCD on 30th March, 2012. These NCDs are listed at The Bombay Stock Exchange Limited. The Company has received rating of BBB - (Triple B Minus) by CARE in relation to issuance of these NCDs.
- During the financial year, the Company has disbursed Rs. 38,750.36 Lacs (Previous Year Rs. 38,101.24 Lacs) showing a growth of 1.70% over the previous year. The gross income during the year has been Rs. 5,622.58 Lacs (Previous Year Rs. 5,861.96 Lacs) showing a decline of 4.08% over the previous year primarily because on interest rate cap on its lending operations. The net profit after tax during the year has been at Rs. 139.90 Lacs (Previous Year Rs. 217.24 Lacs) showing a decrease of 35.60% over the previous year. There has been reduction in profit as compared to the previous year due to increase in cost of funds, low volumes in the first two quarters of the financial year and cap on lending rates.
- Pursuant to provisions of section 78 of the Companies Act 1956, during the year the company has utilized an amount of Rs. 22.73 Lacs out of Securities Premium Reserves towards writing off the incidental expenditure incurred in issuing Rated, Listed, Secured Redeemable Non Convertible Debentures. (During the previous year the Company had utilized an amount of Rs. 135.19 Lacs out of Securities Premium Reserves towards expenditure incurred in raising equity share capital and secured redeemable non convertible debentures including the discount on issue of debentures.)

- Satin ensures good client protection practices including effective client communication and good client interactions. We have a transparent culture and good working conditions for staff and strategic commitment for recruitment, training and appraisal. Satin has a dedicated staff for SPM that has worked on various social awareness and social responsibility campaigns for clients, employees and community. Our efforts towards Social Performance has been duly recognized by MIX Market and MF Transparency. The Company has received the 2011 MIX Social Performance Reporting Award at Silver level. Satin has also received the certificate of pricing transparency from mftransparency.org for April 2012 to April 2013.
- Pursuant to the Reserve Bank of India directions (Reference no. RBI/2011-12/290 DNBS.CC.PD.No.250/03.10.01/2011-12 dated December 02, 2011, your Company had applied for change in category of the Company to NBFC-MFI on 23.04.2012.
- The Company has received Credit rating BBB- (Triple B Minus) for long-term bank facilities of Rs. 260 Crores from CARE. The Grading of the Company has also improved from MFI 3+ to MFI 2 by CARE.
- In view of the current industry scenario, the Company has budgeted moderate growth for the current financial year. There have been positive signals from the Government and Regulator about the future of microfinance industry. The funding position has improved during the last two quarters. The Company is hopeful of performing well during the current financial year.

SUBSIDIARY COMPANIES

The Company had no subsidiary company at any time during the financial year 2011-2012.

DIRECTORS

Sh. Amit Goel was appointed as an Additional Director of the Company in the Board meeting held on 20.05.2011, re-designated as a Director on 30.09.2011 and thereafter resigned from the Directorship of the Company on 10.10.2011. The Directors wish to place on record their appreciation for the contributions made by Sh. Amit Goel during his tenure.

Sh. Naresh Khanna and Sh. Davis Frederick Golding retire by rotation and being eligible offers themselves for their re-appointment.

EMPLOYEES STOCK OPTION PLAN

- The Company had allotted 1,50,000 equity shares of Rs.10/- each at a premium of Rs. 15/- each to Satin Employees Welfare Trust under Satin ESOP II 2010 scheme on 21st April, 2011.
- The Company had allotted 1,00,000 equity shares of Rs.10/- each at a premium of Rs. 12/- each to Satin Employees Welfare Trust under Satin ESOP 2010 scheme on 22nd June, 2010.
- Out of 4,25,000 Equity Shares issued to Satin Employees Welfare Trust under Satin ESOP 2009, 1,50,000 Options were granted to the below-mentioned employees as per terms of Satin ESOP 2009 on 12.01.2010:

S. No.	Name of Employee	No. of Options
i)	Sh. Jugal Kataria	1,00,000
ii)	Sh. Vivek Tiwari	50,000

Out of 1,50,000 Options granted to above-said employees,

1. First 1/3rd of total options were vested to the said employees on 12.01.2011 which was duly exercised by them on 12.01.2011. Therefore, 33,333 Equity Shares were transferred from Satin Employees Welfare Trust to Sh. Jugal Kataria and 16,667 Equity Shares to Sh. Vivek Tiwari (subject to lock in period of one year from the date of exercising of options) pursuant to exercising of said options.
2. Second 1/3rd of total options were vested to the said employees on 12.01.2012 which was duly exercised by them on 12.01.2012. Therefore, 33,333 Equity Shares were transferred from Satin Employees Welfare Trust to Sh. Jugal Kataria and 16,667 Equity Shares to Sh. Vivek Tiwari (subject to lock in period of one year from the date of exercising of options) pursuant to exercising of said options.

INFORMATION REQUIRED TO BE DISCLOSED UNDER SEBI (ESOS & ESPS) GUIDELINES, 1999

Initially, the Company had issued 4,25,000 Equity Shares of Rs.10/- each at a Premium of Rs.10/- per share to Satin Employees Welfare Trust under Satin ESOP 2009 on 27.11.2009. After that, the Trust will transfer the said shares to eligible employees within three years in equal tranches from the date of issue of Options. Further the said shares shall be under lock-in for a period of one year from the date of exercising of options by the employee.

Apart from the above information, the Company had also allotted below-mentioned equity shares:

- a) 1,00,000 equity shares of Rs.10/- each at a premium of Rs. 12/- each to Satin Employees Welfare Trust under Satin ESOP 2010 scheme on 22nd June, 2010.
- b) 1,50,000 equity shares of Rs.10/- each at a premium of Rs. 15/- each to Satin Employees Welfare Trust under Satin ESOP II 2010 scheme on 21st April, 2011.

During the year 2009-2010, the Company had issued 1,50,000 options out of 4,25,000 options to its employees under Satin ESOP 2009 on 12.01.2010, certain information is required to be disclosed in this report as required under SEBI (ESOS & ESPS) Guidelines, 1999 as specified below:

S. No.	Particulars	Satin ESOP 2009 (Remarks)	Satin ESOP 2010 (Remarks)	Satin ESOP II 2010 (Remarks)
1.	Options Granted	1,50,000	Nil	Nil
2.	Pricing Formula	Rs.20/- being the Fair Value of the shares of the Company.	Rs.22/- being the Fair Value of the shares of the Company.	Rs.25/- being the Fair Value of the shares of the Company.
3.	Options Vested	1,00,000	Not Applicable	Not Applicable
4.	Options Exercised	1,00,000	Not Applicable	Not Applicable
5.	Total no. of shares arising as a result of exercise of options	1,00,000	Not Applicable	Not Applicable
6.	Options lapsed	NIL	Not Applicable	Not Applicable
7.	Variation of terms of options	No variations till now	Not Applicable	Not Applicable
8.	Money realized by exercise of options	Rs.20,00,000/-	Not Applicable	Not Applicable
9.	Total no. of options in force	50,000	Not Applicable	Not Applicable
10.	Employee wise details of options granted to			
10 (i)	Senior Managerial Personnel	1. Sh. Jugal Kataria (Chief Financial Officer) -1,00,000 2. Sh. Vivek Tiwari (Head Operations - Rural) -50,000	Not Applicable	Not Applicable
10 (ii)	Any other employee who receives a grant in any year of option amounting to 5% or more of option granted during that year	None	Not Applicable	Not Applicable
10 (iii)	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.	None	Not Applicable	Not Applicable

11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of shares on exercise of option calculated in accordance with Accounting Standard 20	As all the shares have been allotted to the Satin Employees Welfare Trust, the EPS for the year ending 31.03.2012 contains the effect of the same.	Not Applicable	Not Applicable
12.	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The company is calculating the employee compensation cost using the Fair value of the shares. Therefore the difference on profit etc is not applicable.	Not Applicable	Not Applicable
13	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable. As the company is listed at the DSE, LSE and JSE, there is no trading of the shares therefore the market price of the shares is not available	Not Applicable	Not Applicable
14.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: (i) risk-free interest rate, (ii) expected life, (iii) expected volatility, (iv) expected dividends, and (v) the price of the underlying share in market at the time of option grant.	The company is presently listed at the DSE, LSE and JSE. On all these three exchanges there were no share trading activities in the Company's share from last many year, because of which no market price is available . Therefore because of non-availability of the market price, the Fair value of options based upon the option -pricing model cannot be determined. However, the company has computed the fair value of the options considering the other accepted methods of valuation like Net Asset Value, Price Earning Capacity Value etc.	Not Applicable	Not Applicable

DIVIDEND

In order to undertake and carry on future plans, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend for the year ended 31st March 2012.

MANAGEMENT DISCUSSION AND ANALYSIS**Financial Review**

Satin Creditcare Network Limited (SCNL) is a category 'B' Non Banking Financial Company (NBFC). It has reported satisfactory financial and operating performance during the period under review i.e. financial year 2011-2012. The disbursement during the year has been Rs. 38,750.36 Lacs (Previous Year Rs. 38,101.24 Lacs). The Gross Income during the year has been Rs. 5622.58 Lacs (Previous Year Rs. 5,861.96 Lacs). Depreciation and Non Cash expenditure during the year has been at Rs. 66.61 Lacs (Previous Year Rs. 70.32 Lacs). The net profit after tax during the year has been at Rs. 139.90 Lacs (Previous Year Rs. 217.24 Lacs). SCNL's net worth stood at Rs. 7994.48 Lacs (Previous Year Rs. 7,867.31 Lacs). The Company plans to concentrate only on Microfinance activities during the current financial year.

Resources and liquidity

During the year, the Company relied primarily upon Banks and Financial Institutions for its financial needs. The Company has been availing various credit facilities from Ananya Finance for Inclusive Growth Private Limited, Andhra Bank, AXIS Bank Limited, Central Bank of India, Corporation Bank, Development Credit Bank Limited, ICICI Bank Limited, IDBI Bank Limited, IFMR Capital Finance Private Limited, IFMR Mezzanine Finance Private Limited, Indian Bank, IndusInd Bank Limited, MV Microfinance Private Limited, Maanaveeya Development & Finance Private Limited, Mahindra & Mahindra Financial Services Limited, MAS Financial Services Limited, Oriental Bank of Commerce, Punjab National Bank, Small Industries Development Bank of India (SIDBI), State Bank of Mauritius Limited, Syndicate Bank, The Karur Vysya Bank Limited, The Ratnakar Bank Limited, The South Indian Bank Limited and Yes Bank Limited for its microfinance operation which is the main activity of the Company. The Company has raised its second Secured Redeemable Non Convertible Debentures (NCD) during the year. These NCDs are listed at The Bombay Stock Exchange Limited. In view of the overall environment in the Microfinance Industry in India, the overall liquidity position is tight as bankers and other lenders have gone slow in providing funding to MFIs. However, your Company has been able to mobilize some funds and have performed better than its peers in the industry. The Company has been regular in repayment to all its lenders and has excellent relationship with all the financial institutions and banks and is quite hopeful of raising funds in future for growth.

Industry Scenario

The financial year 2011-12 was a challenging year for the Microfinance Industry in India. The Reserve Bank of India has issued a circular dated May 3, 2011 to all commercial banks on "Bank Loan to Micro Finance Institutions (MFIs) - Priority Sector Status". The bankers have finalized the Corporate Debt Restructuring (CDR) for some south based MFIs. The government has introduced The Micro Finance Institutions (Development and Regulation) Bill 2011. RBI also came out with Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 on December 02, 2011. As per the directions, there will be a separate category of NBFC doing MFI activities called NBFC-MFI. The direction contains definition of NBFC-MFI, regulatory framework, other regulations regarding pricing, margin, fair practices etc. RBI has further allowed External Commercial Borrowings (ECB) up to USD 10 million or equivalent per financial year under the automatic route for NBFC-MFI. Overall the regulatory environment is improving for the industry.

Business Review

Satin Creditcare Network Limited (Satin) is a leading Microfinance Institution based in Delhi (Northern India) engaged in providing microcredit on joint liability basis and individual lending basis. The Company has focus on expansion of operations in the rural area. The portfolio quality of the Company is amongst the best in the industry. Raising fund was a challenge for all Microfinance Institutions for last one and half years. Your Company has strong relationship with a large number of lenders and has been able to raise funds even during this period. The Company has its major operations in Northern India where there is large demand supply gap for microcredit. The Company has strong support of its three institutional investors and has comfortable capital adequacy ratio. The Company is hopeful of performing well in the current financial year.

- Considering the overall industry scenario, the Company has consolidated some of its smaller branches during the financial year 2011-12. The total number of branches have been reduced from 163 as at 31.03.2011 to 144 as at 31.03.2012. However, the portfolio of the Company (including managed portfolio) has increased from Rs. 38,101.24 Lacs as at 31.03.2011 to Rs. 38,750.36 Lacs as at 31.03.2012. There has been pressure on the bottom line primarily because of interest rate cap on lending, higher cost of funds and lower volumes in the first half of the financial year. With more regulatory clarity, the Company is hopeful of performing well during the financial year 2012-13.

