

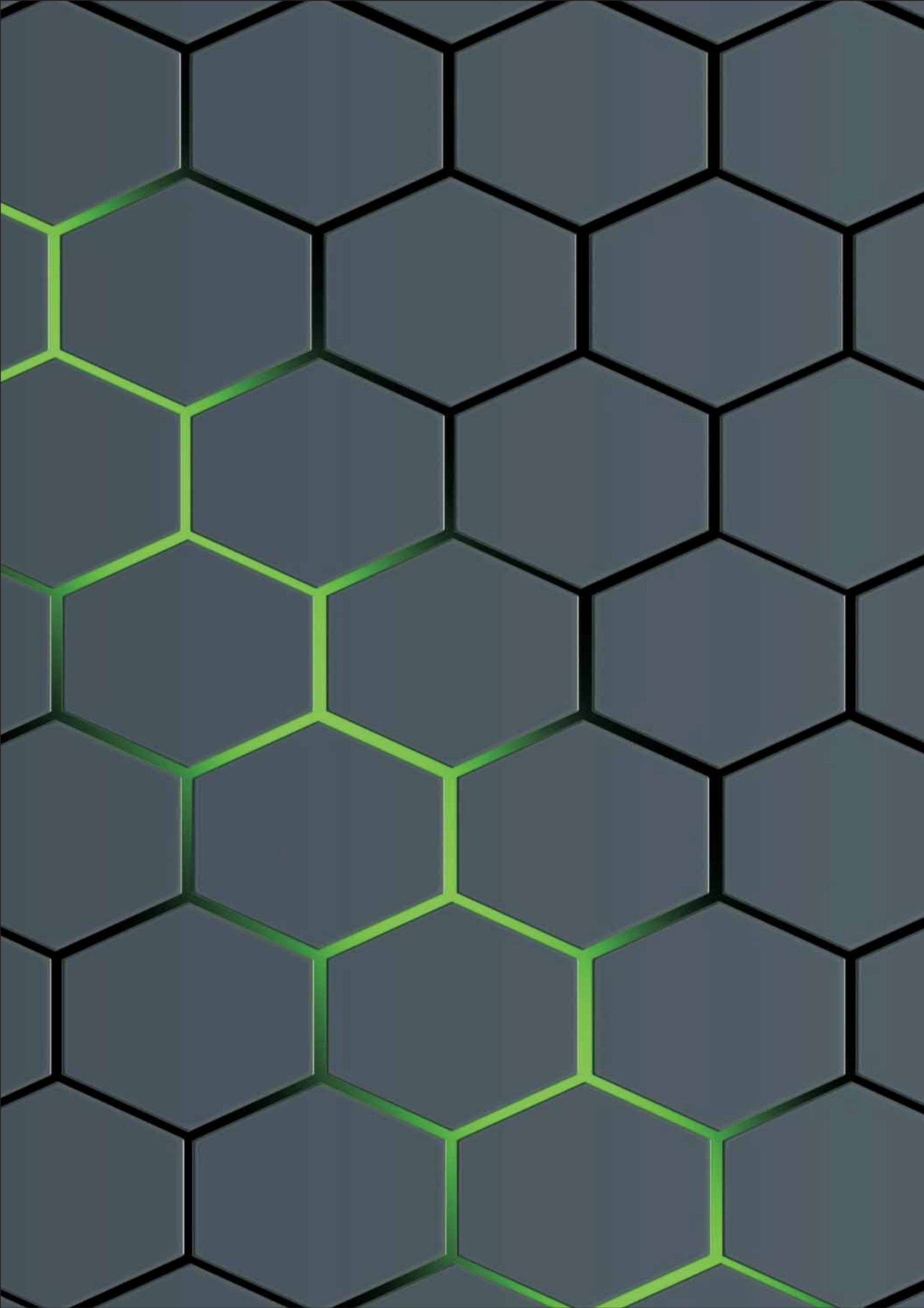
24<sup>th</sup> ANNUAL REPORT

2013-2014



**SATIN CREDITCARE NETWORK LTD.**

*Reaching out!*





# आनृशंसुतं डरु धरुडु:



These ancient words mean *'To be compassionate, kind, merciful and humane is a great virtue'*. They exemplify the spirit at Satin Creditcare Network Limited (SCNL) and deeply reflect in our ethos and value system. We understand the need of social value creation while being economically viable and operationally sustainable. Our concern for the excluded lot at the bottom of the pyramid reflects in our business model and hence we are in the business of "Financial Inclusion".

At SCNL we encourage community participation in our broader decision making framework and our products, policies and procedures revolves around customer centricity. This ensures that the dual bottom line is in the DNA of our business virtue. Our success is measured not just in our financials but the per capita smile we created amongst our borrowers and the well being we have generated for the society.

We are in deep conviction that the financially excluded families are in need of an array of financial services. Therefore, despite of operating in a restrictive regulatory regime which limits the scope of delivering full range of financial service; we address the critical missing link by enabling the people with credit input.

While "credit" is not the only driver of growth but we believe it is certainly a critical input for the poor people to progress out of poverty. Henceforth, we intend to continue to operate with strong aspiration of being a financial power house which could potentially resolve financial exclusion at the bottom of the pyramid.

SCNL is committed to create a large number of quality mainstream employments. In the process we want to be an employer of choice for young and educated professionals by fulfilling their professional aspirations.

While being socially relevant we are also responsible for incremental net worth of the company, to protect shareholders investment and commitment to provide them a competitive rate of return.

Our every action gets translated into transparency!

H P Singh

(Chairman cum Managing Director)







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# SCNL's Mission And Vision

## *Vision*

- To be a one stop solution for the financially excluded households at the bottom of the pyramid for all their financial requirements.
- To be a financial service power-house with a range of financial products designed and suited for the financially excluded community.

## *Mission*

SCNL has a mission to provide financial assistance to a large number of households which are excluded from the ambit of mainstream financial service providers so as to enhance their livelihood and promote a productive environment.



# SCNL's Geographical Reach



 Bihar

 Chandigarh

 Delhi

 Haryana

 Jammu

 Madhya Pradesh

 Punjab

 Rajasthan

 Uttar Pradesh

 Uttrakhand

## Message from Board Of Directors



“The FY 2013-2014, has been great for all of us at SCNL. The assiduous effort put in by every individual at SCNL paid off well as we achieved our target of crossing Rs. 1000 Cr. Thank you all for a great teamwork. This year too SCNL aim to continue its mission to provide financial assistance to a large number of households which are excluded from the ambit of mainstream financial service providers so as to enhance their livelihood and promote a productive environment. I look forward to your continuous support & belief in all of us.” - Mr. H P Singh (Chairman cum MD)



“The journey till date has been eventful and exciting and looking back from here is rejoicing. I would like to thank the entire team for their tireless effort and being closely aligned to the mission of the company. There is no doubt that we set high standard for ourselves and our team who worked hard at every level taking us to a new level each time.” - Mr. Satvinder Singh (Director)





“Now in my fourth year as a Director of SCNL I am continuously impressed with the dedication and commitment that I see amongst all staff of the organization and at all levels of the company’s personnel. SCNL is a real life example that “a company is only as good as its people” and the people of SCNL are a unique group of individuals all working together in concert, for the greater good of the company, its customers, each other and the shareholders.” - Mr. Davis Golding (Investor Director –Nominee of ShoreCap II Ltd.)



“During my 3 years of association with SCNL, as a nominee director, I have been impressed with the dedication and commitment exhibited by the company’s employees, throughout the organisation, starting from the loan officers to the senior management. I consider this as the most valuable asset, the company has. Even in the toughest times faced by the industry, SCNL has managed to operate efficiently and profitably, and has shown a consistent growth in its performance every year. My best wishes to the company for a very bright future!” - Ms. Deepa Hingorani (Investor Director –Nominee of Danish Microfinance)



“I want to congratulate the entire staff of SCNL for their performance over the past year. Through your hard work SCNL experienced excellent growth and became an even stronger company. 2013 marked a key milestone for SCNL: it was among the first institutions to be granted full NBFC-MFI status from the Reserve Bank of India, recognizing SCNL’s standing in the country’s financial marketplace. During the course of the year I was pleased to be able to visit a few of our branches and was very impressed with the dedication and professionalism of our employees. The conversations I have had with SCNL’s customers confirm this.” - Mr. Richard B. Butler (Investor Director –Nominee of MV Mauritius)



“This is my first year as a board member with SCNL. During my first board meeting I was glad to meet fellow board members. The active participation by everyone and the openness to accept suggestions through mutual consent was what I really liked along with competent management and the ability to increase shareholder value. I look forward to be associated with SCNL” - Mr. Ole Peder Sandsbraaten (Investor Director – Nominee of M/s NMI Fund III KS)



“I have experienced at SCNL Honesty, Integrity, Innovation and Dedication. I have also observed perfection in strategizing, adapting and executing decisions by the team. This has kept the company growing year over year.” - Mr. Rakesh Sachdeva (Independent Director)



“It has been a long journey that started in 2003 when I joined the board of SCNL. I have seen the organization getting up, crawling, standing on its feet, barely falling down and getting up once again with much more vigour and strength. It is a pleasure to see the SCNL running and running very fast. I am sure we will even grow larger and cater to a large number of households needing financial assistance. Thanks to the entire team for their exceptional commitment and contribution.” - Mr. S. S. Chawla (Independent Director)



“Last one year as a board member of SCNL has been a thrilling experience. I have seen the spectacular growth of 82% in one year while managing a high quality portfolio on the ground. I am sure this could not have been possible without tireless commitment shown by the entire team. The NBFC MFI license to SCNL would certainly add more legitimacy to the organization and thereby attract more confidence of stakeholders. Congratulations to the whole team” - Mr. Sundeep Kumar Mehta (Independent Director)



“It has been great to be a part of SCNL and the last year has been a wonderful association. I am totally convinced that SCNL follows a strong governance standard and the results are visible through its growth and social relevance. SCNL’s commitment to include a large number of financially excluded families into the ambit of financial inclusion is truly praiseworthy. I take this opportunity to congratulate the entire team.” - Dr. Sangeta Khorana (Independent Director)





# SCNL's Client Success Stories



## Some of Our Success Stories



**Seema** aged 29 years is a resident of Hapur region where she lives with her husband who is a labor, two children and her mother in-law. Four years back Seema bought a Buffalo with her savings & the money contributed out to her by SCNL. Today she is not only a proud owner of 3 buffalos but also has two more newly born calves and she is running a successful business of supplying milk to the local milkman. She is a source of inspiration to many women in her village.



**Anita** aged 37 years is a resident of village Kua Kheda. She lives with her husband and four children who study in the local school in the neighbouring village. In year 2011 Anita came to SCNL for a loan of Rs. 15,000 and joined the SCNL family under the JLG model. Since then Anita has been associated with SCNL and her income through her General Store in the village is growing.



**Bhagwan Dai** aged 38 years lived happily in the state of Uttar Pradesh with her husband, two sons and a daughter. But in February 2009 her life took another turn and their financial condition had a set back and soon they hardly had any financial means to take care of their needs. Her sister in-law was already associated with SCNL and soon Bhagwan Dai too got associated with SCNL's JLG Loan wherein she was provided an initial amount of Rs.10,000 by SCNL to start a small scale work of selling Peanuts & Ladoos (Indian sweets). Today, Bhagwan Dai has expanded her business and in addition to Peanuts and Ladoos she also sells Chana (grams), Chaulai Ladoo, Parmal Ladoo and Tikkiya.



**Sanju** aged 30 years is a resident of Palwal region where she lives with her husband who is a farmer and a 3 year old son. Sanju got associated with SCNL about 4 years back when the financial status of her family was very low and she wanted to help her husband. With the money contributed out to her by SCNL, Sanju bought a Buffalo with her first credit. Since then she has taken two more loans and there has been no looking back for Sanju who today has 3 buffalos and 1 cow and supplies milk to the local milkman. Today, Sanju has proved to the world that there is no force equal to that of a determination of a woman.



**Neelam** aged 28 years approached SCNL in the year 2013 to purchase sewing machines and start her own tailoring shop in her village. Soon she got associated with SCNL's JLG loan model and was given Rs. 15,000. Today, Neelam has not only purchased a sewing machine and tailors ladies garments but also earns approximately Rs. 5,000 p.m. and lives happily with her husband and two children. Today, Neelam is an empowered women.



**Samina** aged 40 years lives with her four children (Ibran, Jishan, Wasim and Nasim), husband and her father in-law in Joya Amroha, Hapur. Samina was finding it difficult to manage the expenses of her family in such limited means wherein her husband was the only breadwinner of the family. She wanted to help her husband and support him financially and this is when Samina was introduced to SCNL by her neighbour in 2009. Since then Samina has been associated with SCNL and has taken loan of Rs.10,000 ; Rs.14,000; Rs.20,000 and Rs.40,000 respectively to help her husband in manufacturing & trading of jackets for men that are supplied in wholesale market in Joya

# Corporate Information

## BOARD OF DIRECTORS

<b>Sh. H P Singh</b>	<b>Chairman cum Managing Director</b>
<b>Sh. Satvinder Singh</b>	<b>Director</b>
<b>Sh. Rakesh Sachdeva</b>	<b>Director</b>
<b>Sh. Sujan Singh Chawla</b>	<b>Director</b>
<b>Sh. Davis Frederick Golding</b>	<b>Director</b>
<b>Smt. Deepa A. Hingorani</b>	<b>Director</b>
<b>Sh. Sundeep Kumar Mehta</b>	<b>Director</b>
<b>Sh. Richard Benjamin Butler</b>	<b>Director</b>
<b>Smt. Sangeeta Khorana</b>	<b>Additional Director</b>
<b>Sh. Ole Peder Sandsbraaten</b>	<b>Additional Director</b>

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Choudhary Runveer Krishanan**

## AUDITORS

**M/s A. K. Gangaher & Co.  
Chartered Accountants**

## BANKERS & OTHER LENDERS

Allahabad Bank  
Ananya Finance for Inclusive Growth Private Limited  
Andhra Bank  
Axis Bank Limited  
Bank of India  
Bank of Maharashtra  
BNP Paribas  
Canara Bank  
Central Bank of India  
Corporation Bank  
Dena Bank  
Development Credit Bank Limited  
Dhanlaxmi Bank  
HDFC Bank Limited  
ICICI Bank Limited  
IDBI Bank  
IFMR Capital Finance Private Limited  
Indian Bank  
Indo Star Private Limited  
Indusind Bank  
ING Vysya Bank  
M. V. Microfinance Private Limited  
Maanaveeya Development & Finance Private Limited  
MAS Financial Services Limited  
Oriental Bank of Commerce  
Reliance Capital Limited  
Small Industries Development Bank of India  
Societe Generale



Standard Chartered Bank  
State Bank of India  
State Bank of Mauritius  
Syndicate Bank  
The Hongkong & Shanghai Banking Corporation Limited (HSBC)  
The Karur Vysya Bank Limited  
The Ratnakar Bank Limited  
The South Indian Bank Limited  
Union Bank of India  
United Bank of India  
Vijaya Bank  
Yes Bank Limited

**REGISTERED OFFICE**

**Satin Creditcare Network Ltd.**  
CIN L65991DL1990PLC041796  
5<sup>th</sup> Floor, Kundan Bhawan,  
Azadpur Commercial Complex,  
Azadpur, Delhi-110033, India  
*(With effect from 26<sup>th</sup> May, 2014)*

**REGISTRAR & TRANSFER  
AGENT (EQUITY SHARES  
& 12% CUMULATIVE, RATED,  
NON-PARTICIPATIVE, NON-  
CONVERTIBLE, COMPULSORILY  
REDEEMABLE PREFERENCE  
SHARES)**

**Link Intime India Pvt. Ltd.**  
44, Community Center, 2<sup>nd</sup> floor,  
Naraina Industrial Area, Phase-I,  
Near PVR Naraina,  
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.satincreditcare.com](http://www.satincreditcare.com)

## Products And Services

Purpose Wise Outstanding	No. of Borrowers	Gross Loan Outstanding (Rs. Crores)	%
Agriculture & Animal Husbandry	457559	603.71	57.17
Trade & Service	252405	338.17	32.02
Production	63128	80.71	7.64
Others	26936	33.47	3.17
<b>Total</b>	<b>800028</b>	<b>1056.06</b>	<b>100</b>

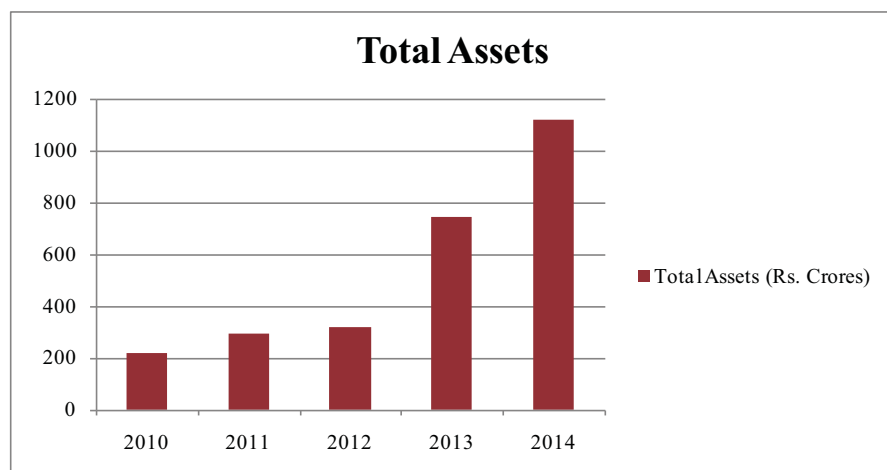
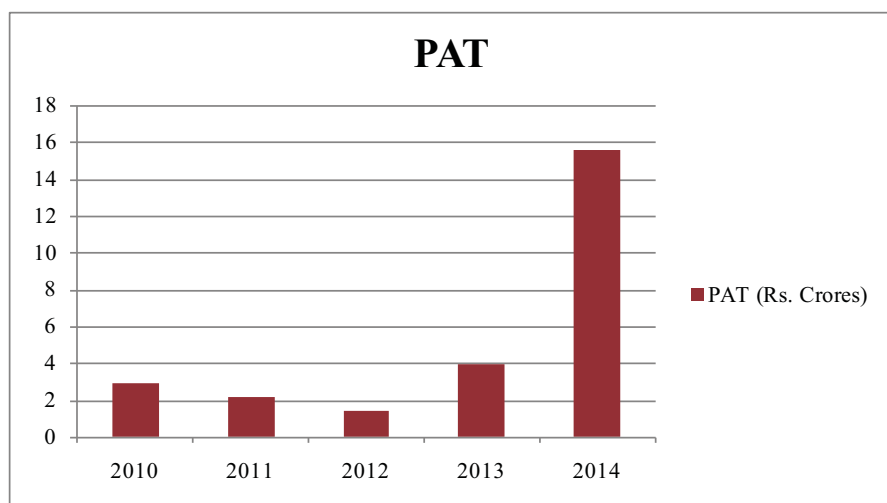
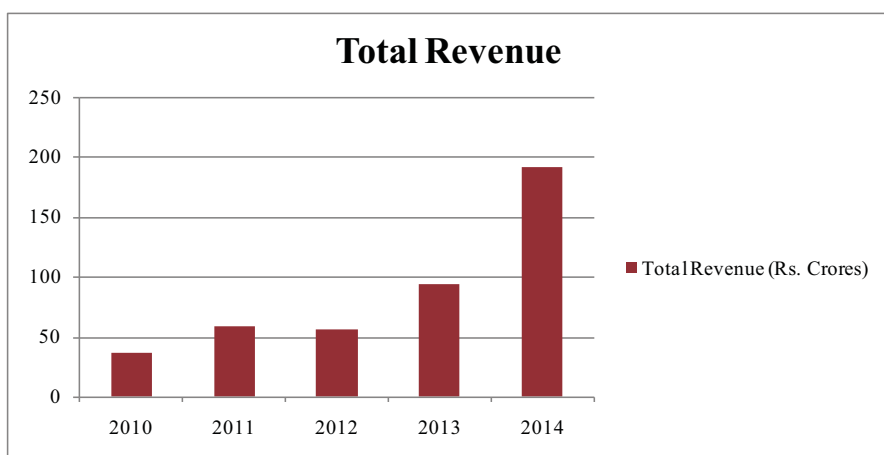


### Loan Amount Product & Service

Loan Term	<=INR 15000/- loan for 12 months and above > INR 15000/- loan for minimum of 24 months
Finance Amounts	<= INR 35000/- in the first cycle (Maximum Indebtness / Borrower in 1st cycle) <= INR 50000/- in the subsequent cycles (Maximum Indebtness / Borrower in 2nd cycle and above)
Interest Rate	< = 26%
Repayment Policy	Weekly / Fortnightly / Monthly as per borrower's choice
Loan Processing Fees	1% of the finance amount plus applicable tax

# Financial Highlights

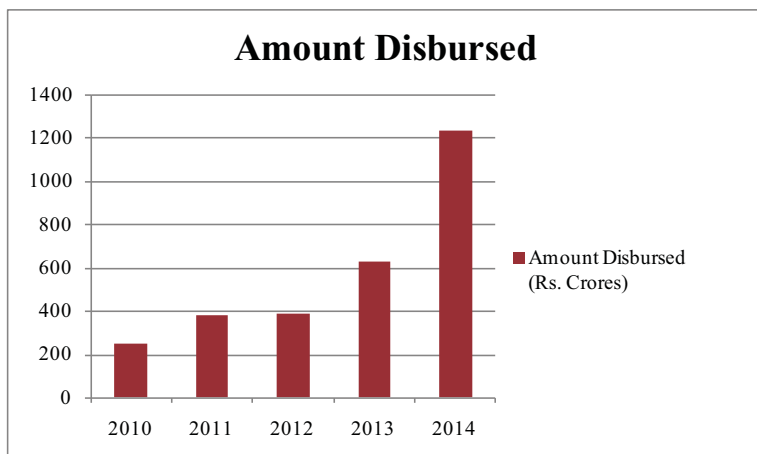
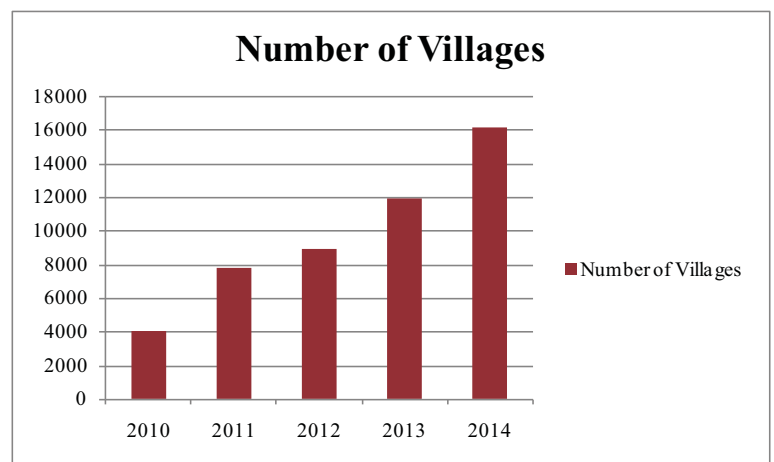
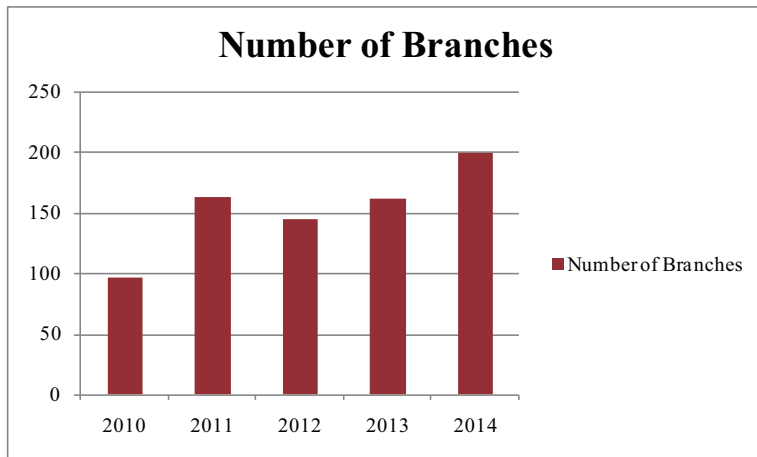
	2010	2011	2012	2013	2014
Total Revenue (Rs. Crores)	36.03	58.62	56.23	94.33	191.65
PAT (Rs. Crores)	2.92	2.17	1.40	3.90	15.56
Total Assets (Rs. Crores)	220.24	294.54	316.51	745.19	1115.77