Opportunities

The microfinance industry has grown substantially during the last decade with the exception of last one and half year. Financial inclusion is an important agenda for government and the Reserve Bank of India. In spite of this, there is still a very large segment of the society, which does not have access to financial services at the affordable rate. Microfinance activity has been considered as an important and effective means of providing financial services to such un-served / underserved population. The Company is operating in Northern and Central India and the reach of MFIs is comparatively less in these geographies as



compared to the Southern and Eastern India and hence there is a huge opportunity to be tapped and large population to be served. The Company is making all efforts to use its experience of working in the same geography for last two decade.

Challenges

Microfinance Industry in India is passing through challenging times. The industry primarily deals with underserved, mostly uneducated poor borrowers in rural and semi rural areas. These borrowers are financially illiterate and hence MFIs have to work carefully with great degree of transparency. There were concerns from regulators and lenders on issues of multiple lending, over indebtedness, rate of interest charged by MFIs and its proper disclosure to the borrowers. The Reserve Bank of India has prescribed the interest rate and margin cap for MFIs. The customer profile and the qualifying assets criteria have been defined. All the new loans offered by the Company are in compliance of these guidelines. The increasing cost of fund is another challenge. The activity of the Company is highly manpower driven and hence hiring, training and retaining good talent for the growth of the operations is a big challenge especially in the current industry environment.

SCNL's strong financial position, comfortable capital adequacy, liquidity and adoption of prudent business policies, time tested systems, professional management, association with leading financial institutions and clean repayment track record have enabled it to perform consistently and post satisfactory performance despite these challenges and competitive conditions. The Company is focusing on providing continuous training to its staff so as to create and maintain a better process system.

Outlook

The Company is closely monitoring the overall industry environment and adjusting its strategy accordingly. In view of the overall slow down in the Microfinance Industry, the Company has rationalized its growth plan in the short and medium term. The Company has consolidated some of its smaller areas of operation. We are further reviewing all our processes to improve efficiency, wherever possible. The Company has the experience of working in Northern India for more than two decades and is amongst the largest MFIs in Northern India. The regulatory environment is improving. The Company has strong association with its borrowers, lenders, investors, employees and other stakeholders and has positive outlook.

Risk & Concerns

The Company is exposed to risks like volatility in the Indian economy, change in government policies, regulatory uncertainty, increasing borrowing cost, competition from the banking sector / other MFIs, volatile economic cycle, market risks, concentration risks and credit risks. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

Adequacy of internal controls

SCNL has proper and adequate internal controls to ensure that all activities are monitored and controlled against any unauthorised use or disposition of assets and that all the transactions are authorised, recorded, reported and monitored correctly. The Company works in computerised environment and all its operations including accounts and MIS are electronic.

SCNL ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

An audit committee is in place to review and strengthen the adequacy of internal control.

Strengthening of internal audit and procedure is a continuous process.

Human Resource Development

SCNL has a team of young, able, experienced and dedicated team of professionals at all levels to support the management. The number of employees as at 31.03.2012 stood at 768 (Previous Year - 918).

DEPOSITS

The Company has stopped accepting public deposits w.e.f. 20th November 2004. The outstanding public deposit as at 31st March, 2012 is Rs. NIL (Previous year Rs. 33,680.00). There is no outstanding public deposit lying in the Escrow account with scheduled bank as all outstanding Public Deposit was transferred to Investor Education and Protection Fund (IEPF).

RESERVE BANK OF INDIA-REGISTRATION AND DIRECTIONS

The Company is a Category 'B' (Non Deposit taking) Non Banking Financial Company vide Certificate of Registration bearing No. B-14.01394 issued by Reserve Bank of India on 04.02.2009. Your Company has been following all relevant guidelines issued by Reserve Bank of India from time to time. Your Company had applied for change in category of the Company to NBFC-MFI on 23.04.2012 pursuant to the Reserve Bank of India directions (Reference no. RBI/2011-12/290 DNBS.CC.PD.No.250/03.10.01/2011-12 dated December 02, 2011. The Company has decided not to accept the public deposits

with effect from 20.11.2004. The Company had intimated the same to Reserve Bank of India. There is no outstanding public deposit lying in the Escrow account with scheduled bank as all outstanding Public Deposit was transferred to Investor Education and Protection Fund (IEPF). Pursuant to the directives issued by the Reserve Bank of India for the Non Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 1998, the Board of Directors of the Company have received a separate report dated 22nd May, 2012 from the Auditors of the Company. The Board has not observed any adverse remark. Further your Company has achieved Capital Adequacy Ratio of 34.88 as on 31st March, 2012. The Company has become Non Deposit Taking Systematic Important (NDSI) Non Banking Finance Company from September, 2009.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanations relating to material departures;
2. That they have selected such accounting policies and applied them consistently except where otherwise stated in the notes on accounts, and made judgements 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 of the Company for that period;
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
4. That they have prepared the annual accounts on a going concern basis.

AUDITORS & THEIR REPORT

A. K. Gangaher & Co., Chartered Accountants, the existing auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The retiring auditors have furnished a certificate of their eligibility for re-appointment under section 224 (1B) of the Companies Act, 1956. The same was discussed in the Audit Committee. Your directors recommend their reappointment. The Company has received audit report from A. K. Gangaher & Co., Chartered Accountants and your Directors do not observe any adverse remark therein.

PARTICULARS OF EMPLOYEES

During the year under review, there was no employee who was getting remuneration of Rs.5,00,000 per month / Rs.60,00,000/- per annum or more as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 duly amended by Notification dated 31.03.2011.

LISTING WITH STOCK EXCHANGES

Your Company is listed with following stock exchanges:

Rated, Listed, Secured Redeemable Non Convertible Debentures:

1. Bombay Stock Exchange Limited, Floor 25, P J Towers, Dalal Street, Mumbai - 400001

Equity Shares:

1. Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, New Delhi - 110002.
2. Jaipur Stock Exchange Limited, Stock Exchange Building, Jawahar Lal Nehru Marg, Malviya Nagar, Jaipur - 302017.
3. Ludhiana Stock Exchange Limited, Feroze Gandhi Market, Ludhiana - 141001.

Your Company has paid up to date listing fee to each of above named stock exchanges.

OTHER INFORMATION

Information pursuant to clause (e) of sub section (1) of section 217 of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of directors) Rules, 1988 being not applicable and hence not being disclosed.



FOREIGN EXCHANGE TRANSACTIONS

	Current Year (Rs.)	Previous Year (Rs.)
a) Expenditure in Foreign Currency		
Travelling Expenses	10,29,523.00	1,28,875.00
Reimbursement of expenses for raising equity		
Share Capital	NIL	9,23,400.00
Fees and Subscription	3,82,011.00	NIL
b) Earning/Remittances (Inward) in Foreign Exchange		
Equity share capital & Share Premium	NIL	42,40,80,000.00
Reimbursement of Expenses	2,66,829.00	1,97,413.00

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place : Delhi
Date : 22nd May 2012

(H P Singh)
Chairman Cum Managing Director

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Code of Corporate Governance

Company's philosophy on corporate governance is to bestow greater transparency and openness in the management and to ensure best performance by rank and file of staff at all levels and to maximize the operational efficiency as to enhance shareholders' value.

Board of Directors

The Company has an Executive Chairman. The Board of Directors of the Company comprises of 8 Directors out of which three are independent and five non-independent directors (including three directors nominated by three investors). The Company has seven non-executive directors and one executive director i.e. the Chairman. Composition of the Board and category of directors are as follows:

Name of Director along with Designation	Category
Sh. H P Singh, Chairman Cum Managing Director	Promoter and Executive Director
Sh. Satvinder Singh, Director	Non Executive and Non-Independent Director
Sh. Vishal Mehta, Director	Non Executive and Non-Independent Director
Sh. Davis Frederick Golding, Director	Non Executive and Non-Independent Director
Smt. Deepa Hingorani, Director	Non Executive and Non-Independent Director
Sh. Sujan Singh Chawla, Director	Non Executive and Independent Director
Sh. Rakesh Sachdeva, Director	Non Executive and Independent Director
Sh. Naresh Khanna, Director	Non Executive and Independent Director
Sh. Amit Goel, Director ¹	Non Executive and Independent Director

¹appointed as Director for the period 20.05.2011 to 10.10.2011.

Attendance of each Director at the Board meetings, last Annual General Meeting and number of other Directorships, memberships and chairpersonships of committees in various companies, are given below:

Name of Director	No. of Board meetings held during the year	Board meetings attended	Attendance at the last Annual General Meeting held on 30th Sept. 2011	No. of Directorships in other Companies ¹	No. of Membership(s)/ Chairmanship(s) of the Board Committees ²
Sh. H P Singh Chairman Cum Managing Director	4	4	Yes	1	Nil
Sh. Satvinder Singh Director	4	3	Yes	1	2 (including 1 as Chairman)
Sh. Vishal Mehta Director	4	4	No	1	2
Sh. Davis Frederick Golding Director	4	4	No	NIL	NIL
Smt. Deepa Hingorani Director	4	3	No	1	3 (Including 1 as Chairman)
Sh. Sujan Singh Chawla Director	4	Nil	No	Nil	2
Sh. Rakesh Sachdeva Director	4	4	Yes	Nil	2 (Both as Chairman and Member)
Sh. Naresh Khanna Director	4	1	No	3	2
Sh. Amit Goel Director ³	4	1	No	1	1

¹ The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.

² In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees, Shareholders' / Investors' Grievance Committees and Remuneration Committees in all Public Limited Companies (including Satin Creditcare Network Limited) have been considered.

³appointed as Director for the period 20.05.2011 to 10.10.2011.

Number of Board Meetings held and the dates of Board meetings

During the year 4 (four) Board Meetings were held. These Board Meetings were held on 20.05.2011, 12.08.2011, 09.11.2011 and 07.02.2012.

Information on Directors Re-appointment/Appointment

A brief resume of the Director proposed for re-appointment at the ensuing Annual General Meeting, the nature of their experience in specific functional areas and name of Companies in which they hold Directorship and Membership of committees of the Board as furnished below:

Re-appointments

Sh. Naresh Khanna, aged 56 years is a Director of the Company with effect from May 1, 2008. He is also the member of the Nomination Committee, Compensation Committee and Remuneration Committee. He is a Fellow member of the Institute of Chartered Accountants of India and has over thirty one years of business experience in varied fields. Sh. Khanna also serves as a director for various companies of the Pearl Group. He is not related to any of the Directors of the Company.

Sh. Davis Frederick Golding, aged 53 years, represents ShoreCap II Limited on the Board of Satin with effect from 12.02.2011. Working with ShoreCap, an international investment company which invests in and supports development financial institutions serving micro and small enterprises in developing economies, Davis holds the responsibility of initiating acquisition leads, performing on-site due diligence, recommending approval or decline of opportunities, structuring investments, and serving on the Board of Directors of investee institutions. Prior to joining ShoreCap International, he was EVP and Chief Operating Officer of ShoreBank Pacific, a community development bank dedicated to sustainable development including environmental integrity, serving the US states of Washington and Oregon. Previously, he worked as Director, International Mergers and Acquisitions/Corporate Development for Textron Financial Corporation. Sh. Golding also served as President and CEO of a Hong Kong based merchant banking operation. He has over 30 years experience in international finance, banking, and mergers and acquisitions. He holds a B.A. in Business Administration from Duke University, Durham, North Carolina. He is not related to any of the Directors of the Company.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all its Board members and senior management personnel of the Company. The Code of Conduct has also been posted on the website of the Company.

All Board members and senior management personnel have on March 31, 2012, affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CMD is annexed and part of the report.

Audit Committee

The Audit committee comprises of three non-executive Directors, Sh. Rakesh Sachdeva who is a qualified Chartered Accountant is the Chairman of the Audit Committee. The other two members of the audit committee are Sh. Satvinder Singh and Sh. Sujan Singh Chawla. Sh. Rakesh Sachdeva and Sh. Sujan Singh Chawla are independent directors..

The terms of reference stipulated by the Board for the Audit Committee, as contained under clause 49 of the listing agreement with Stock Exchanges, are as follows:

- a) Overseeing of the Company's financial reporting process and the disclosure of its financial information.
- b) Recommending to the Board the appointment and removal of external auditors, fixation of audit fee and also approval for payment of other services.
- c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by the management (iii) qualifications in draft audit report (iv) significant adjustments arising out of Audit (v) the going concern assumptions (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries, relatives etc. that may have potential conflict with the interest of the company at large.
- d) Reviewing with the management, external/internal auditors, adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit functions, discussions with internal auditors; any significant findings and follow up thereon.
- f) Reviewing the finding of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularities or a failure of internal control systems of material nature and reporting the matter to the Board.
- g) Discussion with external Auditors before the audit commences, nature and scope of the Audit as well as post audit discussions

to ascertain any area of concern.

- h) Reviewing the company's financial and risk management policies.
- i) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- j) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

During the year, four Audit Committee meetings were held. The Committee meetings held on 17.05.2011, 11.08.2011, 05.11.2011 and 06.02.2012. These were duly attended by the members as per below-mentioned detail:

Name of Director	No. of meetings held during the year	Meetings attended
Sh. Rakesh Sachdeva, Director (Non Executive)	4	4
Sh. Sujan Singh Chawla, Director (Non Executive)	4	4
Sh. Satvinder Singh, Director (Non-Executive)	4	4

Remuneration of the Directors:

The disclosure in respect of remuneration paid/ payable to whole time director of the Company (i.e Sh. H P Singh, Chairman Cum Managing Director) for the financial year 2011-2012 is given below:

Particulars	Amount in Rupees	
	Current Year	Previous Year
Salary	24,00,000.00	31,82,143.00
Contribution to Provident Fund, Gratuity & Others	6,88,000.00	20,55,492.00
Total	30,88,000.00	52,37,635.00
Present period of agreement	01.10.2010 to 30.09.2015	

No sitting fee was paid to any of the directors during the year.

General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	Whether any Special Resolution Passed
2008-2009	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	30.09.2009	10.00 A.M.	No
2009-2010	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	22.09.2010	10.00 A.M.	Yes
2010-2011	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	30.09.2011	10.00 A.M.	No

Shareholder /Investor Grievances Committee:

- The Company has a Shareholder /Investor Grievances Committee comprising of Sh. Satvinder Singh who is the Chairman of the committee himself.
- The Board has designated Sh.Kuldeep Singh Yadav as the Company Secretary & Compliance Officer. The complaints relating to Investor Grievances may also be forwarded to the said person at kuldeep.singh@satincare.com email Id.
- There were no complaints received from the Shareholder / Investor during the financial year ended 31.03.2012.

Share Transfer Committee:

The Company has a Share Transfer Committee under the Chairmanship of Sh. H P Singh. Other members of the Committee are Sh. Satvinder Singh and Sh. Rakesh Sachdeva. The Committee met 8 (Eight) times in the year. These meetings were held on 16.04.2011, 21.05.2011, 07.06.2011, 23.08.2011, 21.09.2011, 28.09.2011, 12.10.2011 and 03.11.2011 and attended by all the members.

Borrowing Committee:

The Company has a Borrowing Committee under the Chairmanship of Sh. H P Singh. Other member of the Committee is Sh. Satvinder Singh. The Committee met 31 (thirty one) times in the year. These meetings were held on 28.04.2011, 31.05.2011, 13.06.2011, 16.06.2011, 29.06.2011, 28.07.2011, 31.08.2011, 05.09.2011, 27.09.2011, 28.09.2011, 29.09.2011, 20.10.2011, 07.11.2011, 14.11.2011, 06.12.2011, 10.12.2011, 15.12.2011, 24.12.2011, 27.01.2012, 30.01.2012, 08.02.2012, 15.02.2012, 18.02.2012, 21.02.2012, 25.02.2012, 28.02.2012, 01.03.2012, 13.03.2012, 19.03.2012, 21.03.2012 and 28.03.2012 and attended by all the members.

Banking Operations Committee:

The Company has a Banking Operations Committee under the Chairmanship of Sh. H P Singh. Other member of the Committee is Sh. Satvinder Singh. The Committee met 13 (thirteen) times in the year. These meetings were held on 25.04.2011, 02.05.2011, 21.05.2011, 27.06.2011, 28.07.2011, 17.08.2011, 29.09.2011, 11.11.2011, 15.12.2011, 06.01.2012, 08.02.2012, 19.03.2012 and 27.03.2012 and attended by all the members.

Remuneration Committee:

- The Company has a Remuneration Committee comprising of Sh. Rakesh Sachdeva, Sh. Sujan Singh Chawla and Sh. Naresh Khanna. Sh. Rakesh Sachdeva is Chairman of the committee. Sh. Amit Goel served as a member of the Committee for the period 12.08.2011 to 10.10.2011. After resignation of Sh. Amit Goel, Sh. Naresh Khanna was appointed as a member of the Committee with effect from 09.11.2011
- The committee did not met during the financial year 2011-2012.

Compensation Committee:

- The Company has a Compensation Committee comprising of Sh. Rakesh Sachdeva, Sh. Vishal Mehta, Sh. Naresh Khanna, Sh. Sujan Singh Chawla and Smt. Deepa Hingorani. Sh. Rakesh Sachdeva is Chairman of the committee. Smt. Deepa Hingorani was appointed as a member of the Committee with effect from 20.05.2011. Sh. Davis Frederick Golding served the Committee as member for the period 20.05.2011 to 09.11.2011. Sh. Amit Goel served the Committee as member for the period 20.05.2011 to 10.10.2011. Sh. H P Singh served the Committee as Member upto 09.11.2011.
- The committee did not met during the financial year 2011-2012.

Nomination Committee:

- The Company has a Nomination Committee comprising of Sh. H P Singh, Shri Rakesh Sachdeva and Sh. Naresh Khanna. Sh. H P Singh is Chairman of the committee.
- During the year, two meetings were held. The Committee meetings held on 18.05.2011 and 12.08.2011. These were duly attended by the members as per below-mentioned detail:

Name of Director	No. of meetings held during the year	Meetings attended
Sh. H P Singh, Chairman Cum Managing Director (Executive)	2	2
Sh. Rakesh Sachdeva, Director (Non Executive)	2	2
Sh. Naresh Khanna, Director (Non-Executive)	2	1

a) Disclosure on materially significant related party transaction i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties was in conflict with the interest of the Company.

Attention of the members is drawn to the disclosure of transactions with the related parties set out in Note No. 26 (4) of Annual Accounts.

b) Detail of non compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any authority, on any matter related to capital markets, during last three years.

The Company has complied with all the requirements of regulatory authorities on capital market and no penalties or strictures has been imposed on the Company by Stock Exchange, SEBI or any other authority on any matter relating to the capital markets during the last three years.

c.) Whistle Blower Policy and affirmation that no personnel denied access to the Audit Committee

The Company has not adopted any Whistle Blower Policy. However, the Company has not denied access to any personnel to approach the Audit Committee on any issue.

d.) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and adopted the non-mandatory requirement in regard to constitution of Remuneration Committee, which has been constituted to determine the remuneration package of Executive Directors of the Company, if required.

Shareholding of Non- Executive Directors

The shareholding of Non-Executive directors of the Company is as follows:

S. No.	Name of Director	Shareholding
1	Sh. Satvinder Singh	2,57,011
2	Sh. Sujan Singh Chawla	NIL
3	Sh. Rakesh Sachdeva	7,211
4	Sh. Naresh Khanna	NIL
5	Sh. Vishal Mehta	NIL
6	Sh. Davis Frederick Golding	NIL
7	Smt. Deepa Hingorani	NIL
8	Sh. Amit Goel ¹	NIL

¹appointed as Director for the period 20.05.2011 to 10.10.2011.

DISCLOSURES

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement (other than those disclosed for independent director) entered into with the Delhi Stock Exchange Limited, Ludhiana Stock Exchange Limited and Jaipur Stock Exchange Limited. The detail of the compliance is as under:

S. NO.	PARTICULARS	CLAUSE OF LISTING AGREEMENT	COMPLIANCE STATUS YES / NO	REMARKS
	1	2	3	4
I	BOARD OF DIRECTORS	49 I		
	(A) Composition of Board	49 (IA)	NO	Since the Company has Executive Chairman, atleast half of the Board should comprise of Independent Directors. The Company had issued shares to two private equity funds during the period December, 2010 to February, 2011. The Company had appointed two nominee directors nominated by these two investors on 12.02.2011. These two Investors' Nominee Directors are treated as Non Independent Directors pursuant to Clause 49 of the listing agreement. Prior to their appointment, the composition of Board was in compliance with Clause 49. The Company had further appointed one more Independent Director on the Board on 20.05.2011 who resigned from the Board on 10.10.2011 due to personal reasons. At present, the Company is having 3 Independent Directors out of 8 Directors. The Company is trying to place two more independent director on the Board to comply with the said Clause
	(B) Non Executive Directors' -Compensation and disclosures	49 (IB)	YES	-
	(C) Other provisions as to Board and Committees	49 (IC)	YES	-
	(D) Code of conduct	49 (ID)	YES	
II	AUDIT COMMITTEE	49 (II)		
	(A) Qualified and Independent Audit Committee	49 (II A)	YES	
	(B) Meeting of Audit Committee	49 (II B)	YES	
	(C) Powers of Audit Committee	49 (II C)	YES	
	(D) Role of Audit Committee	49 (II D)	YES	
	(E) Review of information by Audit Committee	49 (II E)	YES	
III	SUBSIDIARY COMPANIES	49 (III)	YES	The Company has no subsidiary company.
IV	DISCLOSURES	49 (IV)		
	(A) Basis of related party transactions	49 (IV A)	YES	-
	(B) Disclosure of accounting treatment	49 (IV B)	YES	-
	(C) Board Disclosures	49 (IV C)	YES	-
	(D) Proceeds from Public Issues, rights issues, preferential issues etc.	49 (IV D)	YES	-
	(E) Remuneration of Directors	49 (IV E)	YES	
	(F) Management	49 (IV F)	YES	-
	(G) Shareholders	49 (IV G)	YES	-
V	CEO/ CFO CERTIFICATION	49 (V)	YES	
VI	REPORT ON CORPORATE GOVERNANCE	49 (VI)	YES	



Means of Communication:

- Half yearly results: These were published in newspapers for information.
- Quarterly results: The Company has published quarterly results in Money Makers (English) and Dainik Mahalaxmi Bhagyoday (Hindi) both at Delhi.
- The Company has its website namely www.satincare.com. The Company posts its quarterly financial results on the same.
- Though no official newsletters are published, relevant information is communicated to the shareholders through annual report.

General Shareholder Information:

1. Annual General Meeting Date and Time Venue	: 29 th September, 2012 at 10.00 A.M. : 'TYAGI FARMS', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi – 110043.																																																																																				
2. Financial Calendar 2012-13 (tentative)	: Results for the quarter ended 30 th June, 2012 upto 14.08.2012. Results for the quarter ended 30 th September, 2012 upto 14.11.2012. Results for the quarter ended 31 st December, 2012 upto 14.02.2013. Results for the quarter ended 31 st March, 2013 upto 30.05.2013.																																																																																				
3. Book Closure date	: 15 th September to 29 th September, 2012 (both days inclusive)																																																																																				
4. Dividend payment date	: N.A.																																																																																				
5. Registered Office	: 306, Lusa Tower, Azadpur Commercial Complex, Delhi-110033 Phone : 011-47545000																																																																																				
6a. Equity Shares Listed on Stock Exchanges at	: 1. Delhi Stock Exchange Limited, Delhi 2. Jaipur Stock Exchange Limited, Jaipur 3. Ludhiana Stock Exchange Limited, Ludhiana																																																																																				
6b. Annual Listing Fees	: Duly paid to all the above Stock Exchanges for the year 2012–2013.																																																																																				
7. Stock Code (a) Trading Symbol at	: 119590 at Delhi Stock Exchange Limited, Delhi 956 at Jaipur Stock Exchange Limited, Jaipur SLFL at Ludhiana Stock Exchange Limited, Ludhiana																																																																																				
b) Demat ISIN Number in NSDL & CDSL	: For Equity Shares – INE 836B01017 : For Non-Convertible Debentures (NCD) of 1) Face Value of Rs. 1 Crore per NCD- INE 836B07014 2) Face Value of Rs. 25 Lakhs per NCD- INE 836B07022																																																																																				
8. Stock Market Data: (in Rs./per share)																																																																																					
	<table border="1"> <thead> <tr> <th colspan="2">The Stock Exchange Delhi</th> <th colspan="2">The Stock Exchange Jaipur</th> <th colspan="2">The Stock Exchange Ludhiana</th> </tr> <tr> <th>High</th> <th>Low</th> <th>High</th> <th>Low</th> <th>High</th> <th>Low</th> </tr> </thead> <tbody> <tr> <td>April 2011</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>May 2011</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>June 2011</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>July 2011</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>August 2011</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>September 2011</td> <td colspan="5" style="text-align: center;">***** N O T T R A D E D D U R I N G T H E Y E A R *****</td> </tr> <tr> <td>October 2011</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>November 2011</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>December 2011</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>January 2012</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>February 2012</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>March 2012</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	The Stock Exchange Delhi		The Stock Exchange Jaipur		The Stock Exchange Ludhiana		High	Low	High	Low	High	Low	April 2011						May 2011						June 2011						July 2011						August 2011						September 2011	***** N O T T R A D E D D U R I N G T H E Y E A R *****					October 2011						November 2011						December 2011						January 2012						February 2012						March 2012					
The Stock Exchange Delhi		The Stock Exchange Jaipur		The Stock Exchange Ludhiana																																																																																	
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9. Share price performance in comparison to broad based indices-
During financial year 2011-12, as per the information available, there was no trading of Company's shares at the stock exchanges.