# Operational Highlights

	2010	2011	2012	2013	2014
Number of Branches	97	163	144	161	199
Number of Villages	4013	7773	8888	11945	16135
Amount Disbursed (Rs. Crores)	247.21	381.01	387.50	626.41	1229.20



# Notice

Notice is hereby given that the Twenty Fourth Annual General Meeting of **SATIN CREDITCARE NETWORK LIMITED** will be held on Friday, the 05<sup>th</sup> September, 2014 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 31<sup>st</sup> March, 2014, Statement of Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare Final Dividend on Preference Shares (12% Cumulative, Rated, Non Participative, Non Convertible, Compulsorily Redeemable Preference Shares) for the financial year 2013-14.
3. To appoint a Director in place of Shri Davis Frederick Golding (DIN: 00440024), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s A.K. Gangahar & Co. Chartered Accountants (ICAI Registration No. 004588N) 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 with or without modification(s) the following resolution as an Ordinary Resolution:**

**“Resolved That** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, and as per Articles of Association of the Company, Shri Rakesh Sachdeva (DIN:00333715), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from the date of this Meeting, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and not liable to retire by rotation.”

6. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**“Resolved That** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, and as per Articles of Association of the Company, Shri Sujan Singh Chawla (DIN:00333619), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from the date of this Meeting, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and not liable to retire by rotation.”

7. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**“Resolved That** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, and as per Articles of Association of the Company, Shri Sundeep Kumar Mehta (DIN:00840544), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from the date of this Meeting, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and not liable to retire by rotation.”

8. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**“Resolved That** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, and as per Articles of Association of the Company,

Smt. Sangeeta Khorana (DIN: 06674198), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose her as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from the date of this Meeting, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and not liable to retire by rotation.”

**9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“**Resolved That** Shri Ole Peder Sandsbraaten (DIN:06829806), who was appointed as an additional director by the Board under Section 161 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

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

**Place:** Delhi  
**Dated:** 26<sup>th</sup> May, 2014

**Choudhary Runveer Krishanan**  
(Company Secretary & Compliance Officer)

## NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company.**
2. The proxy form duly completed must reach the registered office not later than 48 hours before the commencement of the Meeting. A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 113 of the Companies Act, 2013. The representative so appointed, shall have the right to appoint a proxy.
3. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, (“Rules”) setting out all material facts in respect of the business specified in this notice and the reasons thereto is annexed hereto.
4. The register of members and share transfer books of the Company shall remain closed from 22<sup>nd</sup> August, 2014 to 05<sup>th</sup> September, 2014 (both days inclusive) for annual closing and determining the entitlement of the preference shareholders to the final dividend for 2013.
5. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to the member (s) whose name(s) appear on the Register of Members as on 21<sup>st</sup> August, 2014.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. Members may also note that the Notice of the 24<sup>th</sup> Annual General Meeting and the Annual Report for year ended 31<sup>st</sup> March, 2014 will also be available on the Company’s website “[www.satincare.com](http://www.satincare.com)” for their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office in Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company’s investor email id: “[investor@satincare.com](mailto:investor@satincare.com)”. The Company has a dedicated e-mail address “[investor@satincare.com](mailto:investor@satincare.com)” for shareholders to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest.
9. The Company’s website “[www.satincare.com](http://www.satincare.com)” has a dedicated section on investors.
10. SEBI has placed the Company’s shares under compulsory demat i.e. transactions in the Company’s shares are required to be done only in the demat form. Further considering the advantages of scripless trading like exemption from stamp duty, elimination of bad deliveries, reduction in transaction costs, improved liquidity etc., members are requested to consider dematerialisation of their shareholding, if not already done, to avoid inconvenience in future.
11. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.
12. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the General Meeting.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.



## VOTING THROUGH ELECTRONIC MEANS:

In accordance with the provisions of Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer an e-voting facility to shareholders to cast their vote through such e-voting system. Notice of this meeting shall be provided to all shareholders who have registered their email ids with the Company or the Registrar and Transfer Agent/Depository Participants and dispatched to other members who has not updated their email details. Necessary arrangements have been made by the Company with National Securities Depository Limited to facilitate e-voting. E-voting is optional.

If you have any queries, please refer to Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the 'downloads' section of "[www.evoting.nsdl.com](http://www.evoting.nsdl.com)".

## INSTRUCTIONS FOR E-VOTING:

- (a) Launch an internet browser and type the following URL: <https://www.evoting.nsdl.com>
- (b) Click on "Shareholder" – "Login".
- (c) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- (d) If you are logging in for first time, please type in your user ID and initial password as provided.
- (e) Click Login.
- (f) When the password change menu appears, change your password to a phrase of your choice with a minimum of 8 digits/characters or a combination thereof. Note the new password. It is strongly recommended that you do not share your password with any other person and take care to keep your password confidential.
- (g) The home page of "e-Voting" should open thereafter. Click on "e-Voting":- Active Voting Cycles.
- (h) Select "EVEN" of Satin Creditcare Network Limited.
- (i) Now you are ready for "e-Voting" as "Cast Vote" page opens.
- (j) Cast your vote by selecting the appropriate option and click on "Submit" and also "Confirm" when prompted.
- (k) Institutional shareholders (i.e. other than individuals, HUF, NRI etc) are also required to send a scanned copy (PDF/JPG format) of the relevant board resolution/authority letter etc. together with an attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the scrutinizer by an e-mail to "[evotingrajivbhatia@gmail.com](mailto:evotingrajivbhatia@gmail.com)" with a copy marked to "[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)".
- (l) The electronic voting facility will be available during the following voting period:

Commencement of E-Voting (10.00 AM Onwards)	End of E-Voting (Till 5.00 PM)
01 <sup>st</sup> September, 2014	03 <sup>rd</sup> September, 2014

The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(m) The Board of Directors has, at their meeting held on 26<sup>th</sup> May, 2014, appointed Shri Rajiv Bhatia, Practicing Chartered Accountant, as the scrutinizer to scrutinize e-voting process in a fair and transparent manner.

(n) Members may contact Choudhary Runveer Krishanan, Company Secretary & Compliance Officer, at 011-47545000 and/or at email "[runveer.krishanan@satincreditcare.com](mailto:runveer.krishanan@satincreditcare.com)" for any information or queries pertaining to electronic voting.

(o) The results declared along with the scrutinizer's report shall be placed on the website of the Company at "<https://www.satincreditcare.com>" and on the website of NSDL at "<https://www.evoting.nsdl.com>" within 2 business days of the decision on the resolution at the General Meeting.

(p) Subject to receipt of the sufficient votes, the resolution shall be deemed to be passed on the date of the General Meeting.

(q) Notice of the meeting is also displayed at “<https://www.satincare.com>”

(r) User Manual for electronic voting is available at “<https://www.evoting.nssl.com>”

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

**Place:** Delhi  
**Dated:** 26<sup>th</sup> May, 2014

**Choudhary Runveer Krishanan  
(Company Secretary & Compliance Officer)**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONGWITH THE NOTICE DATED 26<sup>th</sup> MAY, 2014**

**Item No. 5**

In terms of Section 149, 150 and 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Independent Directors shall hold office for a period of up to 5 (five) consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 (five) years each. In terms of revised Clause 49 of the listing agreement which will be applicable from 1<sup>st</sup> October, 2014, persons who have already served as Independent Directors on the Board of a company for 5 years or more can be appointed for only one term of 5 years.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Director which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Shri Rakesh Sachdeva is a Non-Executive Independent Director of the Company. As per his existing terms of appointment, the period of his office is liable to determination by retirement by rotation and under the new Companies Act, 2013, the Independent Directors are not liable to retire by rotation. Shri Rakesh Sachdeva joined the Board in April 1999. He is a Fellow member of the Institute of Chartered Accountants of India. He previously served as Executive Director at the Company and is now actively involved in evaluating the Company's macro issues. Prior to joining SCNL, he has worked with Apollo Tyres Ltd. and was Vice President of Corporate Finance at U.K. Paints Group, controlling M/S Berger Paints (India) Ltd., Rajdoot Paints Ltd. and Malibu Estate Pvt. Ltd.

Brief resume of Shri Rakesh Sachdeva, including nature of his expertise, educational and professional qualifications, nature of working experience, achievements, name(s) of the companies in which he holds directorships (if any), memberships and chairmanships in various Committees, his shareholding (if any) in the Company, relationship between directors inter-se are provided in Corporate Governance Report forming part of the Annual Report and also at “Annexure-A” of this Notice. This statement may also be regarded as a disclosure under Clause 49 of the listing agreement.

The Company has received from Shri Rakesh Sachdeva (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) declarations to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has received a written notice as prescribed under Section 160 of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Rakesh Sachdeva as a Director of the Company.

Pursuant to the coming into force of Section 149 of the Companies Act, 2013 from 1<sup>st</sup> April, 2014, the Company has re-assessed the status of its directors with a view to determining their qualifying for classification as Independent Directors in terms of Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Rakesh Sachdeva fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Shri Rakesh Sachdeva as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except for Shri Rakesh Sachdeva, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Rakesh Sachdeva as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Rakesh Sachdeva as an Independent Director, for the approval by the shareholders of the Company.

**Item No. 6**

In terms of Section 149, 150 and 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Independent Directors shall hold office for a period of up to 5 (five) consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 (five) years each. In terms of revised Clause 49 of the listing agreement which will be applicable from 1<sup>st</sup> October, 2014, persons who have already served as Independent Directors on the Board of a company for 5 years or more can be appointed for only one term of 5 years.



The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Director which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Shri Sujan Singh Chawla is a Non-Executive Independent Director of the Company. As per his existing terms of appointment, the period of his office is liable to determination by retirement by rotation and under the new Companies Act, 2013, the Independent Directors are not liable to retire by rotation. Shri Sujan Singh Chawla, aged 85 years is Director in the Company. He is a Law and Arts Graduate and is providing his valuable guidance through the board meeting. Before joining SCNL, he has served the Lok Sabha Secretariat as a Deputy Secretary for 32 years and joined the Board of the Company on 1<sup>st</sup> October, 2008. He was also on the board of the Company during the period 4<sup>th</sup> March, 2003 to 30<sup>th</sup> September, 2008.

Brief resume of Shri Sujan Singh Chawla, including nature of his expertise, educational and professional qualifications, nature of working experience, achievements, name(s) of the companies in which he holds directorships (if any), memberships and chairmanships in various Committees, his shareholding (if any) in the Company, relationship between directors inter-se are provided in Corporate Governance Report forming part of the Annual Report and also at “Annexure-A” of this Notice. This statement may also be regarded as a disclosure under Clause 49 of the listing agreement.