10. Registrar and Transfer Agents

- a. Equity Shares: : Link Intime India Pvt. Ltd.
(Share Transfer and communication : A-40, 2nd floor,
regarding share certificates, dividend, : Naraina Industrial Area, Phase-II,
and change of address.) : Near Batra Banquet Hall, New Delhi-110028
- b. Non Convertible Debentures : Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad-500081

11. Share Transfer System

Presently, the share transfers in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt by the Registrar and Share Transfer Agent, subject to the document being clear in all respects. Shares under objections are returned within two weeks.

12. Distribution of Shareholding as on 31st March, 2012

S. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1	Upto 2500	271	33.540	28092	0.153
2	2501-5000	249	30.817	110146	0.599
3	5001-10000	108	13.366	96352	0.524
4	10001-20000	41	5.074	63950	0.348
5	20001-30000	25	3.094	65000	0.353
6	30001-40000	14	1.733	50800	0.276
7	40001-50000	20	2.475	92200	0.501
8	50001-100000	18	2.228	135111	0.734
9	100001 and above	62	7.673	17756676	96.512
	Total	808	100.000	18398327	100.000

13. Categories of Shareholders as on 31st March, 2012.

Category	%
Promoters	40.087
Financial Institution/Banks / Mutual Funds	0.000
NRI/OCBs	0.026
Bodies Corporate	49.454
Others	10.433
Total	100.000

14. Dematerialisation of Shares : 58.298 % of the equity shares have been dematerialized upto 31st March 2012. Trading in Equity shares of the company is permitted only in dematerialized form w.e.f. 28.04.2001 as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity : Relevant data of the average daily turnover for the financial year 2011-12 is given below:
Delhi Stock Exchange (DSE) Ludhiana Stock Exchange (LSE) Jaipur Stock Exchange (JSE)

Shares (in lakhs) : No trading of Company's shares during 2011-2012 at any stock exchange
Shares (in Rs. Crore)



SATIN CREDITCARE NETWORK LTD.

15. (a). Investor Correspondence for transfer/ Dematerialisation of shares, payment of dividend on shares, and any other query relating to the shares of the Company	Link Intime India Pvt. Ltd. A-40, 2nd floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028	For shares held in Demat Form to the Depository Participant
15 (b). Investor Correspondence for transfer/ Dematerialisation of debentures, payment of interest and redemption of debentures and any other query relating to the debentures of the Company	Karvy Computershare Pvt. Ltd. Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad-500081	For Debentures held in Demat Form to the Depository Participant
16. Any query on Annual report	: Satin Creditcare Network Ltd. 5 th floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi –110033	
17. Transfer of unclaimed amount to	: No amount is due for transfer to Investors' Education and Protection Fund.	
18. Compliance Certificate by Auditors	: The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in clause 49 of the listing agreements executed with stock exchanges, which is annexed herewith.	

DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the financial year ended 31st March, 2012.

Place : Delhi
Date : 22nd May 2012

(H P SINGH)
Chairman Cum Managing Director
Satin Creditcare Network Limited



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE FOR THE YEAR ENDING 31ST MARCH' 2012
UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

To,
**The Members of
Satin Creditcare Network Limited.
Delhi**

We have examined the compliance of Corporate Governance procedures by **Satin Creditcare Network Limited** for the year ended 31st March'2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchange have been complied with in all material respect by the Company.

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrar and Transfer agent of the company have certified as on 31st March' 2012, there were no investor grievances remaining pending for a period exceeding one month and as explained to us by the management, the Registrar and Transfer agent have reported to the Shareholders/Investors' Grievances Committee regularly on the status of such grievances.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A. K. Gangaher & Co.
Chartered Accountants**

Place : Delhi
Dated : 22nd May' 2012

**A.K.Gangaher
Proprietor
Membership No. 083674
Firm ICAI Registration No. 004588N**



AUDITORS' REPORT

To,
**The Members of
Satin Creditcare Network Limited,**

1. We have audited the attached Balance Sheet of **SATIN CREDITCARE NETWORK LIMITED**, as at 31st March 2012 and also the Statement of Profit and Loss and Cash Flow statement annexed thereto for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2012.
 - (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **A. K. Gangaher & Co.**
Chartered Accountants

Place : Delhi
Dated : 22nd May' 2012

A.K.Gangaher
Proprietor.
Membership No. 083674.
Firm ICAI Registration No. 004588N

ANNEXURE**SATIN CREDITCARE NETWORK LIMITED,**

Referred to in paragraph 3 of our report of even date,

- (i) In respect of fixed assets:
- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets acquired on amalgamation of Satin Intellicomm Limited with the company with the appointed date of 1.4.2006 and the effective date as on 3.12.2007 are still in the name of the erstwhile company Satin Intellicomm Limited. The process of transfer of these assets in the name of the company is under process.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) As per the information and explanation given to us, during the year, the company has not disposed off any substantial part of fixed assets that would affect the going concern status of the company.
- (ii) As explained to us, there are no inventories as on 31.3.2012.
- (iii) (a) The company has not granted any fresh loans to company which is covered under section 301 of the Companies Act, 1956.
- (b) In our opinion, the provisions regarding the rate of interest and other terms and conditions on which these loans are granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not applicable in this year.
- (c) The provisions regarding the payment of interest and repayment of principal amounts is not applicable to the Company.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) (a) The company has not taken any loan from any associate company covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion, the provisions regarding rate of interest and other terms and conditions on which these loans were taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not applicable in the current year.
- (c) The provisions regarding repayment of loan and interest are not applicable to the company.
- (d) The company has not given any loan to any company covered in the register maintained under section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regards to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (vi) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and in respect of each party during the year have been made at prices which are reasonable having regard to the prices at which transactions for similar goods, materials and services have been made with other parties.
- (vii) The company being Non Banking Finance Company (NBFC), section 58A of the Companies Act, 1956 is not applicable to the company. In our opinion and according to information and explanation given to us, the company is complying with the provisions of Directives issued by the Reserve Bank of India for Non Banking Financial Companies (Reserve Bank) Directives, 1998, as amended from time to time, with regard to deposits received from the public. The company has stopped accepting deposits from 20.11.2004. An amount of Rs. Nil/- (Previous Year Rs.33,680/-) outstanding as on 31.03.2012 and is pertaining to unclaimed public deposits. The entire outstanding amount of public deposit was held in an Escrow account with a scheduled bank and which during the year has been deposited with the Investor Education and Protection Fund. The company has been reclassified on 04.02.2009 as a Category B-Loan company not accepting public deposits with a new registration certificate no. B-14.01394. As per the directions of Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 a separate report dated 22nd May, 2012 has been submitted to the Directors of the Company.
- (viii) In our opinion, and according to the information and explanations given to us, the internal audit functions carried out by the company alongwith the firm of Chartered Accountants appointed by the management have been commensurate with the size of the company and nature of its business.

- (ix) The provisions regarding maintenance of cost records are not applicable to the company.
- (x) (a) According to the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears as at 31.03.2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (xi) The company neither has accumulated losses and nor has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xii) Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xiii) In our opinion and according to the information and explanations given to us, the company during the year has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/mutual benefit fund /society.
- (xv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities. The company has invested surplus funds in various investments. According to the information and explanations given to us, proper records have been maintained of the transactions and timely entries have been made therein. The investments are held by the company in its own name.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not given guarantees for loan taken by others from banks or financial institutions.
- (xvii) In our opinion and according to the information and explanations given to us, the term loans (both secured and unsecured) availed by the company were, prime facie, applied by the company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xviii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, and the maturity profile of assets and liabilities with a residual maturity of one year given in the Asset Liability Management Report, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xix) According to the information and explanations given to us, during the year the company has not made any preferential allotment of shares to parties and companies mentioned under section 301 of the Companies Act, 1956.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company had issued secured redeemable non convertible debentures. The charge against these debentures is pending registration with the Registrar of Companies.
- (xxi) During the year covered by our report the company has not raised money by way of public issue. The company in the current year has raised paid up equity share capital by issuing fully paid up equity shares to Satin Employees Welfare Trust under Satin ESOP II 2010 scheme. The funds received by the company have been deployed or are in the process of deployment as per the requirements of the company.
- (xxii) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company was noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by the borrowers, the amounts whereof are not material in the context of the size of the company and the nature of its business and which have not been provided for.

For **A. K. Gangaher & Co.**
Chartered Accountants

Place : Delhi
Dated : 22nd May' 2012

A.K.Gangaher
Proprietor.
Membership No. 083674.
Firm ICAI Registration No. 004588N



SATIN CREDITCARE NETWORK LTD.

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	178,467,770.00	177,967,770.00
(b) Reserves and Surplus	4	620,979,931.52	608,763,002.99
Sub-Total Shareholders' Funds		799,447,701.52	786,730,772.99
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	963,346,961.83	573,769,676.25
(b) Long Term Provisions	6	4,421,959.00	5,780,319.00
Sub-Total Non-Current Liabilities		967,768,920.83	579,549,995.25
(3) Current Liabilities			
(a) Short Term Borrowings	7	277,942,347.48	905,046,022.08
(b) Other Current Liabilities	8	1,107,744,359.59	668,853,535.11
(c) Short Term Provisions	9	6,237,332.75	5,264,142.90
Sub-Total Current Liabilities		1,391,924,039.82	1,579,163,700.09
TOTAL EQUITY & LIABILITIES		3,159,140,662.17	2,945,444,468.33
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	41,488,307.65	47,382,450.00
(ii) Intangible Assets	11	811,937.00	657,165.00
(iii) Capital Work-In-Progress	12	37,351,116.00	33,433,595.00
(b) Non-Current Investments	13	6,850,591.33	6,850,591.33
(c) Deferred Tax Assets (Net)	14	4,662,477.58	4,811,370.14
(d) Long Term Loans & Advances	15	488,810.00	615,900.00
(e) Other Non - Current Assets	16	237,644,277.00	144,326,265.00
Sub-Total Non-Current Assets		329,297,516.56	238,077,336.47
(2) Current Assets			
(a) Trade Receivables under Finance Contracts	17	1,904,888,616.11	1,821,169,288.59
(b) Cash & Cash Equivalents	18	833,980,327.62	853,498,223.62
(c) Short Term Loans and Advances	19	4,377,429.80	1,108,439.80
(d) Other Current Assets	20	86,596,772.08	31,591,179.85
Sub-Total Current Assets		2,829,843,145.61	2,707,367,131.86
TOTAL ASSETS		3,159,140,662.17	2,945,444,468.33

Note No. 1 to 26 form an integral part of the Accounts

As per our report of even date annexed

For **A.K. Gangaher & Co.**
Chartered Accountants

A. K. Gangaher
Proprietor
M. No. 083674
Firm ICAI Regn. No. 004588N
Place : Delhi
Dated : 22.05.2012

For and on behalf of the Board of Directors

(H P Singh) **(Satvinder Singh)**
(Director) (Director)

(Kuldeep Singh Yadav)
(Company Secretary & Compliance Officer)



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	Year Ended 31.03.2012 Rs.	Year Ended 31.03.2011 Rs.
I. Income			
1. Revenue From Operations	21	561,718,181.36	586,176,575.21
2. Other Income	22	540,345.07	18,798.51
Total		562,258,526.43	586,195,373.72
II. Expenses			
1. Finance Cost	23	268,067,359.33	283,200,269.99
2. Employee Benefit Expenses	24	153,545,144.41	149,150,730.24
3. Other Expenses	25	112,908,938.60	112,935,978.89
4. Depreciation	10,11&12	6,660,906.00	7,031,606.29
Total		541,182,348.34	552,318,585.41
Profit Before Exceptional And Extraordinary Items and Tax		21,076,178.09	33,876,788.31
Exceptional Items		-	-
Profit Before Extraordinary Items And Tax		21,076,178.09	33,876,788.31
Extraordinary Items		-	-
Profit Before Tax		21,076,178.09	33,876,788.31
Tax Expense:			
(1) Less : Current Tax		6,777,180.00	13,529,590.00
(2) Less/(Add) : Tax Related To Earlier Years		159,777.00	808,817.00
(3) Add/(Less) : Deferred Tax		(148,892.56)	2,186,063.90
Profit After Tax For The Year From Continuing Operations		13,990,328.53	21,724,445.21

Earning per share (Par Value Rs. 10/- each)

Basic	0.79	1.71
Diluted	0.76	1.65

Note No. 1 to 26 form an integral part of the Accounts

As per our report of even date annexed

For **A.K. Gangaher & Co.**
Chartered Accountants

A. K. Gangaher
Proprietor
M. No. 083674
Firm ICAI Regn. No. 004588N
Place : Delhi
Dated : 22.05.2012

For and on behalf of the Board of Directors

(H P Singh) **(Satvinder Singh)**
(Director) (Director)