The Company has received from Shri Sujan Singh Chawla (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) declarations to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has received a written notice as prescribed under Section 160 of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Sujan Singh Chawla as a Director of the Company.

Pursuant to the coming into force of Section 149 of the Companies Act, 2013 from 1<sup>st</sup> April, 2014, the Company has re-assessed the status of its directors with a view to determining their qualifying for classification as Independent Directors in terms of Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Sujan Singh Chawla fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Shri Sujan Singh Chawla as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except for Shri Sujan Singh Chawla, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Sujan Singh Chawla as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Sujan Singh Chawla as an Independent Director, for the approval by the shareholders of the Company.

#### **Item No. 7**

In terms of Section 149, 150 and 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Independent Directors shall hold office for a period of up to 5 (five) consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 (five) years each. In terms of revised Clause 49 of the listing agreement which will be applicable from 1<sup>st</sup> October, 2014, persons who have already served as Independent Directors on the Board of a company for 5 years or more can be appointed for only one term of 5 years.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Director which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Shri Sundeep Kumar Mehta is a Non-Executive Independent Director of the Company. As per his existing terms of appointment, the period of his office is liable to determination by retirement by rotation and under the new Companies Act, 2013, the Independent Directors are not liable to retire by rotation. Shri Sundeep Kumar Mehta joined the Company on 13<sup>th</sup> February, 2013 as an Additional Director. He was subsequently appointed by the Members at the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2013. Shri Sundeep Kumar Mehta heads International Quality Management Systems and First HR based at Noida, as Director, specializing in strategic redirection, trainer, consultant and advisor HRD and OD, as well as Trainer and Consultant for Quality Management Systems. He worked in the capacity of GM – Human Resources accountable for HR, Administration & Corporate Affairs functions for group companies, Devyani Beverages Ltd., Varun Beverages Ltd., and Pepsi cola Nepal Pvt. Ltd. He Excelled at HR Head Levels with Eicher R & D, Bata India Ltd, Escorts Ltd. He was Chief Manager-HRD with Escorts Limited, He has undertaken various assignments and completed for Panacea Biotech Ltd.

Brief resume of Shri Sundeep Kumar Mehta, including nature of his expertise, educational and professional qualifications, nature of working experience, achievements, name(s) of the companies in which he holds directorships (if any), memberships and chairmanships in various Committees, his shareholding (if any) in the Company, relationship between directors inter-se are provided in Corporate Governance Report forming part of the Annual Report and also at ‘Annexure-A’ of this Notice. This statement may also be regarded as a disclosure under Clause 49 of the listing agreement.

The Company has received from Shri Sundeep Kumar Mehta (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) declarations to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has also received a written notice as prescribed under Section 160 of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Sundeep Kumar Mehta as a Director of the Company.

Pursuant to the coming into force of Section 149 of the Companies Act, 2013 from 1<sup>st</sup> April 2014, the Company has reassessed the status of its directors with a view to determining their qualifying for classification as Independent Directors in terms of Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Sundeep Kumar Mehta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Shri Sundeep Kumar Mehta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except for Shri Sundeep Kumar Mehta, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Sundeep Kumar Mehta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Sundeep Kumar Mehta as an Independent Director, for the approval by the shareholders of the Company.

#### **Item No. 8**

In terms of Section 149, 150 and 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Independent Directors shall hold office for a period of up to 5 (five) consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 (five) years each. In terms of revised Clause 49 of the listing agreement which will be applicable from 1<sup>st</sup> October, 2014, persons who have already served as Independent Directors on the Board of a company for 5 years or more can be appointed for only one term of 5 years.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Director which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Smt. Sangeeta Khorana, aged 50 years, joined the board in October, 2013. She belongs to the fraternity of Indian Civil Services and is a doctorate in International Economics from University of St. Gallen Switzerland. She has over 15 years of experience and has worked with distinctive International and National organizations’ at various high capacities. Her experience and the achievement in the field of media and publications has won her recognition; Co- Authored few books primarily Innovation in Management Practices, Human rights and International trade, written various articles, hosted talk shows for PM David Cameron and facilitated as key note speaker at sundry conferences Nationally and Internationally. She joined the Board of Directors on 1<sup>st</sup> October, 2013 as an Additional Director in accordance with the provisions of Section 260 of the Companies Act, 1956. The term of her office as an Additional Director will expire on this Annual General Meeting.

The Company has received from Smt. Sangeeta Khorana (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) declarations to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has received a written notice as prescribed under Section 160 of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Smt. Sangeeta Khorana as a Director of the Company.

Brief resume of Smt. Sangeeta Khorana, including nature of her expertise, educational and professional qualifications, nature of working experience, achievements, name(s) of the companies in which she holds directorships (if any), memberships and chairmanships in various Committees, her shareholding (if any) in the Company, relationship between directors inter-se are provided in Corporate Governance Report forming part of the Annual Report and also at “Annexure-A” of this Notice. This statement may also be regarded as a disclosure under Clause 49 of the listing agreement.

Pursuant to the coming into force of Section 149 of the Companies Act, 2013 from 1<sup>st</sup> April, 2014, the Company has reassessed the status of its directors with a view to determining their qualifying for classification as Independent Directors in terms of Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Smt. Sangeeta Khorana fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Smt. Sangeeta Khorana as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except for Smt. Sangeeta Khorana, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Smt. Sangeeta Khorana as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Smt. Sangeeta Khorana as an Independent Director, for the approval by the shareholders of the Company.

#### **Item No. 9**

Shri Ole Peder Sandsbraaten has joined the Company on 26<sup>th</sup> May, 2014 as an Additional Director and as per the provisions of Section 161 of the Companies Act, 2013, he will hold office as a Director only till the date of this Annual General Meeting. The Company has received a notice as prescribed under Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- signifying his intention to propose Shri Ole Peder Sandsbraaten as a Director of the Company liable to retire by rotation. The Company has received from Shri Ole Peder Sandsbraaten (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013. Brief resume of Shri Ole Peder Sandsbraaten, including nature of his expertise, educational and professional qualifications, nature of working experience, achievements, name(s) of the companies in which he holds directorships (if any), memberships and chairmanships in various Committees, shareholding in the Company (if any), relationship between directors inter-se are provided in Corporate Governance Report forming part of the Annual Report and also at “Annexure-A” of this Notice. This statement may also be regarded as a disclosure under Clause 49 of the listing agreement.

Shri Ole Peder Sandsbraaten is not disqualified from being appointed as Director under Section 274(1)(g) of the Companies Act, 1956 and under Section 184 of the Companies Act, 2013.

The Board of Directors recommends the passing of the resolution.

Except Shri Ole Peder Sandsbraaten, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution

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

**Place:** Delhi  
**Dated:** 26<sup>th</sup> May, 2014

**Choudhary Runveer Krishanan  
(Company Secretary & Compliance Officer)**

Annexure - A

Name of the Director	Shri Davis Frederick Golding	Shri Rakesh Sachdeva	Shri Sujan Singh Chawla	Shri Sundeep Kumar Mehta	Smt. Sangeeta Khorana	Shri Ole Peder Sandsbraaten
DIN	00440024	00333715	00333619	00840544	06674198	06829806
Date of Appointment	12 <sup>th</sup> February, 2011	30 <sup>th</sup> April, 1999	1 <sup>st</sup> October, 2008	13 <sup>th</sup> February, 2013	1 <sup>st</sup> October, 2013	26 <sup>th</sup> May, 2014
Date of Birth	18 <sup>th</sup> November, 1958	23 <sup>rd</sup> March, 1958	1 <sup>st</sup> April, 1929	21 <sup>st</sup> September, 1961	1 <sup>st</sup> November, 1963	19 <sup>th</sup> October, 1963
Brief Profile/Nature of Expertise	B.A. in Business Administration  Shri Davis Frederick Golding is associated with ShoreCap, an international investment company which invests in and supports development financial institutions serving micro and small enterprises in developing economies. Prior to joining ShoreCap International, he was EYP and Chief Operating Officer of ShoreBank Pacific, 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. Shri 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.	Chartered Accountant  Shri Rakesh Sachdeva is a Fellow member of the Institute of Chartered Accountants of India. He previously served as Executive Director at Company and is now actively involved in evaluating the Company's macro issues. Prior to joining Company, he has worked with Apollo Tyres Ltd. and was Vice President of Corporate Finance at U.K. Paints Group, controlling M/S Berger Paints (India) Ltd., Rajdoot Paints Ltd. and Malibu Estate Pvt. Ltd.	B.A. (Bachelor in Arts) & LL.B.  Shri Sujan Singh Chawla is a Law and Arts Graduate and is providing his valuable guidance through the board meeting. Before joining Satin, he has served the Lok Sabha Secretariat as a Deputy Secretary for 32 years	Post Graduation Diploma in Business Administration  Shri Sundeep Kumar Mehta heads International Quality Management Systems and First HR based at Noida, as Director, specializing in strategic redirection, trainer, consultant and advisor HRD and OD, as well as Trainer and Consultant for Quality Management Systems. He worked in the capacity of GM - Human Resources accountable for HR, Administration & Corporate Affairs functions for group companies, Devyani Beverages Ltd., Varun Beverages Ltd., and Pepsicola/Nepal Pvt. Ltd. He excelled at HR Head Levels with Eicher R & D, Bata India Ltd, Escorts Ltd. He was Chief Manager-HRD with Escorts Limited, He has undertaken various assignments and completed for Panacea Biotech Ltd	Doctorate in International Economics  Smt. Sangeeta Khorana belongs to the fraternity of Indian Civil Services and is a doctorate in International Economics from University of St. Gallen Switzerland. She has over 15 years of experience and has worked with distinctive International and National organizations' at various high capacities. Her experience and the achievement in the field of media and publications has won her recognition; Co- Authored few books primarily Innovation in Management Practices, Human rights and International trade, written various articles, hosted talk shows for PM Daid, Cameron and facilitated various National and International conferences.	Master of Science BI, Business administration  Shri Ole Peder Sandsbraaten has worked as Auditor at Price Waterhouse with key responsibilities like Finance, Credit, and Information Technologies, group reporting and reporting to various regulatory bodies. In year 2000, he joined as CFO at Majortrans Flyt-teservice AS. He has worked as CEO of NAVSA AS and worked within finance area in various organizations like "Aftenposten" (Largest newspaper in Norway), Color Line (Largest cruise line in Norway), Basefarm (IT hosting company) and NMI (Norwegian Microfinance Initiative) since 2008. Presently, Shri Ole Peder Sandsbraaten is working as CFO at NMI AS with key areas of responsibility like finance and foreign exchange.
Names of other companies in which the person also holds the directorship	Nil	Nil	Nil	1. Activa Softech Limited, 2. Activa Certification Pvt Ltd, 3. Lsustain Energy Pvt. Ltd	Nil	Nil
Names of companies in which the person also holds the membership of Committees of the Board	Nil	Nil	Nil	Nil	Nil	Nil
Number of Equity Shares held in the Company		7211	Nil	Nil	Nil	Nil
Relationship between directors inter-se	None	None	None	None	None	None



# Director's Report

**Dear Members,**

Your Directors take pleasure in presenting the Twenty Forth Annual Report of the Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2014.

(Rs. In Lacs)

Particulars	Current Year	Previous year
Gross Income	19,165.49	9,433.06
Expenses	16,752.75	8,836.67
Profit before Depreciation and tax	2,412.74	596.39
Depreciation and Non Cash Expenditure	71.47	61.36
Profit before Tax	2,341.27	535.03
Provision for Tax (including Deferred Tax and other adjustment)	785.51	145.20
Profit after Tax	1,555.76	389.83
Brought forward from Previous Year	1,014.46	702.60
Profit available for appropriation	2,570.22	1,092.43
Transfer to Statutory Reserve Fund	311.14	77.97
Proposed Dividend-Preference Share Capital @12.34%	6.49	-
Dividend Distribution Tax	1.10	-
Surplus carried to Balance Sheet	2,251.49	1014.46

## OPERATIONS, PROSPECTS AND FUTURE PLANS

- After successful 2012-13, the financial year 2013-14 has also been a good year for the Company and your Company has performed better than previous year on most parameters. The Company remained focused on microfinance operations. The Company has expanded its outreach by increasing its penetration from existing branches and by opening new branches in the Northern / Central India primarily in the rural and semi urban areas to achieve its objective of financial inclusion. The Company has further strengthened its processes to provide better services to its borrower and maintain good portfolio quality. During the financial year 2012-13, the Company had started operation in the states of Jammu and Punjab and has good portfolio quality in these geographies. We are hopeful of achieving even better results in the current financial year.
- The Company has raised Rs. 1,120.74 Crores (Previous Year Rs. 708.92 Crores) during the financial year 2013-14 through term loan, cash credit limit, inter corporate deposit, Non Convertible Debentures and securitization/ assignment transactions. Your Company has been regular in discharging its liabilities to all lenders and is enjoying cordial relationship with all of them. The Company has for the first time raised Tier II Capital by issuing "12% Cumulative, Rated, Non Participative, Non Convertible and Compulsorily Redeemable Preference Shares".
- During the financial year, the Company has disbursed Rs. 1,22,920.28 Lacs (Previous Year Rs. 62,640.63 Lacs) showing a growth of 96.23% over the previous year. The gross income during the year has been Rs. 19,165.49 Lacs (Previous Year Rs. 9,433.06 Lacs) showing a growth of 103.17% over the previous year. The Net Profit after Tax has increased from Rs. 389.83 Lacs during the financial year 2012-13 to Rs. 1,555.76 Lacs during the financial year 2013-14 showing a growth of 299.09 %.
- Pursuant to provisions of Section 78 of the Companies Act 1956, during the year the Company has utilized an amount of Rs. 69.23 Lacs (Previous Year Rs. 129.23 Lacs) out of Securities Premium Reserves towards writing off the incidental expenditure incurred in issuing Rated, Listed, Secured, Redeemable Non Convertible Debenture and 12% Cumulative, Rated, Non Participative, Non Convertible and Compulsorily Redeemable Preference Shares.
- CARE has upgraded BASEL II and NCD rating of the Company from BBB- (Triple B Minus) to BBB (Triple B). The Grading of the Company is also upgraded from MFI 2 to MFI 2 + in July, 2013. The Company has received MFT transparency certificate for the period August 2013 to August 2014.
- The Company has received Non Banking Finance Company – Microfinance Institution (NBFC-MFI) registration certificate dated 06<sup>th</sup> November, 2013 from the Reserve Bank of India.
- In order to retain its key employees the Board has decided to offer ESOP options to 29 staff members for 98,300 equity shares.

- During the financial year 2013-14, there is further clarity on the regulations for NBFC - MFIs which has improved the confidence of all stakeholders for the microfinance industry. Keeping in view all factors, the Company has budgeted moderate growth for the current financial year. The overall funding position has improved and we are hopeful of performing well during the current financial year.

## **SUBSIDIARY COMPANIES**

The Company had no subsidiary company at any time during the financial year 2013-2014.

## **DIRECTORS**

Shri Davis Frederick Golding retires by rotation and being eligible offers himself for his re-appointment. The Nomination Committee has recommended his re-appointment for consideration of the shareholders.

Shri Rakesh Sachdeva, Shri Sujan Singh Chawla, Shri Sundeep Kumar Mehta and Smt. Sangeeta Khorana are Independent Directors of the Company. As per their existing terms of appointment, the period of their office is liable to determination by retirement by rotation in terms of Section 152 of the Companies Act, 2013. Out of them, Smt. Sangeeta Khorana is liable to retire by rotation at this Annual General Meeting. Smt. Sangeeta Khorana joined the Company on 01<sup>st</sup> October, 2013 as an Additional Director and as per the provisions of Section 260 of the Companies Act, 1956. She will hold office as a Director only till the date of this Annual General Meeting. Brief resume of these Directors, their educational and professional qualifications, nature of their working experience, their achievements, name(s) of the companies in which they hold directorships, memberships and chairmanships in various Committees, their shareholding in the Company, relationship between directors inter-se are provided in Corporate Governance Report forming part of the Annual Report. The Nomination Committee has recommended their appointment for consideration of the shareholders.

Shri Ole Peder Sandsbraaten was appointed as an Additional Director of the Company in the Board meeting held on 26<sup>th</sup> May, 2014. The tenure of his office as Director comes to an end at the commencement of the forthcoming Annual General Meeting of the members of the Company. The Nomination Committee has also recommended his appointment for consideration of the shareholders.

Shri Naresh Khanna has resigned from Directorship of the Company on 22<sup>nd</sup> November, 2013. The Directors wish to place on record their appreciation for the contribution made by Shri Naresh Khanna during his tenure.

During the year 4 (four) Board Meetings were held. These Board Meetings were held on 29<sup>th</sup> May, 2013, 09<sup>th</sup> August, 2013, 12<sup>th</sup> November, 2013 and 12<sup>th</sup> February, 2014.

## **STATEMENT ON DECLARATION “CERTIFICATE OF INDEPENDENCE” U/S 149 (6)**

Pursuant to Schedule IV and Section 149(6) of the Companies Act, 2013, the Board has independent directors and there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively. The independent directors has submitted a declaration that the independent directors meet with the criteria of independence as required under Section 149(6) of the Companies Act, 2013.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per the Companies Act, 2013, all companies having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year will be required to constitute a corporate social responsibility (CSR) committee of the Board of Directors comprising three or more directors, at least one of whom will be an independent director. Aligning with the guidelines, we have constituted a committee comprising Shri H P Singh (Chairperson), Shri Rakesh Sachdeva, Smt. Deepa A. Hingorani and Smt. Sangeeta Khorana. The committee is responsible for formulating and monitoring the CSR policy of the Company. The Company is in the process of carving the role of the Committee which inter alia shall include to formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and to recommend the amount of expenditure to be incurred and monitor the CSR policy of the company from time to time.

## **E-VOTING**

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instruction(s) for e-voting is provided in the Notice.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178 OF COMPANIES ACT, 2013**

The Company has a Nomination Committee comprising of Shri H P Singh, Shri Rakesh Sachdeva, and Shri Sundeep Kumar Mehta. Shri H P Singh is Chairman of the nomination committee. The nomination committee has been re-constituted with Shri Rakesh Sachdeva being the chairman of the committee and Shri H P Singh and Shri Sundeep Kumar Mehta as the members of the committee with effect from 26<sup>th</sup> May, 2014. The nomination Committee had formulated the selection criteria for determining qualification, positive attributes and independence of directors and recommended to the Board of Directors a policy relating to the remuneration for the directors, key managerial personnel and other employees of the Company. The Board shall consider the same in due course of time.

**EMPLOYEES STOCK OPTION PLAN:**

- a) As against 4,25,000 Equity Shares issued to Satin Employees Welfare Trust under Satin ESOP 2009, the Company granted only 1,50,000 Options to the below-mentioned employees as per the terms of Satin ESOP 2009 on 12<sup>th</sup> January, 2010:

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

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

First 1/3<sup>rd</sup> of total options were vested to the said employees on 12<sup>th</sup> January, 2011 which was duly exercised by them on 12<sup>th</sup> January, 2011. Subsequently, 33,333 Equity Shares were transferred from Satin Employees Welfare Trust to Shri Jugal Kataria and 16,667 Equity Shares to Shri Vivek Tiwari pursuant to exercising of said options. Second 1/3<sup>rd</sup> of total options were vested to the said employees on 12<sup>th</sup> January, 2012 which was duly exercised by them on 12<sup>th</sup> January, 2012. Therefore, 33,333 Equity Shares were transferred from Satin Employees Welfare Trust to Shri Jugal Kataria and 16,667 Equity Shares to Shri Vivek Tiwari pursuant to exercising of said options. Third 1/3<sup>rd</sup> of total options were vested to the said employees on 12<sup>th</sup> January, 2013 which was duly exercised by them on 12<sup>th</sup> January, 2013. Hence, 33,334 Equity Shares were transferred from Satin Employees Welfare Trust to Shri Jugal Kataria and 16,666 Equity Shares to Shri Vivek Tiwari pursuant to exercising of said options.

As of now, entire shares are transferred to above employees of the Company and are now free from lock-in.

- b) Further to above, the Company granted 98,300 Options against 4,25,000 Equity Shares issued to Satin Employees Welfare Trust under Satin ESOP 2009, to various employees as per the terms of Satin ESOP 2009 on 02<sup>nd</sup> December, 2013.

**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<sup>th</sup> November, 2009 for holding shares on behalf of the Employees and to transfer the said shares to the eligible employees upon exercise of options.

The Company has further, allotted below-mentioned equity shares:

- 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 22<sup>nd</sup> June, 2010.
- 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 21<sup>st</sup> April, 2011.

Details of stock options as required to be disclosed pursuant to Clause 12 of 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 till date	2,48,300	Nil	Nil
2.	Pricing Formula	Rs. 20/- being the Fair Value of the shares of the Company (Computed on the basis of Audited result FY 2008-09).	Rs. 22/- being the Fair Value of the shares of the Company. (Computed on the basis of Audited result FY 2009-10)	Rs. 25/- being the Fair Value of the shares of the Company. (Computed on the basis of Audited result FY 2009-10)
3.	Options Vested	1,50,000	Not Applicable	Not Applicable
4.	Options Exercised	1,50,000	Not Applicable	Not Applicable
5.	Total no. of shares arising as a result of exercise of options	1,50,000	Not Applicable	Not Applicable
6.	Options lapsed	NIL	Not Applicable	Not Applicable
7.	Variation of terms of options	Not Applicable	Not Applicable	Not Applicable
8.	Money realized by exercise of options	Rs. 30,00,000/-	Not Applicable	Not Applicable
9.	Total no. of options in force	98,300	Not Applicable	Not Applicable
10.	<b>Employee wise details of options granted to</b>			
10 (i)	Senior Managerial Personnel	1. Shri Jugal Kataria (Chief Financial Officer) – 1,00,000 2. Shri Vivek Tiwari (Chief Operating Officer) – 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	Please refer the above Table	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.	Please refer the above Table	Not Applicable	Not Applicable
11.	Diluted Earnings Per Share (EPS) pursuant to issue 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 <sup>st</sup> March, 2014 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 by using the Fair value of the shares. Therefore, the requirement to disclose the difference between the employee compensation cost so computed and the employee compensation cost 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 Shares of the Company are listed at DSE, LSE and JSE that do not offer any trading platform 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.	Not Applicable	Not Applicable	Not Applicable

## DIVIDEND

The Company has accounted for in its financial statements the necessary Dividend for Fully Paid Up 12% Cumulative, Rated, Non Participative, Non Convertible, and Compulsorily Redeemable Preference Shares. Directors of your Company have recommended a final dividend of Rs.6,49,118 for Fully Paid 60,00,000 Preference Shares for the financial year 2013-14, which is subject to your approval. The total dividend pay-out for the financial year will amount to Rs.6,49,118 (excluding dividend distribution tax). Further, in order to undertake and carry on future plans, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend on equity shares for the year ended 31<sup>st</sup> March, 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