(Kuldeep Singh Yadav)
(Company Secretary & Compliance Officer)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Year Ended 31.03.2012 Rs.	Year Ended 31.03.2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Finance Cost, Tax and Extra-Ordinary Items	289,143,537.42	317,077,058.30
Adjustment for		
Depreciation	6,660,906.00	7,031,606.29
Operating Profit before Working Capital Changes	295,804,443.42	324,108,664.59
Other Assets	(58,147,492.23)	(10,823,326.42)
Amount Receivables under Finance Contracts (Loan Portfolio)	(83,719,327.52)	(548,080,602.38)
Trade Payable	131,163,199.42	(1,199,947.64)
Other Liabilities	(11,650,990.74)	14,082,668.91
Cash Generated from Operations	273,449,832.35	(221,912,542.94)
Finance Cost	(268,067,359.33)	(283,200,269.99)
Tax Expense	(6,936,957.00)	(14,338,407.00)
Net Cash from Operating Activities	(1,554,483.98)	(519,451,219.93)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/(Sale) (Net) of Fixed Assets	(4,839,056.65)	(31,003,164.93)
Purchase/(Sale) (Net) of Investments	-	-
Net Cash used in Investing Activities	(4,839,056.65)	(31,003,164.93)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Share Capital	(1,273,400.00)	487,248,540.00
Proceeds from Borrowings (Net)	81,467,056.63	231,919,214.49
Net Cash used in Financing Activities	80,193,656.63	719,167,754.49
Net Increase in Cash & Cash Equivalents (A+B+C)	73,800,116.00	168,713,369.63
Cash and Cash Equivalents as on 01.04.2011	997,824,488.62	829,111,118.99
Cash and Cash Equivalents as on 31.03.2012	1,071,624,604.62	997,824,488.62

CASH & CASH EQUIVALENTS COMPRISES OFF

PARTICULARS	Year Ended 31.03.2012 Rs.	Year Ended 31.03.2011 Rs.
Cash and Cash Equivalents:		
Cash on Hand	87,683,794.21	87,616,095.54
Balance with banks in current accounts	249,779,289.46	70,004,297.41
Term deposits for remaining maturity of 3 months or less	51,435,320.00	336,561,700.00
	388,898,403.67	494,182,092.95
Other Bank Balances:		
Term deposits for remaining maturity of more than 3 months and upto 1 year	445,081,923.95	359,316,130.67
Other Non-Current Assets:		
Long term deposits having remaining maturity of more than 1 year	237,644,277.00	144,326,265.00
Total	1,071,624,604.62	997,824,488.62

Refer Note No. 18

Note No. 1 to 26 form an integral part of the Cash Flow Statement

As per our report of even date annexed

For **A.K. Gangaher & Co.**
Chartered Accountants

A. K. Gangaher
Proprietor
M. No. 083674
Firm ICAI Regn. No. 004588N
Place : Delhi
Dated : 22.05.2012

For and on behalf of the Board of Directors

(H P Singh) **(Satvinder Singh)**
(Director) (Director)

(Kuldeep Singh Yadav)
(Company Secretary & Compliance Officer)

NOTES TO THE FINANCIAL STATEMENTS**Note No.1 General Information**

Satin Creditcare Network Limited (Satin) is a Non Banking Finance Company registered with The Reserve Bank of India (RBI) as category B (non deposit taking) NBFC. The Company is engaged in microcredit activity. The major area of operations is Uttar Pradesh, Madhya Pradesh, Delhi & NCR, Bihar and Uttarakhand. The Company is a public limited company with its equity shares listed at Delhi Stock Exchange Limited, Jaipur Stock Exchange Limited and Ludhiana Stock Exchange Limited.

Note No.2 Significant Accounting Policies**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the applicable accounting standards notified under Section 211(3C) of the Companies Act, 1956 (Companies (Accounting Standards) Rules 2006, as amended), and the other relevant provisions of the Companies Act 1956 and the guidelines issued by the Reserve Bank of India. Accounting policies have been consistently applied except where a newly issued accounting standard or a guideline is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

2. USE OF ESTIMATES

The preparation of financial statements is in conformity with the Indian Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Further all assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and the other criteria set out in Schedule VI to the Companies Act, 1956.

3. TANGIBLE ASSETS

All Tangible assets owned by the Company are stated at historic cost less accumulated depreciation. Tangible assets acquired on account of amalgamation are stated at the acquisition value agreed in the amalgamation agreement. Capital work in progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not ready for their intended use as at the Balance sheet date.

4. INTANGIBLE ASSETS

Intangible assets including software are recorded at the acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. Goodwill acquired on account of amalgamation is written off in equal installments over a period of five years.

5. DEPRECIATION

Depreciation is provided at the rates prescribed in Schedule XIV of the Companies Act, 1956 on written down value method. Depreciation for assets acquired on amalgamation has been charged from the effective date of merger. Fixed assets costing up to Rs. 5,000/- individually are fully depreciated in the year of purchase itself.

6. INVESTMENTS

- (i) Investments that are readily realizable and are intended to be held for not more than one year from the date, on which these investments are made, are classified as current investments. All other investments are classified as Long term investments.
- (ii) The Company value its Investment based on the accounting standard issued by the Institute of Chartered Accountants of India as under:
 - a. Investment held as long-term investments are valued at cost. Provision for diminution in value is not made unless there is a permanent fall in their net realizable value.
 - b. Current investments are valued at lower of cost or net realizable value.

7. CURRENT ASSETS

Loan portfolio comprises of Trade receivables under finance contracts with the borrowers as on the Balance Sheet date.

8. REVENUE RECOGNITION

- (i) The Reserve Bank of India's prudential norms on income recognition and provisioning for bad and doubtful debts has been followed.
- (ii) Subject to the above, specific incomes have been accounted for as under:
 - a. Interest income on loans is recognized under the internal rate of return method on accrual basis except in case of non-performing assets where it is recognized upon realization as per RBI norms.
 - b. Interest income on deposits with bank is recognized on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.
 - c. Loan processing fee is recognized as income on accrual basis.
 - d. Profit on securitization of loan portfolio through bankruptcy remote Special Purpose Vehicle (SPV) is recognized over the residual life of the underlying assets in terms of RBI Guidelines. Profit on sale of loan assets through direct assignment, without any recourse obligation or otherwise is amortised over the residual life of the loan. Net loss arising on account of securitization and direct assignment of loan assets is recognized at time of sale.
 - e. **Miscellaneous Income:** Dividend income, Miscellaneous Income is accounted for as and when received.

9. BORROWING COSTS

Borrowing costs, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized as a part of the cost of assets. Other borrowing costs are recognized as an expense in the Statement of Profit and Loss in the year in which they are incurred or accrued.

10. FOREIGN CURRENCY

Transactions in foreign currency are recorded at the rates of exchange prevalent on the date of transaction. Exchange difference, if any, arising from foreign currency transaction are dealt in the Statement of Profit & Loss at year end rates.

11. PROVISIONS AND CONTINGENT LIABILITIES

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that the outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. EMPLOYEES RETIREMENT BENEFITS

Contributions to Provident Fund and Employee State Insurance are being paid and accounted as per the respective rules and debited to Statement of Profit and Loss. The Company has no further obligations beyond its monthly contributions. Employees Gratuity liability has been calculated and managed through a trust by the Life Insurance Corporation of India. As per the valuation conducted by the insurance company the shortfall is paid as the premium for the year and which is debited as an expense in the Statement of Profit and Loss. Provision for encashment of leave is being made on the basis of actuarial valuation made at the end of each financial year and is charged to Statement of Profit and Loss.

13. IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which the asset is identified as impaired. The Impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

14. TAXATION

Tax expense for the period, comprising of current tax and deferred tax are included in the determination of the net profit or loss for the period.

- (i) Current tax expense is made based on the estimated tax liability as per the appropriate provisions of the Income Tax Act, 1961 and considering the previous final assessment orders. The provision for current tax for the year will be net off

any provisions related to that year.

- (ii) Excess/short provision of income tax relating to earlier years is disclosed separately in the accounts.
- (iii) Deferred Tax Assets and Liabilities for timing differences between tax profit and book profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on balance sheet date. Deferred Tax Assets are recognized to the extent there is reasonable certainty that these assets can be realized in future. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.
- (iv) Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets and liabilities representing the current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

15. EARNING PER SHARE

In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value. Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date. The number of shares and potential dilutive equity shares are adjusted for any stock splits and bonus shares issued effected prior to the approval of the financial statements by the board of directors.

16. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999) as amended from time to time. These schemes provide for grant of options to employees of the Company that vest in a graded manner and that are to be exercised within a specified period. Measurement and disclosure of ESOS is done in accordance with guidance note on Accounting for employee share based payments issued by The Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock schemes accordingly as per the guidance note. The compensation expense is recognized over the vesting period of the options on the straight line basis.

17. LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of lease. The Company leases certain tangible assets and such leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
3	Share Capital				
	Authorised				
	2,00,00,000 Equity Shares of Rs.10/- each (Previous Year 2,00,00,000 Equity Shares of Rs. 10/- each)		200,000,000.00		200,000,000.00
	Issued				
	1,84,44,827 Equity Shares of Rs. 10/- each (Previous Year 1,82,94,827 Equity Shares of Rs. 10/- each)		184,448,270.00		182,948,270.00
	Subscribed				
	1,84,44,827 Equity Shares of Rs. 10/- each (Previous Year 1,82,94,827 Equity Shares of Rs. 10/- each)		184,448,270.00		182,948,270.00
	Paid-up				
	1,83,98,327 Equity Shares of Rs. 10/- each (Previous Year 1,82,48,327 Equity Shares of Rs. 10/- each)	183,983,270.00	178,233,270.00	182,483,270.00	177,733,270.00
	Less:- Amount recoverable from Satin Employees Welfare Trust (Face value of 575,000 shares allotted to the Satin Employees Welfare Trust)	5,750,000.00		4,750,000.00	
	Add: Forfeited shares (Amount originally paid on 46,500 equity shares)	178,233,270.00	234,500.00	177,733,270.00	234,500.00
			178,467,770.00		177,967,770.00
	Reconciliation of equity shares of the face value of Rs. 10/- each	No.	Rs.	No.	Rs.
	Authorised				
	At the beginning of the accounting period	20,000,000	200,000,000.00	17,500,000	175,000,000.00
	Additions during the year	-	-	2,500,000	25,000,000.00
	At the end of the accounting period	20,000,000	200,000,000.00	20,000,000	200,000,000.00
	Issued				
	At the beginning of the accounting period	18,294,827	182,948,270.00	11,444,827	114,448,270.00
Additions during the year	150,000	1,500,000.00	6,850,000	68,500,000.00	
At the end of the accounting period	18,444,827	184,448,270.00	18,294,827	182,948,270.00	
Subscribed					
At the beginning of the accounting period	18,294,827	182,948,270.00	11,444,827	114,448,270.00	
Additions during the year	150,000	1,500,000.00	6,850,000	68,500,000.00	
At the end of the accounting period	18,444,827	184,448,270.00	18,294,827	182,948,270.00	
Paid up					
At the beginning of the accounting period	18,248,327	182,483,270.00	11,398,327	113,983,270.00	
Additions during the year	150,000	1,500,000.00	6,850,000	68,500,000.00	
At the end of the accounting period	18,398,327	183,983,270.00	18,248,327	182,483,270.00	

1. The detail of shareholders holding more than 5% shares is as under:

S. No.	Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
		No. of Shares	Percentage holding	No. of Shares	Percentage holding
1	ShoreCap II Limited	23,00,000	12.50%	23,00,000	12.60%
2	Parishek Finance Private Limited	21,50,880	11.69%	21,50,880	11.79%
3	Lok Capital LLC	20,90,148	11.36%	20,90,148	11.45%
4	Danish Microfinance Partners K/S	19,00,000	10.33%	19,00,000	10.41%

2. Satin Employees Welfare Trust holds 3,75,000 equity shares under Satin ESOP 2009 and 1,00,000 equity shares under Satin ESOP 2010 aggregating to 4,75,000 equity shares as on 01.04.2011.

a) The Company had allotted 1,50,000 equity shares of Rs.10/- each at a premium of Rs. 15/- per share to Satin Employees Welfare Trust under Satin ESOP II 2010 scheme on 21st April, 2011 after taking the approval of the shareholders through postal ballot on 15th December 2010.

b) Employee stock option schemes:

Satin ESOP 2009: 4,25,000 equity shares of Rs. 20/- each (including premium of Rs. 10/- each) were allotted to Satin Employees Welfare Trust on 27th November 2009. 1,50,000 Options were granted on 12th January 2010. First 1/3rd of total options (i.e. 50,000 options) were vested and exercised on 12th January 2011. Second 1/3rd of total options (i.e. 50,000 options) were vested and exercised on 12th January 2012.

Satin ESOP 2010: 1,00,000 equity shares of Rs. 22/- each (including premium of Rs. 12/- each) were allotted to Satin Employees Welfare Trust on 22nd June 2010.