Satin Creditcare Network Limited (SCNL) has received the fresh registration certificate from Reserve Bank of India as Non Banking Finance Company – Microfinance Institution (NBFC-MFI). It has reported satisfactory financial and operating performance during the financial year 2013-2014. The disbursement during the year has been Rs. 1,22,920.28 Lacs (Previous Year Rs. 62,640.63 Lacs). The Gross Income during the year has been Rs.19,165.49 Lacs (Previous Year Rs. 9,433.06 Lacs). Depreciation and Non Cash expenditure during the year has been higher at Rs. 71.47 Lacs (Previous Year Rs. 61.36 Lacs). The net profit after tax during the year has been at Rs. 1,555.76 Lacs (Previous Year Rs. 389.83 Lacs). SCNL's net worth stood at Rs. 14,558.52 Lacs (Previous Year Rs. 12,365.08 Lacs). The Company plans to concentrate only on Non Banking financial 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 Allahabad Bank, Ananya Finance for Inclusive Growth Pvt. Limited, Andhra Bank, AXIS Bank Limited, Bank of India, Bank of Maharashtra, BNP Paribas, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Development Credit Bank Limited, Dhanlaxmi Bank, HDFC Bank Ltd, ICICI Bank Limited, IDBI Bank Limited, IFMR Capital Finance Private Limited, Indian Bank, Indostar Private Limited, IndusInd Bank, ING Vysya bank, M. V. Microfinance Private Limited, Maanaveeya Development & Finance Private Limited, MAS Financial Services Limited, Oriental Bank of Commerce, Reliance Capital Limited, Small Industries Development Bank of India (SIDBI), Societe Generale, Standard Chartered Bank, State Bank of India, State Bank of Mauritius Limited, Syndicate Bank, The Hongkong & Shanghai Banking Corporation Limited, The Ratnakar Bank Limited, The South Indian Bank Limited, Union Bank of India and United Bank of India, Vijaya Bank and Yes Bank Limited for its microfinance operation which is the main activity of the Company. The Company has raised debt funds through term loan, cash credit limit, Inter Corporate Deposit, listed Non Convertible Debenture and also raised funds through securitization / assignment transactions. The Company has for the first time raised Tier II Capital in the form of “12% Cumulative, Rated, Non Participative, Non Convertible, and Compulsorily Redeemable Preference Shares”. In view of the overall environment in the Microfinance Industry in India and better regulatory clarity, the overall liquidity and funding to MFIs has further improved. 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 overall industry environment has further improved during the financial year 2013-14. The Reserve Bank of India has issued fresh registration certificates to microfinance institutions registered as non banking finance companies (NBFC-MFI). The Reserve Bank of India has issued number of circulars, directions and guidelines on working of NBFC-MFIs. This has improved the support and confidence of all stakeholders for the microfinance sector. However, the Parliament Panel has rejected Micro Finance Institutions (Development and Regulation) Bill, 2012.

## Business Review

SCNL has emerged as the largest Microfinance Institution based in Northern India engaged in providing microcredit on joint liability basis and individual lending basis. The Company has expanded its operations in Bihar, Jammu and Punjab during last two years and the experience and portfolio quality has been good in these new states. This has helped the Company to diversify its geographical outreach. The Company is quite focused on its processes and control and has very good portfolio quality. There is huge demand and supply gap in Northern / Central India and hence opportunity to grow the portfolio. The overall funding to the sector has improved. The Company is hopeful of performing well in the current financial year.

## Opportunities

For last many years, there has been focus of the Government and the Reserve Bank of India on financial inclusion and the role of MFIs have been accepted by everybody in achieving this objective. MFIs have played an important role in reaching the unreached and to provide them access to finance at affordable rates. In spite of all the focus, there is still a large segment of society, which does not have access to financial service from the formal financial institutions. 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 has gone through the most challenging times during the last three years. There was lack of regulatory clarity and perception of all stakeholders was negative towards the sector. There were news about multiple lending, excessive interest rates, coercive recovery practices, lack of transparency etc. in the media and hence the overall opinion of all stakeholders was not positive for the sector in spite of the fact that MFIs were providing credit to a large segment of the unbanked population. The funding to the sector (both debt and equity) was drying. The Reserve Bank of India has issued a series of circulars, directions and notifications to give the required regulatory clarity. The MFI industry has also collectively worked to bring back the confidence of all stakeholders by working responsibly. The issue of over indebtedness has been addressed by using Credit Bureau report. The confidence of the stakeholders is increasing and the required debt and equity funding is now available.

The Company has a strong and experienced Board of Directors and senior management team, geographical advantage, time tested systems and processes, effective internal audit and risk department, association with a large number of lenders and clean repayment track record, good credit rating in the sector. This has helped the Company to perform well in comparison to its peers.

## **Outlook**

The overall outlook for the Microfinance Industry has improved during the financial year 2013-14. The Reserve Bank of India has issued a number of circulars and provided the required regulatory clarity. Many domestic banks have restarted lending to the sector which has provided the much needed liquidity. The MFIs have also performed responsibly and hence the overall outlook of all stakeholders has become positive.

## **Risk & Concerns**

The Company is exposed to risks like volatility in the Indian economy, change in government policies, regulatory uncertainty, increasing borrowing cost, and 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<sup>st</sup> March, 2014 stood at 1243 (Previous Year 877).

## **DEPOSITS**

The Reserve Bank of India in exercise of its powers under The Reserve Bank of India Act, 1934, has granted NBFC-MFI (Seriol No. B-14.01394) status to the Company and the Company has no public deposit.

## **RESERVE BANK OF INDIA-REGISTRATION AND DIRECTIONS**

Your Company has been following all relevant guidelines issued by Reserve Bank of India from time to time. The Company has decided not to accept the public deposits with effect from 20<sup>th</sup> November, 2004. The Company had intimated the same to Reserve Bank of India. The Company had submitted an application with Reserve Bank of India for certificate of registration for NBFC-MFI status pursuant to the circular issued by Reserve Bank of India vide its circular RBI/2012-13/319DNBS. CC.PD.No.312 /03<sup>rd</sup> October, 2001/2012-13 dated 07<sup>th</sup> December, 2012. The company has received the certificate of registration as NBFC-MFI on 06<sup>th</sup> November, 2013 (in lieu of old certificate of registration No. B-14.01394 dated 04<sup>th</sup> February, 2009) from the Reserve Bank of India. The Reserve Bank of India in exercise of its powers under The Reserve Bank of India Act, 1934, has granted NBFC-MFI (Seriol No. B-14.01394) status to the Company Further, your company has Capital Adequacy Ratio of 15.31 % as on 31<sup>st</sup> March, 2014.

## **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 judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit 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.

## CORPORATE GOVERNANCE

As required under Clause 49 (VI) of the Listing Agreement entered into by the company with the Stock Exchanges, a detailed report on corporate governance has been provided in a separate section which forms part of this annual report. The company has complied with the requirements of Corporate Governance that have to be made in this regard. The requisite certificate from M/s A. K. Gangaher & Co., the statutory auditors of the company regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 is annexed to this report.

## AUDITORS & THEIR REPORT

M/s 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 139 (1) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014. The same was discussed in the Audit Committee. Your directors recommend their reappointment. The Company has received audit report from M/s 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 and applicable provisions of the Companies Act, 2013 as amended/notified from time to time and also read with the Companies (Particulars of Employees) Rules, 1975 duly amended by Notification dated 31<sup>st</sup> March, 2011.

## LISTING WITH STOCK EXCHANGES

Your Company is listed with following stock exchanges:

### For Non Convertible Debentures:

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

### For 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			
S. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
I	<b>Expenditure/Remittances (Outward) in Foreign Exchange</b>		
	Travelling Expenses	29,75,430.00	12,31,332.00
	Fees and Subscription	17,07,139.00	117,569.00
II	<b>Earning/Remittances (Inward) in Foreign Exchange</b>		
	Share Application Money	NIL	30,00,00,177.00

## 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  
Dated: 26<sup>th</sup> May, 2014

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. As on 31<sup>st</sup> March, 2014, the Board of Directors of the Company comprises of 9 Directors out of which four are independent and five non-independent directors (including three directors nominated by three investors). As at 31<sup>st</sup> March, 2014, the Company has eight 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
Shri H P Singh, Chairman cum Managing Director	Promoter and Executive Director
Shri Satvinder Singh, Director	Non Executive and Non-Independent Director
Shri Davis Frederick Golding, Director	Non Executive and Non-Independent Director
Smt. Deepa A. Hingorani, Director	Non Executive and Non-Independent Director
Shri Sujan Singh Chawla, Director	Non Executive and Independent Director
Shri Rakesh Sachdeva, Director	Non Executive and Independent Director
Shri Sundeep Kumar Mehta, Director	Non Executive and Independent Director
Shri Richard Benjamin Butler, Director	Non Executive and Non-Independent Director
Smt. Sangeeta Khorana, Additional Director	Non Executive and Independent Director

Smt. Sangeeta Khorana was appointed as an Additional Director on 09<sup>th</sup> August, 2013. Her appointment was valid till the next annual general meeting but her appointment could not be regularized because the notice calling Annual General Meeting was finalized on 29<sup>th</sup> May, 2013 and the business of her regularization could not be included in the said notice of Annual General Meeting. Consequently, the appointment of Smt. Sangeeta Khorana as Director of the Company ceased to be valid and her office of directorship is vacated from the date of Annual General Meeting held on 30<sup>th</sup> September, 2013. Again, Smt. Sangeeta Khorana was appointed as an additional director on 01<sup>st</sup> October, 2013. Post 31<sup>st</sup> March, 2014, Shri Ole Peder Sandsbraaten has been appointed as Non Executive and Non-Independent Director on the board of the company. After the aforesaid changes and as on date of this report, the board comprises of ten directors, out of which one is an executive director and non independent (Chairman cum Managing Director of the Company), four are independent directors and five are Non Executive and Non-Independent Directors.

As on 31<sup>st</sup> March, 2014, 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 30 <sup>th</sup> September, 2013	No. of Directorships in other Companies <sup>1</sup>	No. of Membership(s) / Chairmanship(s) of the Board Committees <sup>2</sup>
Shri H P Singh, Chairman Cum Managing Director	4	4	Yes	Nil	Nil
Shri Satvinder Singh, Director	4	4	Yes	Nil	2 (including 1 as Chairman)
Shri Davis Frederick Golding, Director	4	4	No	Nil	Nil
Smt. Deepa A. Hingorani, Director	4	4	No	1	Nil
Shri Sujan Singh Chawla, Director	4	Nil	No	Nil	2
Shri Rakesh Sachdeva, Director	4	4	Yes	Nil	2 (Both as Chairman and Member)
Shri Sundeep Kumar Mehta, Director	4	4	No	1	2 (As member)
Shri Richard Benjamin Butler, Director	4	3	No	Nil	Nil
Smt. Sangeeta Khorana, Director*	4	2	No	Nil	1 (As member)
Shri Naresh Khanna, Director**	4	Nil	No		1

<sup>1</sup> 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.

<sup>2</sup> 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 - SCNL) have been considered.

\* Inducted on 01<sup>st</sup> October, 2013.

\*\*Resigned w.e.f. 22<sup>nd</sup> November, 2013.

#### 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 29<sup>th</sup> May, 2013, 09<sup>th</sup> August, 2013, 12<sup>th</sup> November, 2013 and 12<sup>th</sup> February, 2014.

#### 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

- **Shri Davis Frederick Golding**, aged 55 years, represents ShoreCap II Limited and joined the Board of SCNL with effect from 12<sup>th</sup> February, 2011. Davis holds the responsibility of initiating acquisition leads, performing onsite due diligence, recommending approval or decline of opportunities, structuring investments, and serving on the Board of Directors of investee institutions. He is associated with ShoreCap, an international investment company which invests in and supports development financial institutions serving micro and small enterprises in developing economies, 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. Shri 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.

## Appointments:

- **Shri Rakesh Sachdeva**, aged 56 years, joined SCNL's Board in April 1999. He is a Fellow of the Institute of Chartered Accountants of India. He previously served as Executive Director at SCNL and is now actively involved in evaluating the Company's macro issues. Prior to joining SCNL, he has worked with Apollo Tyres Ltd. and was Vice President of Corporate Finance at U.K. Paints Group, controlling M/S Berger Paints (India) Ltd., Rajdoot Paints Ltd. and Malibu Estate Pvt. Ltd. As on 26<sup>th</sup> May, 2014. Shri Rakesh Sachdeva holds the position of member/chairman in various committees of the Board of Director of the company, viz., Audit Committee, Remuneration Committee, Compensation Committee, Share Transfer Committee, Nomination Committee and Corporate Social Responsibility Committee. Shri Rakesh Sachdeva is not related to any of the Directors of the Company.
- **Shri Sujan Singh Chawla**, aged 85 years, is Director in the Company. He is a Law and Arts Graduate and is providing his valuable guidance through the board meeting. Before joining SCNL, he has served the Lok Sabha Secretariat as a Deputy Secretary for 32 years and joined the Board of the Company on 1<sup>st</sup> October, 2008. He was also on the board of the Company during the period 4<sup>th</sup> March, 2003 to 30<sup>th</sup> September, 2008. Shri Sujan Singh Chawla is not related to any of the Directors of the Company.
- **Shri Sundeep Kumar Mehta**, aged 52 years, joined the Company on 13<sup>th</sup> February, 2013 as an Additional Director. Shri Sundeep Kumar Mehta heads International Quality Management Systems and First HR based at Noida, as Director, specializing in strategic redirection, trainer, consultant and advisor HRD and OD, as well as Trainer and Consultant for Quality Management Systems. He worked in the capacity of GM - Human Resources accountable for HR, Administration & Corporate Affairs functions for group companies, Devyani Beverages Ltd., Varun Beverages Ltd., and Pepsicola Nepal Pvt. Ltd. He Excelled at HR Head Levels with Eicher R & D, Bata India Ltd., Escorts Ltd. He was Chief Manager-HRD with Escorts Limited, He has undertaken various assignments and completed for Panacea Biotec Ltd., Eicher Good Earth Ltd. Prior to becoming a successful professional Shri Sundeep Kumar Mehta spearheaded an EME workshop as Captain. Shri Sundeep Kumar Mehta holds the position of member/chairman in various committees of the Board of Director of the company, viz., Audit Committee, Remuneration Committee, Compensation Committee and Share Transfer Committee. Shri Sundeep Kumar Mehta is not related to any of the Directors of the Company.
- **Smt. Sangeeta Khorana**, aged 50 years, joined the board in October, 2013. She belongs to the fraternity of Indian Civil Services and is a doctorate in International Economics from University of St. Gallen Switzerland. She has over 15 years of experience and has worked with distinctive International and National organizations' at various high capacities. Her experience and the achievement in the field of media and publications has won her recognition; Co- Authored few books primarily Innovation in Management Practices, Human rights and International trade, written various articles, hosted talk shows for PM David Cameron and facilitated as key note speaker at sundry conferences Nationally and Internationally. As on 26<sup>th</sup> May, 2014, Smt. Sangeeta Khorana holds the position of member/chairman in various committees of the Board of Director of the company, viz., Remuneration Committee, Nomination Committee and Corporate Social Responsibility Committee. Smt. Sangeeta Khorana is not related to any of the Directors of the Company.
- **Shri Ole Peder Sandsbraaten**, aged 51 years, represents NMI Fund III KS and joined the board w.e.f 26<sup>th</sup> May, 2014. He has worked as Auditor at Price Waterhouse with key responsibilities like Finance, Credit, and Information Technologies, group reporting and reporting to various regulatory bodies. In year 2000, he joined as CFO at Majortrans Flytteservice AS. He has worked as CEO of NAVSA AS and worked within finance area in various organizations like "Aftenposten" (Largest newspaper in Norway), Color Line (Largest cruise line in Norway), Basefarm (IT hosting company) and NMI (Norwegian Microfinance Initiative) since 2008. Presently, Shri Ole Peder Sandsbraaten is working as CFO at NMI AS with key areas of responsibility like finance and foreign exchange. Shri Ole Peder Sandsbraaten 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 31<sup>st</sup> March, 2014, affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Chairman cum Managing Director is annexed and part of the report.

## Audit Committee

The Audit committee comprises of three non-executive Directors, Shri Rakesh Sachdeva who is a qualified Chartered Accountant is the Chairman of the Audit Committee. The other two members of the audit committee are Shri Satvinder Singh and Shri Sundeep Kumar Mehta. Shri Rakesh Sachdeva and Shri Sundeep Kumar Mehta 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.
- k) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- l) Scrutiny of inter-corporate loans and investments;
- m) Valuation of undertakings or assets of the company, wherever it is necessary;
- n) Monitoring the end use of funds raised through public offers and related matters.

During the year, four Audit Committee meetings were held. The Committee meetings held on 28<sup>th</sup> May, 2013, 09<sup>th</sup> August, 2013, 12<sup>th</sup> November, 2013, 10<sup>th</sup> February, 2014. These were duly attended by the members as per below-mentioned detail:

Name of Director	No. of meetings held during the year	Meetings attended
Shri Rakesh Sachdeva, Director (Non Executive)	4	4
Shri Sujan Singh Chawla, Director (Non Executive)*	4	3
Shri Satvinder Singh, Director (Non-Executive)	4	4
Shri Sundeep Kumar Mehta, Director (Non Executive)**	4	2

\* Resigned on 12<sup>th</sup> November, 2013.

\*\* Inducted w.e.f. 12<sup>th</sup> November, 2013.



### Remuneration of the Directors:

The disclosure in respect of remuneration paid/ payable to whole time director of the Company for the financial year 2013-2014 is given below:

Particulars	Shri H P Singh, CMD (Rs.)
Salary	48,00,000.00
Provident Fund	5,76,000.00
Gratuity	-
Leave Encashment	-
Approximate value of perquisites	8,00,000.00
Total	61,76,000.00
Present period of agreement	01 <sup>st</sup> October, 2010 to 30 <sup>th</sup> September, 2015

Non-Executive Directors (other than directors appointed by virtue of Investment agreement and nominated by Investor Companies) are paid only sitting fees at the rate of Rs. 10,000/- for each meeting of the Board as fixed by the Board in its duly held meeting held on 29<sup>th</sup> May, 2013 which is within the ceiling prescribed under the Companies Act, 1956 and Companies Act, 2013, to the extent of its applicability and in terms of Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956, for attending the Board Meetings.

Details of Payments towards sitting fees during the Financial Year 2013-14 is as under:

S. No.	Name of Non Executive Directors (Other than Investor's nominees)	Sitting Fees		Total (Amount in Rs.)
		Board Meeting	Committee Meeting	
1	Shri Rakesh Sachdeva	30,000	-	30,000
2	Shri Satvinder Singh	30,000	-	30,000
3	Shri Sundeep Kumar Mehta	30,000	-	30,000
4	Smt. Sangeeta Khorana	20,000	-	20,000
				<b>1,10,000</b>

### 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
2010-2011	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	30 <sup>th</sup> September, 2011	10.00 A.M.	No
2011-2012	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	29 <sup>th</sup> September, 2012	10.00 A.M.	No
2012-2013	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	30 <sup>th</sup> September, 2013	10.00 A.M.	Yes

#### **Shareholder /Investor Grievances Committee:**

- The Company has a Shareholder /Investor Grievances Committee comprising of Shri Satvinder Singh who is the Chairman of the committee himself.
- The Board has designated Choudhary Runveer Krishanan as the Company Secretary & Compliance Officer. The complaints relating to Investor Grievances may also be forwarded to the said person at “[runveer.krishanan@satincreditcare.com](mailto:runveer.krishanan@satincreditcare.com)” email Id.
- There were no complaints received from the Shareholder / Investor during the financial year ended 31<sup>st</sup> March, 2014.

#### **Share Transfer Committee:**

The Company has a Share Transfer Committee under the Chairmanship of Shri H P Singh. Other members of the Committee are Shri Satvinder Singh and Shri Rakesh Sachdeva. The Committee met 2 (Two) time in the year. The meeting was held on 13<sup>th</sup> April, 2013 and 31<sup>st</sup> August, 2013 and attended by all the members.

#### **Borrowing Committee:**

The Company has a Borrowing Committee under the Chairmanship of Shri H P Singh. Other member of the Committee is Shri Satvinder Singh. The Committee met 35 (thirty Five) times in the year. These meetings were held on 02<sup>nd</sup> May, 2013, 31<sup>st</sup> May, 2013, 21<sup>st</sup> June, 2013, 25<sup>th</sup> June, 2013, 12<sup>th</sup> July, 2013, 26<sup>th</sup> July, 2013, 07<sup>th</sup> August, 2013, 12<sup>th</sup> August, 2013, 05<sup>th</sup> September, 2013, 17<sup>th</sup> September, 2013, 21<sup>st</sup> September, 2013, 24<sup>th</sup> September, 2013, 27<sup>th</sup> September, 2013, 30<sup>th</sup> September, 2013, 16<sup>th</sup> October, 2013, 29<sup>th</sup> October, 2013 05<sup>th</sup> November, 2013, 15<sup>th</sup> November, 2013, 25<sup>th</sup> November, 2013, 30<sup>th</sup> November, 2013, 18<sup>th</sup> December, 2013, 24<sup>th</sup> December, 2013, 30<sup>th</sup> December, 2013, 02<sup>nd</sup> January, 2014, 20<sup>th</sup> January, 2014, 25<sup>th</sup> January, 2014, 07<sup>th</sup> February, 2014, 12<sup>th</sup> February, 2014, 20<sup>th</sup> February, 2014, 27<sup>th</sup> February, 2014, 28<sup>th</sup> February, 2014, 06<sup>th</sup> March, 2014, 15<sup>th</sup> March, 2014, 18<sup>th</sup> March, 2014 and 28<sup>th</sup> March, 2014 and attended by all the members.

#### **Banking Operations Committee:**

The Company has a Banking Operations Committee under the Chairmanship of Shri H P Singh. Other member of the Committee is Shri Satvinder Singh. The Committee met 16 (Sixteen) times in the year. These meetings were held on 05<sup>th</sup> April, 2013, 06<sup>th</sup> May, 2013, 03<sup>rd</sup> June, 2013, 20<sup>th</sup> June, 2013, 29<sup>th</sup> July, 2013, 13<sup>th</sup> July, 2013, 13<sup>th</sup> August, 2013, 07<sup>th</sup> September, 2013, 17<sup>th</sup> September, 2013, 11<sup>th</sup> October, 2013, 23<sup>rd</sup> October, 2013, 09<sup>th</sup> November, 2013, 20<sup>th</sup> December, 2013, 16<sup>th</sup> January, 2014, 07<sup>th</sup> February, 2014 and 27<sup>th</sup> February, 2014 and attended by all the members.

#### **Remuneration Committee:**

- The Company has a Remuneration Committee comprising of Shri Rakesh Sachdeva, Shri Sundeep Kumar Mehta and Smt. Sangeeta Khorana. Shri Rakesh Sachdeva is Chairman of the committee.
- The Remuneration Committee meeting was held on 02<sup>nd</sup> May, 2013 and attended by all the members.

#### **Compensation Committee:**

- The Company has a Compensation Committee comprising of Shri Rakesh Sachdeva, Shri Sundeep Kumar Mehta and Smt. Deepa A. Hingorani. Shri Rakesh Sachdeva is Chairman of the committee.
- The Compensation Committee meeting was held on 12<sup>th</sup> November, 2013 and attended by Shri Sundeep Kumar Mehta, Smt. Deepa A. Hingorani member of the Compensation Committee and Shri Rakesh Sachdeva, Chairman of the meeting.