Satin ESOP II 2010: 1,50,000 equity shares of Rs. 25/- each (including premium of Rs. 15/- each) were allotted to Satin Employees Welfare Trust on 21st April 2011.

c) The Company had allotted shares to Satin Employees Welfare Trust @ Rs. 20/- each (including premium of Rs. 10/- each) on 27th November 2009 which is over the Fair Market Value of Rs. 12/- at the time of allotment of shares. The Company had further allotted shares to Satin Employees Welfare Trust @ Rs. 22/- each (including premium of Rs. 12/- each) on 22nd June 2010 which is over the Fair Market Value of Rs. 16/- at the time of allotment of shares. The Company had further allotted shares to Satin Employees Welfare Trust @ Rs. 25/- each (including premium of Rs. 15/- each) on 21st April 2011 which is over the Fair Market Value of Rs. 16/- at the time of allotment of shares. Hence no expense has been recognized.

d) The Company has provided following share based options to its employees. During the financial year ended 31st March 2012, the following schemes were in operations:

Particulars	ESOP 2009	ESOP 2010	ESOP II 2010
Date of grant	12.01.2010	Not Granted	Not Granted
Date of Board approval	27.11.2009	22.06.2010	21.04.2011
Date of Shareholders approval	01.06.2009	26.03.2010	15.12.2010
No. of options granted	1,50,000 out of 4,25,000	-	-
Method of settlement	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options.	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options
Vesting options	<ol style="list-style-type: none"> 1. First 50,000 options were vested on 12.01.2011 and exercised on the same day by employees (i.e. 1/3rd of total options granted subject to lock-in period of one year from the date of vesting of options) 2. Second 50,000 options were vested on 12.01.2012 and exercised on the same day by employees (i.e. 1/3rd of total options granted subject to lock-in period of one year from the date of vesting of options) 	NA	NA
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grade of options	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grade of options	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grade of options
Vesting conditions	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of vesting of options	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of vesting of options	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of vesting of options

The details of ESOP 2009 are summarized below :

Particulars	As at 31.03.2012		As at 31.03.2011	
	ESOP 2009		ESOP 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	2,75,000	20	2,75,000	20
Granted during the year	NIL	NIL	NIL	NIL
Forfeited during the year	NIL	NIL	NIL	NIL
Exercise during the year	50,000	20	50,000	20
Expired during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	2,75,000	20	2,75,000	20
Exercisable at the end of the year	50,000	20	1,00,000	20
Weighted average remaining contractual life (in years)	0.79	20	1.29	20
Weighted average fair value of the options granted	50,000	20	1,00,000	20

The details of ESOP 2010 are summarized below :

Particulars	As at 31.03.2012		As at 31.03.2011	
	ESOP 2010		ESOP 2010	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	1,00,000	22	NIL	NIL
Granted during the year	NIL	NIL	NIL	NIL
Forfeited during the year	NIL	NIL	NIL	NIL
Exercise during the year	NIL	NIL	NIL	NIL
Expired during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	1,00,000	22	100000	22
Exercisable at the end of the year	NIL	NIL	NIL	NIL
Weighted average remaining contractual life (in years)	NIL	22	NIL	22
Weighted average fair value of the options granted	NIL	22	NIL	22

The details of ESOP II 2010 are summarized below :

Particulars	As at 31.03.2012		As at 31.03.2011	
	ESOP-II 2010		ESOP-II 2010	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	NIL	NIL	NIL	NIL
Granted during the year	NIL	NIL	NIL	NIL
Forfeited during the year	NIL	NIL	NIL	NIL
Exercise during the year	NIL	NIL	NIL	NIL
Expired during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	1,50,000	25	NIL	NIL
Exercisable at the end of the year	NIL	NIL	NIL	NIL
Weighted average remaining contractual life (in years)	NIL	25	NIL	NIL
Weighted average fair value of the options granted	NIL	25	NIL	NIL

The detail of exercise price for stock option at the end of the financial year 2011-2012 is:

Series	Range of exercise price	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
ESOP 2009	20/- per option	2,75,000	0.79	20
ESOP 2010	22/- per option	1,00,000	Not Applicable	22
ESOP II 2010	25/- per option	1,50,000	Not Applicable	25

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
4	Reserves & Surplus				
	Securities Premium Reserve				
	At the beginning of the accounting period	534,773,720.00		75,562,680.00	
	Additions during the year	2,250,000.00		472,730,000.00	
	Less: Share / Debenture issue expenses	2,273,400.00		13,518,960.00	
		534,750,320.00		534,773,720.00	
	Less: Amount recoverable from Satin Employees Welfare Trust	6,700,000.00		4,950,000.00	
	At the end of the accounting period		528,050,320.00		529,823,720.00
	General Reserves				
	At the beginning of the accounting period	3,726,157.00		3,726,157.00	
	Additions / (Deductions) during the year	-		-	
	At the end of the accounting period		3,726,157.00		3,726,157.00
	Statutory Reserve Fund				
	At the beginning of the accounting period	16,144,937.00		11,638,285.00	
Additions / (Deductions) during the year	2,798,066.00		4,506,652.00		
At the end of the accounting period		18,943,003.00		16,144,937.00	
Surplus in Statement of Profit & Loss					
At the beginning of the accounting period	59,068,188.99		41,850,395.78		
Additions during the year	13,990,328.53		21,724,445.21		
Less: Transfer to Statutory Reserve Fund	2,798,066.00		4,506,652.00		
At the end of the accounting period		70,260,451.52		59,068,188.99	
		620,979,931.52		608,763,002.99	

1. During the year, the Company received a sum of Rs. 22,50,000.00 (Previous year Rs. 47,27,30,000.00) on account of premium on issue of 1,50,000 (Previous year 68,50,000) equity shares.
2. During the year, the Company utilized a sum of Rs. 22,73,400.00 (Previous year Rs. 1,35,18,960.00) from Securities Premium Reserve towards writing off incidental expenditure pertaining to raising equity share capital and secured redeemable non-convertible debenture as per the provision of Section 78 of the Companies Act, 1956.
3. The Company has Rs. 67,00,000.00 (Previous year Rs. 49,50,000.00) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.
4. Pursuant to the provision of section 45 (IC) of Reserve Bank of India Act, 1934, the Company has transferred Rs. 27,98,066.00 (Previous Year Rs. 45,06,652.00) towards Statutory Reserve Fund.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
5	Long term borrowings				
	Secured Loans				
	Non Convertible Debentures				
	(a) 37 (Previous Year: Nil) ,14.10% Secured Redeemable Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on April 15, 2014 with a rollover option of one year. The date of allotment is March 30, 2012. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	92,500,000.00		-	
	(b) Nil (Previous Year: 12) ,12.10% Secured Redeemable Non - Convertible Debentures of Rs. 1,00,00,000/- each redeemable at par on March 31, 2013 with a rollover option of one year. The date of allotment is March 21, 2011 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-	92,500,000.00	120,000,000.00	120,000,000.00
	Term Loan				
	From Banks				
For Working Capital	665,436,731.08		296,937,665.00		
For Purchase of Fixed Assets	7,553,598.96	672,990,330.04	7,724,293.74	304,661,958.74	
From Others					
For Working Capital	197,856,631.79		149,052,610.51		
For Purchase of Fixed Assets	-	197,856,631.79	55,107.00	149,107,717.51	
Total Long Term Borrowings		963,346,961.83		573,769,676.25	

- The Company had allotted 37 (Thirty Seven),14.10% Rated, Listed, Secured, Redeemable Non Convertible Debentures (NCD) of Face Value of Rs.25,00,000/- per NCD on 30th March 2012 on private placement basis. These NCDs are listed at the Bombay Stock Exchange Limited. Pursuant to the agreement with Debenture Trustee, the Company is in the process of creating necessary security against these NCD. The charge thereon shall be registered with Registrar of Companies in due course.
- For term loans refer Note No. 8 (1).

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
6	Long-Term provisions				
	Provision for Leave Encashment		4,421,959.00		5,780,319.00
			4,421,959.00		5,780,319.00

1. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

**A. Provident fund
Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

	Current Year In Rupees	Previous Year In Rupees
Employer's Contribution to Provident Fund	79,57,642.00	78,68,736.00
Employer's Contribution to Superannuation Fund	Nil	Nil
Employer's Contribution to Pension Scheme	Nil	Nil

B. Gratuity

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

C. Leave Encashment

The obligation for leave encashment is recognized based on the present value of obligation based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The detail of the same is as under:

	Current Year In Rupees	Previous Year In Rupees
Leave Encashment (Unfunded)		
a. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit obligation at beginning of the year	57,80,318.00	29,86,315.00
Current Service Cost	15,01,723.00	33,85,766.00
Interest Cost	4,61,355.00	2,23,227.00
Actuarial (gain)/loss	(23,06,064.00)	(94,761.00)
Benefits paid	(10,15,373.00)	(7,20,229.00)
Defined Benefit obligation at year end	44,21,959.00	57,80,318.00
b. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Employer contribution	-	-
Benefits Paid	(10,15,373.00)	(7,20,229.00)
Fair value of plan assets at year end	-	-
Actual return on plan assets	-	-
c. Reconciliation of fair value of assets and obligations		
Fair Value of plan assets as at 31st March, 2012	-	-
Present value of obligation as at 31st March, 2012	44,21,959.00	57,80,318.00
Amount recognized in Balance Sheet	44,21,959.00	57,80,318.00
d. Expenses recognized during the year (Under the head "Payments to and Provisions for Employees)		
Current Service Cost	15,01,723.00	33,85,766.00
Interest Cost	4,61,355.00	2,23,227.00
Expected return on plan assets	-	-
Actuarial (gain)/loss	(23,06,064.00)	(94,761.00)
Net Cost	(3,42,986.00)	35,14,232.00
e. Actuarial assumptions		
Mortality Table (L.I.C)	LIC 1994-96 (Ultimate)	LIC 1994-96 (Ultimate)
Discount Rate (per annum)	8.75%	8.50%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The above figures pertain to Long Term Liability worked in respect of deferred leave only. Expected Short Term Liability of Rs. 14,84,394.00 (Previous Year Rs. 7,14,533.00) will be added to this figure.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
7	Short Term Borrowings				
	Secured Loans				
	Term Loan				
	From Banks				
	For Working Capital	174,857,000.00		583,287,991.23	
	For Purchase of Fixed Assets	115,462.32	174,972,462.32	101,219.29	583,389,210.52
	From Others				
	For Working Capital	86,192,610.51		187,303,115.47	
	For Purchase of Fixed Assets	55,523.13	86,248,133.64	50,576.00	187,353,691.47
	Overdraft Facility against lien on Fixed Deposits				
From Banks		4,721,751.52		134,269,440.09	
		265,942,347.48		905,012,342.08	
Unsecured Loans					
Deposits					
Deposits - from Public	-			33,680.00	
Other Loans					
For Working Capital		12,000,000.00			
		12,000,000.00		33,680.00	
		277,942,347.48		905,046,022.08	
	Total Short Term Borrowings				

- For term loans refer Note No. 8 (1).
- The Company had stopped accepting public deposits with effect from 20th November, 2004. The Company has intimated the same to Reserve Bank of India. Payment to depositors is being made on the maturity of deposit or over premature request from depositor. The outstanding public deposit as at 31st March, 2012 is Nil (Previous year Rs. 33,680.00). Investments of Rs. 50,591.33 (Previous year Rs. 50,591.33) are being held in pursuant to directions issued by the Reserve Bank of India as applicable to Non Banking Financial Companies. The entire amount of outstanding public deposit was being held in an escrow account with a scheduled bank. The same has been transferred to Investor Education and Protection Fund during the year. The classification of the company has been changed from Category A (Deposit taking) to Category B (Non Deposit Taking) by Reserve Bank of India on 4.2.2009.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
8	Other Current Liabilities				
	Current Maturity of Non Convertible Debentures-Secured (Term of reference as per note no. 5(b))		120,000,000.00		-
	Current Maturity of long term debts for Working Capital-Secured				
	From Bank		556,643,933.92		443,338,668.00
	From Others		237,200,026.72		151,104,506.72
	Current Maturity of long term debts for Purchase of Fixed Assets-Secured				
	From Bank		57,800.90		312,849.33
	From Others		-		152,291.84
	Expenses Payable		5,683,472.00		17,257,198.00
	Trade Payable (Trade payable includes a sum of Rs. 108,814,655.00 (Previous year Rs. 41,444,800.00) on account of Installment collected on managed portfolio.)		174,927,882.74		43,764,683.32
Interest accrued but not due on loans		8,663,623.31		4,690,271.67	
Statutory Liabilities		4,567,620.00		8,233,066.23	
		1,107,744,359.59		668,853,535.11	

1. The Company has availed term loans from various banks and other institutions for its lending operations as per details below:

Amount in Rupees

Particulars	As at 31.03.2012	As at 31.03.2011
Long Term from Banks – Secured	66,54,36,731.08	29,69,37,665.00
Long Term from Others - Secured	19,78,56,631.79	14,90,52,610.51
Short Term from Banks – Secured	17,48,57,000.00	58,32,87,991.23
Short Term from Others - Secured	8,61,92,610.51	18,73,03,115.47
Current Maturity of long term debts for lending from Banks –Secured	55,66,43,933.92	44,33,38,668.00
Current Maturity of long term debts for lending from Others –Secured	23,72,00,026.72	15,11,04,506.72
Short Term Other – Unsecured	1,20,00,000.00	-
Total	193,01,86,934.02	181,10,24,556.93

The above loans are repayable on periodic installments of principal and interest. The sanctioned tenure of the loans varies from 15 months to 72 months. For the secured loans, the Company has offered security by way of hypothecation of trade receivables arising out of its business operations generated from the respective loans and cash collateral in the form of fixed deposits. Out of above, an amount of Rs. 16,864.90 Lacs (Previous Year Rs. 14,371.15 Lacs) have been guaranteed by the Directors, Mr. Satvinder Singh and / or Mr. H P Singh in their personal capacity.

2. Statutory liabilities includes amount payable towards Income Tax, Service Tax, TDS, Provident Fund, Employees State Insurance etc.
3. There has been no delay / default in repayment of dues including principal and interest in respect of any borrowings.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
9	Short - Term Provision				
	Provision for Leave encashment		1,484,394.00		714,533.00
	Contingent provisions against Standard Assets		4,752,938.75		4,549,609.90
			6,237,332.75		5,264,142.90

1. For Provision for Leave Encashment refer Note No.6.
2. For Contingent provisions against Standard Assets refer Note No. 17(2).

Note No. 10

(Amount in Rs.)

Tangible Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Addition/ Adj.	Sale/Adj.	As at 31.03.2012	As at 01.04.2011	For the Year	Adj./ Written Back	As at 31.03.2012	WDV ON 31.03.2012	WDV ON 31.03.2011
Buildings	30,951,057.28	-	-	30,951,057.28	5,154,352.28	1,289,835.25	-	6,444,187.53	24,506,869.75	25,796,705.00
Plant & Equipment	12,504,269.22	100,488.00	-	12,604,757.22	7,102,186.01	1,993,134.69	-	9,095,320.70	3,509,436.52	5,402,083.21
Furniture & Fixtures	12,597,063.33	108,600.00	-	12,705,663.33	2,708,862.33	1,801,373.50	-	4,510,235.83	8,195,427.50	9,888,201.00
Vehicles	5,536,335.00	-	-	5,536,335.00	3,134,723.00	621,777.35	-	3,756,500.35	1,779,834.65	2,401,612.00
Office Equipment	5,357,134.59	289,596.00	214,796.00	5,431,934.59	1,463,285.80	546,307.21	74,397.65	1,935,195.36	3,496,739.23	3,893,848.79
Total	66,945,859.42	498,684.00	214,796.00	67,229,747.42	19,563,409.42	6,252,428.00	74,397.65	25,741,439.77	41,488,307.65	47,382,450.00
Previous Year	55,326,548.15	12,551,895.50	932,584.23	66,945,859.42	13,390,040.87	6,862,139.21	688,770.66	19,563,409.42	47,382,450.00	

Note No. 11

(Amount in Rs.)

Tangible Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Addition/Adj.	Sale/Adj.	As at 31.03.2012	As at 01.04.2011	For the Year	Adj./Written Back	As at 31.03.2012	WDV ON 31.03.2012	WDV ON 31.03.2011
Goodwill	78,540.00	-	78,540.00	-	62,832.00	15,708.00	78,540.00	-	-	15,708.00
Computer Software	999,078.00	563,250.00	-	1,562,328.00	357,621.00	392,770.00	-	750,391.00	811,937.00	641,457.00
Total	1,077,618.00	563,250.00	78,540.00	1,562,328.00	420,453.00	408,478.00	78,540.00	750,391.00	811,937.00	657,165.00
Previous Year	558,868.00	518,750.00	-	1,077,618.00	250,985.92	169,467.08	-	420,453.00	657,165.00	-

As per Accounting Policy [Refer Note no. 2 (4)], The goodwill has been completely written off in the current year.

Note No. 12

(Amount in Rs.)

Capital Work in Progress

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Addition/Adj.	Sale/Adj.	As at 31.03.2012	As at 01.04.2011	For the Year	Adj./Written Back	As at 31.03.2012	WDV ON 31.03.2012	WDV ON 31.03.2011
Capital Work in Progress	33,433,595.00	3,917,521.00	-	37,351,116.00	-	-	-	-	37,351,116.00	33,433,595.00
Total	33,433,595.00	3,917,521.00	-	37,351,116.00	-	-	-	-	37,351,116.00	33,433,595.00
Previous Year	15,257,262.00	18,176,333.00	-	33,433,595.00	-	-	-	-	33,433,595.00	-

Capital Work in Progress represents fixed assets- office flat under construction. Details of Capital commitment as per Note no. 26(1).

Note No.	Particulars	Face Value	No. of Units/ Shares 31.03.2012	As at 31.03.2012 Rs.	No. of Units/ Shares 31.03.2011	As at 31.03.2011 Rs.
13	Non Current Investments-Non Trade-At Cost					
	I Unquoted - Equity Shares					
	Parishek Finance Private Limited	10	40,000	800,000.00	40,000	800,000.00
	Satin (India) Limited	10	150,000	2,500,000.00	150,000	2,500,000.00
	Satin Media Solutions Limited	10	150,000	3,000,000.00	150,000	3,000,000.00
	Alpha Micro Finance Consultants Private Limited	10	50,000	500,000.00	50,000	500,000.00
	Total (A)			6,800,000.00		6,800,000.00
	II Unquoted - Others					
	Government of India, Inscribed stock -6.17%	100	500	50,591.33	500	50,591.33
	Total (B)			50,591.33		50,591.33
	Grand Total			6,850,591.33		6,850,591.33
	Aggregate Cost of unquoted Investments			6,850,591.33		6,850,591.33

1. The above investments are held in the name of the Company, and in the opinion of the management are good for recovery for the value as stated in the Balance Sheet.

Amount in Rupees

Note No.	Particulars	As at 31.03.2011 Rs.	(Liability)/Assets/ Movements/during the year	As at 31.03.2012 Rs.
14	Deferred Tax Assets/(Liabilities)/Timing difference on account of			
	Depreciation	(752,518.09)	1,041.72	(751,476.37)
	Provisions created but not claimed in Income Tax	5,563,888.23	(149,934.28)	5,413,953.95
	Total Deferred Tax Assets	4,811,370.14	(148,892.56)	4,662,477.58

1. The above is pursuant to Accounting Standard -22 issued by The Institute of Chartered Accountants of India in respect of "Accounting for Taxes on Income". Accordingly necessary deferred tax liabilities and assets have been recognized.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
15	Long Term Loans & Advances Security Deposits - Unsecured		488,810.00		615,900.00
			488,810.00		615,900.00

1. In the opinion of management, the above loans and advances are good for recovery unless otherwise stated.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
16	Other Non-Current Assets Long term deposits having remaining maturity of more than 1 year		237,644,277.00		144,326,265.00
			237,644,277.00		144,326,265.00

1. For long term deposits refer Note No.18.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
17	Trade Receivables under Finance Contracts Amount Receivables under Finance Contracts (Loan Portfolio)	1,910,913,311.89		1,826,873,436.68	
	Less: Provision for Bad & Doubtful debts	6,024,695.78	1,904,888,616.11	5,704,148.09	1,821,169,288.59

1. As per prudential norms prescribed by the Reserve Bank of India on income recognition and provisioning for bad and doubtful debts, a provision of Rs. 1,07,77,634.53 (Previous year Rs. 1,02,53,757.99) stood at towards bad and doubtful debts. This includes an amount of Rs. 47,52,938.75 (Previous year Rs. 45,49,609.90) as provision for doubtful debts on standard assets as per notification no. DNBS.223/CGM(US)-2011 dated January 17, 2011 issued by Reserve Bank of India. As per the said notification the same has been shown as "Contingent Provisions against Standard Assets" under "Short-Term Provisions". In the opinion of the management the classification of various assets as per the prudential norms prescribed by the Reserve Bank of India are as under:

Asset classification	Loan Outstanding Amount in Rupees	
	As at 31.03.2012	As at 31.03.2011
Standard Assets	1,905,164,400.53	1,822,612,753.49
Substandard Assets	3,450,225.36	2,846,419.03
Doubtful Assets	2,298,686.00	1,414,264.16
Loss Assets	-	-
Total	1,910,913,311.89	1,826,873,436.68
Less: Provision for Bad and Doubtful Debts *	6,024,695.78	5,704,148.09
Net own assets	1,904,888,616.11	1,821,169,288.59
Managed Portfolio	1,290,524,434.00	469,371,700.00

- * The Company has followed the following provisioning policy:

For individual lending:

Overdue	Provisioning required
For overdue up to 180 days	Nil
For overdue 181 days to 365 days	10%
For overdue above 365 days	100%

For Group lending:

Overdue	Provisioning required
On time portfolio	0.5%
For overdue 1 to 30 days	10%
For overdue 31 to 90 days	50%
For overdue above 90 days	100%

The provision as per above provisioning policy is higher than the minimum prescribed by the Reserve Bank of India.

2. In the opinion of the Management, amount receivable under finance contracts are good for recovery unless otherwise stated. An amount of Rs 1,00,62,844.01 (Previous Year –Rs 1,23,09,299.24) has been written off / provided as bad debts during the year. In the opinion of management, the amounts, which are written off as bad debts, are not recoverable despite legal and other steps taken against erring borrowers.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
18	Cash & Cash Equivalents:				
	Cash on Hand		87,683,794.21		87,616,095.54
	Balance with banks in current accounts		249,779,289.46		70,004,297.41
	Term deposits for remaining maturity of 3 months or less		51,435,320.00		336,561,700.00
	Other Bank Balances				
	Term deposits for remaining maturity of more than 3 months and upto 1 year		445,081,923.95		359,316,130.67
			833,980,327.62		853,498,223.62

1. Total term deposits with banks and others amounting to Rs. 73,41,61,520.95 (Previous Year Rs. 84,02,04,095.67) includes long term deposits amounting Rs. 23,76,44,277.00 (Previous Year Rs. 14,43,26,365.00) as stated in Note No. 16. Out of this an amount of Rs. 65,80,88,115.95 (Previous Year Rs. 62,31,04,095.67) is under lien as security against term loan and overdraft facility availed, assets assigned and securitized.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
19	Short Term Loans & Advances - Unsecured				
	Staff Advance		2,971,145.24		1,108,439.80
	Income Tax (Net of Provisions)		1,406,284.56		-
			4,377,429.80		1,108,439.80

1. In the opinion of Management, the above loans and advances are good for recovery unless otherwise stated.

Note No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
20	Other Current Assets				
	Prepaid Expenses		6,500.00		7,672,002.00
	Interest accrued but not due		29,299,823.29		21,915,822.14
	Advances recoverable in cash or in kind or for value to be received		57,290,448.79		2,003,355.71
			86,596,772.08		31,591,179.85

1. In the opinion of Management, the above current assets are good for recovery unless otherwise stated.

Note No.	Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
21	Revenue from operations				
	Interest Income	425,353,032.11		462,889,835.79	
	Other operational income	136,365,149.25	561,718,181.36	123,286,739.42	586,176,575.21

1. During the year, the company has entered into a securitization contract for sale of certain loans (Pool of Assets) to bankruptcy remote Special Purpose Vehicle (SPV) in return of agreed consideration. The principal value of asset securitized was Rs 8,411.60 Lacs (Previous Year Rs. 2,510.49 Lacs). The Company has received a consideration from the SPV amounting to Rs 9,100.56 Lacs (Previous Rs. 2,760.98 Lacs). In respect of recognition of Income relating to the said securitization contract, the company has followed guidelines issued by RBI vide its notification no.DBOD.No.BP.BC.60/21.04.048/2005-06 dated 1st February 2006 and accordingly has amortized the gain/premium arising out of these transactions over the remaining life of securitized assets. The total gain on the said securitization has been Rs. 688.96 Lacs (Previous Year Rs. 250.49 Lacs) and out of which Rs. 467.29 Lacs (Previous Year Rs. 192.59 Lacs) has been recognized as income during the current financial year. The unamortized gain has been stated under trade payable.

Disclosures as per above-mentioned RBI guidelines as under:

Amount in Rs. Lacs

Number of Loan Assets Securitized	Book Value of Loan Assets Securitized	Sale consideration received for the securitized assets	Gain/(Loss) on sale on account of securitization	Form and quantum (outstanding value) credit enhancement.
74,608 (Previous Year 27,876)	8,411.60 (Previous Year 2,510.49)	9,100.56 (Previous Year 2,760.98)	688.96 (Previous Year 250.49)	1,023.77 (as cash collateral) (Previous Year 337.13)

2. During the year, the company has assigned loan portfolio having book value of Rs 9,278.50 Lacs (Previous Year Rs. 5,599.77 Lacs) for a consideration of Rs 10,083.86 Lacs (Previous Year Rs. 6,201.22 Lacs). The profit arising out of the said transactions, being the difference between the consideration and the book value of the loan portfolio assigned amounting to Rs 805.36 Lacs (Previous Year Rs. 601.45 Lacs) has been recognized over the life of receivables assigned and out of which Rs. 128.32 Lacs (Previous Year Rs. 169.05 Lacs) has been recognized as income during the current financial year. The unamortized gain has been stated under trade payable.

Note No.	Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
22	Other Income				
	Other Income		540,345.07		18,798.51

Note No.	Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
23	Finance Cost				
	Interest paid to Banks	150,180,553.95		182,193,786.70	
	Interest paid to Others	62,396,510.05		76,609,996.98	
	Interest on Debentures	14,466,401.25		397,808.00	
	Finance Charges	41,023,894.08	268,067,359.33	23,998,678.31	283,200,269.99

Note No.	Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
24	Employee Benefit Expenses				
	Salaries & Other Incentives	136,432,582.41		134,161,664.74	
	Contribution to Provident & Other Funds	11,118,155.00		10,628,152.00	
	Gratuity	3,324,735.00		219,959.00	
	Employee Welfare Expenses	2,669,672.00	153,545,144.41	4,140,954.50	149,150,730.24

1. Employee Benefit expenses include Director's Remuneration as per detail below:

Amount in Rupees

Particulars	Current Year	Previous Year
Salary	24,00,000.00	31,82,143.00
Contribution to Provident Fund, Gratuity & Others	6,88,000.00	20,55,492.00
Total	30,88,000.00	52,37,635.00

2. Also refer Note No. 6.

Note No.	Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
25	Other Expenses				
	Annual Listing Fee	197,709.00		215,190.80	
	Conveyance & Travelling	12,117,160.00		10,433,770.50	
	Direct Operational Expenses	24,374,670.24		37,805,154.27	
	Printing & Stationary	9,299,168.00		8,402,954.50	
	Communication	5,612,157.50		4,484,632.14	
	Business Promotion	2,247,410.00		660,594.00	
	Legal & Professional Charges	11,532,248.00		7,044,717.00	
	Insurance Charges	8,397,813.00		6,166,074.49	
	Office Expenses	11,269,598.50		8,893,742.38	
	Rent	10,066,629.00		10,494,837.00	
	Advertisement Expenses	167,866.00		1,048,206.00	
	Auditors' Remuneration	194,250.00		212,500.00	
	Subscription & Fee	909,791.00		1,436,309.00	
	Rates & Taxes	131,684.00		252,861.00	
	Repairs & Maintenance	969,243.00		882,713.00	
	Miscellaneous Expenses	5,271,014.00		2,087,046.00	
	Bad Debts Written off	9,538,967.46		7,042,213.82	
	Provision for Standard/Non Performing Assets	523,876.55		5,267,085.42	
	(Profit)/Loss on Sale of Fixed Assets	87,683.35	112,908,938.60	105,377.57	112,935,978.89

1. Conveyance & Travelling expenses Rs. 1,21,17,160.00 (Previous year Rs. 1,04,33,770.50) includes foreign travel expenses of Rs. 12,51,689.00 (Previous Year Rs. 1,35,772.00) out of which Director's foreign travelling expenses amounts to Rs 10,89,297.00 (Previous Year Rs. 89,363.00).

2. Auditors' remuneration includes the following:

Amount in Rupees

Particulars	Current Year	Previous Year
Audit Fees	1,25,000.00	1,00,000.00
Tax Audit Fees	25,000.00	20,000.00
Certification work	44,250.00	92,500.00
Total	1,94,250.00	2,12,500.00

3. For Bad Debts Written off and Provision for Standard/Non Performing Assets, refer Note Nos. 17(1) & 17(2).

Note No.26

- Estimated amount of contract remaining to be executed on capital account and not provided for Rs. 34.73 Lacs (Previous Year Rs. 63.10 Lacs).
- Contingent Liability: On account of guarantees given by the Company :-

Amount in Rupees Lacs

Particulars	Current Year	Previous Year
On account of managed portfolio	2,041.93	936.86
Others	12.91	62.44
Total	2,054.84	999.30

- The Company mainly operates in only one segment - Microfinance Loans, hence the Accounting Standards – 17, as notified in Companies (Accounting Standard Rules, 2006) on segment reporting is not applicable to the Company.
- Related party disclosures in terms of Accounting Standard 18 issued by The Institute of Chartered Accountants of India is as follows:

Name of Related party	Description of relationship	Nature of transaction	Volume of transaction # (Amount in Rs.)	Outstanding amount as at 31st March,2012# (Amount in Rs.)	Amount written off or written back # (Amount in Rs.)
Mr. H P Singh	Key Personnel	Remuneration	30,88,000.00 (31,02,400.00)	Nil (1,16,000.00 Cr)	Nil (Nil)
Mr. Satvinder Singh	Key Personnel	Remuneration	Nil (21,35,235.00)	Nil (Nil)	Nil (Nil)
Parishek Finance Private Limited	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (Nil)	8,00,000.00 Dr (8,00,000.00 Dr)	Nil (Nil)
Satin (India) Limited	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (Nil)	25,00,000.00 Dr. (25,00,000.00 Dr.)	Nil (Nil)
Satin Media Solutions Limited	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (12,58,163.00)	30,00,000.00 Dr. (30,00,000.00 Dr.)	Nil (Nil)

Figures in bracket pertain to previous year

The names and relationship with all the related parties with whom the Company had financial transaction have been included in the above list.

- The disclosure in respect of Accounting for leases as per AS- 19 is as under:-

Amount in Rupees

Particulars	As at 31.03.2012	As at 31.03.2011
Operating lease payments recognized during the year	100,66,629.00	104,94,837.00
Minimum lease obligations:		
- Not later than 1 year	54,37,222.00	51,84,004.76
- Later than 1 year but not later than 5 years	11,44,518.00	46,64,690.90
- Later than 5 years	-	-

6. Earnings Per Share

In accordance with the Accounting Standard 20 of 'Earnings Per Share' as notified by the Companies (Accounting Standards) Rules, 2006:

(i) Calculation of Earnings Per Share:

Particulars	Current Year	Previous Year
Net Profit after Tax available for appropriation (Rs.)	13,990,328.53	21,724,445.21
Weighted average number of Equity Shares for computation of Basic Earnings Per Share	17,784,256	12,740,518
Basic Earnings Per Share (Rs.)	0.79	1.71
Weighted average number of Equity Shares for computation of Diluted Earnings Per Share	18,390,130	13,193,052
Diluted Earnings Per Share (Rs.)	0.76	1.65

(ii) The reconciliation between Basic and Diluted Earnings per Share is as follows:

Particulars	Current Year	Previous Year
Basic Earnings Per Share (Rs.)	0.79	1.71
Effect of outstanding ESOS (Rs.)	(0.03)	(0.06)
Diluted Earnings Per Share (Rs.)	0.76	1.65

7. (i) Earning /Remittance (Inward) in Foreign currency :

Amount in Rupees

Nature	Current Year	Previous Year
Share Capital & Share Premium	-	42,40,80,000.00
Reimbursement of expenses	2,66,829.00	1,97,413.00
Total	2,66,829.00	42,42,77,413.00

(ii) Expenditure /remittance (Outward) in Foreign Currency:

Amount in Rupees

Nature	Current Year	Previous Year
Travelling expenses	10,29,523.00	1,28,875.00
Reimbursement of expenses for raising equity share capital	-	9,23,400.00
Fees & Subscription	3,82,011.00	-
Total	14,11,534.00	10,52,275.00

8. Disclosure as required by Para 13 of Non Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is as under: (Rs. in Lacs)

Particulars	Amount Outstanding	Amount Overdue
Liabilities Side		
1. Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
(a) Debentures : Secured	2,125.00	-
Unsecured (Other than falling within the meaning of public deposits)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	19,349.08	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(g) Other Loans (specify nature) -		
Public deposits	-	-
Other unsecured loans	3.93	-
Secured loans against assets of Company	73.90	-
Assets Side :	Amount Outstanding	
2. Break-up of Loans and advances including bills receivables (other than those included in (4) below) :		
(a) Secured		-
(b) Unsecured		19,621.79
3. Break-up of Leased Assets and Stock on hire and other assets counting towards AFC activities		
(I) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		-
(b) Operating lease		-
(II) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		-
(b) Repossessed Assets		-
(III) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		-
(b) Loans other than (a) above		-
4. Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted :		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

Particulars	Amount Outstanding
Long Term Investments :	
1. Quoted :	
(i) Shares : (a) Equity	–
(b) Preference	–
(ii) Debentures and Bonds	–
(iii) Units of Mutual funds	–
(iv) Government Securities	–
(v) Others (please specify)	–
2. Unquoted :	
(i) Shares : (a) Equity	68.00
(b) Preference	–
(ii) Debentures and Bonds	–
(iii) Units of mutual funds	–
(iv) Government Securities	0.51
(v) Others (please specify)	–
	68.51

5. Borrower group-wise classification of assets, financed as in (2) and (3) above :

Category	Amount Net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	–	–	–
(b) Companies in the same group	–	–	–
(c) Other related parties	–	–	–
2. Other than related parties	–	19,621.79	19,621.79
Total	–	19,621.79	19,621.79

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

Category	Market Value/Breakup or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	–	–
(b) Companies in the same group	63.00	63.00
(c) other related parties	–	–
2. Other than related parties	5.51	5.51
Total	68.51	68.51

7. Other Information

PARTICULARS	Amount
(i) Gross Non-Performing Assets	57.49
(a) Related Parties	–
(b) Other than related Parties	57.49
(ii) Net Non-Performing Assets	13.68
(a) Related Parties	–
(b) Other than related parties	13.68
(iii) Assets acquired in satisfaction of debt	–

9. Additional disclosure as required by the Reserve Bank of India: -

(i) Capital to Risk Assets Ratio ("CRAR")

Item	31.03.2012	31.03.2011
CRAR (%)	34.88	39.16
CRAR – Tier I Capital (%)	34.51	38.94
CRAR – Tier II Capital (%)	0.37	0.22

(ii) The Company has no exposure to real estate sector, both direct and indirect.

(iii) Asset Liability Management:-

Maturity pattern of certain items of assets and liabilities

(Rs. in Crores)

	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	TOTAL
Liabilities									
Borrowings from Banks	3.45	3.54	11.46	18.86	36.33	67.30	-	-	140.94
Market Borrowings	2.01	4.53	2.22	8.77	28.17	26.99	1.88	-	74.57
Assets									
Advances	35.41	44.22	12.38	38.39	94.57	85.57	-	-	310.54
Investments	-	-	-	-	-	-	-	0.69	0.69

10. The Company has not discontinued any operations hence there is no profit/loss on this account.

11. Based on the information available with the company, there is no outstanding dues to suppliers registered under "The Micro, Small and Medium Enterprises Development Act 2006" as at 31st March, 2012 (Previous year Nil).

12. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified/regrouped to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date annexed

For **A.K. Gangaher & Co.**
Chartered Accountants

A. K. Gangaher
Proprietor
M. No. 083674
Firm ICAI Regn. No. 004588N
Place : Delhi
Dated : 22.05.2012

For and on behalf of the Board of Directors

(H P Singh) **(Satvinder Singh)**
(Director) (Director)

(Kuldeep Singh Yadav)
(Company Secretary & Compliance Officer)



SATIN CREDITCARE NETWORK LTD.

SATIN CREDITCARE NETWORK LIMITED

Registered Office : 306, Lusa Tower, Azadpur Commercial Complex, Delhi-110033

ATTENDANCE SLIP

Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting. Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name and Address of the Member	Folio No./DP & Client ID
	No. of Shares Held.

I hereby record my presence at the 22nd Annual General Meeting held on 29th September, 2012 at 10.00 A.M. at 'TYAGI FARMS', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi - 110043.

SIGNATURE OF THE SHAREHOLDER/PROXY *

*Strike out whichever is not applicable.

SATIN CREDITCARE NETWORK LIMITED
Registered Office : 306, Lusa Tower, Azadpur Commercial Complex, Delhi-110033

PROXY FORM

I/We _____ resident of _____
being a Member/Members of Satin Creditcare Network Limited hereby appoint Mr./Mrs./
Miss _____ resident of _____ as my/our proxy
and to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Saturday,
the 29th September, 2012 at 10.00 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Signature _____

Folio No./DP & Client ID _____

No. of Shares Held _____

Affix Re.1 Revenue Stamp

Note :If a member is unable to attend the meeting, he/she may sign this form and send it to the Registered Office of the Company so as to reach atleast 48 hours before the time for holding the meeting.

BOOK-POST



If undelivered, please return to :

**SATIN CREDITCARE NETWORK LIMITED
306, Lusa Tower,
Azadpur Commercial Complex,
Delhi-110 033**