#### **Corporate Social Responsibility Committee:**

- The Company has a Corporate Social Responsibility Committee constituted on 26<sup>th</sup> May, 2014 comprising of Shri H P Singh, Shri Rakesh Sachdeva and Smt. Deepa A. Hingorani. Shri H P Singh is Chairman of the committee.

#### **Nomination Committee:**

- As on 31<sup>st</sup> March, 2014, the Company has a Nomination Committee comprising of Shri H P Singh, Shri Rakesh Sachdeva, Shri Davis Frederick Golding, Shri Richard Benjamin Butler and Smt. Sangeeta Khorana. The Board has reconstituted the Nomination Committee vide its meeting held on 26<sup>th</sup> May, 2014 where Shri Rakesh Sachdeva was appointed as chairman and Shri H P shing and Shri Sundeep kumar Mehta as members of the Nomination Committee.
- During the year, two meetings were held. The Committee meetings held on 02<sup>nd</sup> May, 2013 and 09<sup>th</sup> August, 2013. These were duly attended by the members as per below-mentioned detail:

Name of Director	No. of meetings held during the year	Meetings attended
Shri H P Singh, Chairman Cum Managing Director (Executive)	2	2
Shri Rakesh Sachdeva, Director (Non Executive)	2	2
Shri Davis Frederick Golding (Non-Executive)*	2	-
Shri Richard Benjamin Butler (Non-Executive)*	2	-
Smt. Sangeeta Khorana (Non-Executive)*	2	-
Shri Naresh Khanna, Director (Non-Executive)**	2	1

\* Inducted on 12<sup>th</sup> November, 2013.

\*\*Resigned w.e.f. 22<sup>nd</sup> November, 2013.

**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 Notes 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	Shri Satvinder Singh	2,57,011
2	Shri Sujan Singh Chawla	NIL
3	Shri Rakesh Sachdeva	7,211
4	Shri Davis Frederick Golding	NIL
5	Smt. Deepa A. Hingorani	NIL
6	Shri Sundeep Kumar Mehta	NIL
7	Shri Richard Benjamin Butler	NIL
8	Smt. Sangeeta Khorana	NIL
9	Shri Ole Peder Sandsbraaten	NIL

**DISCLOSURES**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered into with the Delhi Stock Exchange Limited, Ludhiana Stock Exchange Limited and Jaipur Stock Exchange Limited as at 31<sup>st</sup> March, 2014.

The detail of the compliance as at 31<sup>st</sup> March, 2014 is as under:

S.NO.	PARTICULARS	CLAUSE OF LISTING AGREEMENT	COMPLIANCE STATUS YES/ NO	REMARKS
<b>I</b>	<b>BOARD OF DIRECTORS</b>	49 I		-
	(A) Composition of Board	49 (IA)	YES	Since the Company has Executive Chairman, atleast half of the Board should comprise of Independent Directors. The Company had issued shares to three private equity funds. The Company had appointed three nominee directors nominated by these three investors. These three Investors' Nominee Directors are treated as Non Independent Directors pursuant to Clause 49 of the listing agreement. In last quarter one independant director has resigned from the board and at present, the Company is having 4 Independent Directors out of 9 Directors. The Company is trying to place one 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	-
<b>II</b>	<b>AUDIT COMMITTEE</b>	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	-
<b>III</b>	<b>SUBSIDIARY COMPANIES</b>	49 (III)	YES	The Company has no subsidiary company.
<b>IV</b>	<b>DISCLOSURES</b>	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	-
<b>V</b>	<b>CEO/CFO CERTIFICATION</b>	49 (V)	YES	-
<b>VI</b>	<b>REPORT ON CORPORATE GOVERNANCE</b>	49 (VI)	YES	-
<b>VII</b>	<b>COMPLIANCE</b>	49 (VII)	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](http://www.satincare.com)”. The Company posts its quarterly financial results on the same.
- Relevant information is communicated to the shareholders through annual report.

### General Shareholder Information:

<b>1. Annual General Meeting</b>	
Date and Time	: 05 <sup>th</sup> September, 2014 at 10.00 A.M.
Venue	: ‘TYAGI FARMS’, Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi – 110043.
<b>2. Financial Calendar 2013-14 (tentative)</b>	: Results for the quarter ended 30 <sup>th</sup> June, 2014 upto 14 <sup>th</sup> August, 2014. Results for the quarter ended 30 <sup>th</sup> September, 2014 upto 14 <sup>th</sup> November, 2014. Results for the quarter ended 31 <sup>st</sup> December, 2014 upto 14 <sup>th</sup> February, 2015. Results for the quarter ended 31 <sup>st</sup> March, 2015 upto 30 <sup>th</sup> May, 2015.
<b>3. Book Closure date</b>	: 25 <sup>th</sup> August, 2014 to 05 <sup>th</sup> September, 2014 (both days inclusive)
<b>4. Dividend payment date</b>	: 05 <sup>th</sup> September, 2014 to 15 <sup>th</sup> September, 2014 (both days inclusive) (On 12% Cumulative, Rated, Non Participative, Non Convertible, and Compulsorily Redeemable Preference Shares)
<b>5. Registered Office</b>	: 5 <sup>th</sup> Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur Delhi-110033 Phone: 011- 47545000
<b>6(a). Equity Shares Listed on Stock Exchanges at</b>	: 1. Delhi Stock Exchange Limited, Delhi 2. Jaipur Stock Exchange Limited, Jaipur 3. Ludhiana Stock Exchange Limited, Ludhiana
<b>6(b). Annual Listing Fees</b>	: Duly paid to all the above Stock Exchanges for the year 2013 –2014.
<b>7. Stock Code</b>	
(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>(b) Demat ISIN Number in NSDL &amp; CDSL</b>	
For Equity Shares	<b>INE 836B01017</b>
For 12% Cumulative, Rated, Non Participative, Non Convertible and Compulsorily Redeemable Preference Shares	<b>INE 836B04011</b>

For Non-Convertible Debentures (NCD)	<ol style="list-style-type: none"> <li>1) Face Value of Rs.1 Crore per NCD <b>INE 836B07063 (Redeemed on 31<sup>st</sup> March, 2014)</b></li> <li>2) Face Value of Rs. 25 lacs per NCD <b>INE 836B07022 (Redeemed on 15<sup>th</sup> April, 2014)</b></li> <li>3) Face value of Rs. 25 lacs per NCD <b>INE 836B07030</b></li> <li>4) Face value of Rs. 25 lacs per NCD <b>INE836B07048</b></li> <li>5) Face value of Rs. 10 lacs per NCD <b>INE836B07055</b></li> <li>6) Face value of Rs. 25 lacs per NCD <b>INE836B07071</b></li> <li>7) Face value of Rs. 25 lacs per NCD <b>INE836B07089</b></li> </ol>																																																																																																	
<b>8. Stock Market Data (in Rs./per share)</b>																																																																																																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <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 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>May 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>June 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>July 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>August 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>September 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>October 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>November 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>December 2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>January 2014</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>February 2014</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>March 2014</td> <td></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 2013							May 2013							June 2013							July 2013							August 2013							September 2013							October 2013							November 2013							December 2013							January 2014							February 2014							March 2014						
	The Stock Exchange Delhi		The Stock Exchange Jaipur		The Stock Exchange Ludhiana																																																																																													
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<b>9. Share price performance in comparison to broad based indices</b>																																																																																																		
During financial year 2013-14, as per the information available, there was no trading of Company's shares at the stock exchanges.																																																																																																		
<b>10. Registrar and Transfer Agents</b>																																																																																																		
<p>(a). Equity Shares &amp; 12% Cumulative, Rated, Non Participative, Non Convertible, and Compulsorily Redeemable Preference Shares: (For Share Transfer and communication regarding share certificates, dividend, and change of address.)</p> <p>(b). Non Convertible Debentures:</p>	<p><b>:Link Intime India Pvt. Ltd.</b> 44, Community Center, 2<sup>nd</sup> floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028</p> <p><b>:Karvy Computershare Pvt. Ltd.</b> Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad-500081</p>																																																																																																	
<b>11. Share Transfer System</b>																																																																																																		
Presently, the share transfers in physical form are processed and the share certificates are returned within a period of 10 to15 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, if any are returned within two weeks.																																																																																																		

<b>12. Distribution of Shareholding as on 31<sup>st</sup> March, 2014</b>					
<b>S. No.</b>	<b>No. of Equity Shares</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Shareholding</b>
1	Upto 2500	272	33.705	28292	0.122
2	2501-5000	247	30.607	109146	0.471
3	5001-10000	109	13.507	97052	0.418
4	10001-20000	41	5.081	63950	0.276
5	20001-30000	24	2.974	62000	0.267
6	30001-40000	15	1.859	54500	0.235
7	40001-50000	19	2.354	88600	0.382
8	50001-100000	18	2.230	135111	0.583
9	100001 and above	62	7.683	22555000	97.246
<b>Total</b>		<b>807</b>	<b>100.000</b>	<b>23193651</b>	<b>100.000</b>
<b>13. Categories of Shareholders as on 31<sup>st</sup> March, 2014</b>					
<b>(Category)</b>			<b>(%)</b>		
Promoters			37.315		
Financial Institution/Banks / Mutual Funds			0.000		
NRI/OCBs			0.020		
Bodies Corporate			54.356		
Others			8.309		
<b>Total</b>			<b>100.000</b>		
<b>14. Dematerialization of Shares:</b>					
			: 96.229 % of the equity shares have been dematerialized up to 31 <sup>st</sup> March 2014		
<b>Liquidity</b>			: Relevant data of the average daily turnover for the financial year 2013-14 is given . Jaipur Stock Exchange (JSE) Delhi Stock Exchange (DSE) Ludhiana Stock Exchange (LSE)		
<b>Shares (in lakhs)</b>			: No trading of Company's shares during 2013-2014 at any stock exchange		
<b>Shares (in Rs. crore)</b>					
<b>15 (a). Investor Correspondence for transfer/ Dematerialization of shares, payment of dividend on shares, and any other query relating to the shares of the Company</b>			<b>Link Intime India Pvt. Ltd.</b> 44, Community Center, 2 <sup>nd</sup> floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028		For shares held in Demat Form to the Depository Participant
<b>15 (b). Investor Correspondence for transfer/ Dematerialization of debentures, payment of interest and redemption of debentures and any other query relating to the debentures of the Company</b>			<b>Karvy Computershare Pvt. Ltd.</b> 46, Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad-500081		For Debentures held in Demat Form to the Depository Participant

<b>16. Any query on Annual report:</b>	<b>: Satin Creditcare Network Ltd.</b> 5 <sup>th</sup> floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur Delhi –110033
<b>17. Transfer of unclaimed amount to Investor Education Protection Fund:</b>	No amount is due for transfer to Investors' Education and Investor Education Protection Fund.
<b>18. Compliance Certificate by Auditors:</b>	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.

#### **CEO/CFO CERTIFICATION**

The requisite certification from the Chairman cum Managing Director and Chief Financial Officer for the Financial Year 2013-14 required to be given under Clause 49(V) of the Listing Agreement was placed before the Board of Directors of the company at its meeting held on 26<sup>th</sup> May, 2014.

#### **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 31<sup>st</sup> March, 2014.

**Place:** Delhi  
**Date:** 26<sup>th</sup> May, 2014

**H P Singh**  
**(Chairman cum Managing Director)**



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
FOR THE YEAR ENDING 31<sup>ST</sup> MARCH, 2014 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 31<sup>st</sup> March, 2014, 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 31<sup>st</sup> March, 2014, 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

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

**Place:** Delhi

**Dated:** 26<sup>th</sup> May, 2014

# Auditor's Report

**A. K. GANGAHER & CO.**  
CHARTERED ACCOUNTANTS

## Independent Auditors' Report

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

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of **Satin Creditcare Network Limited** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, the Statement of Profit and Loss and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including Accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 ("the Act"). (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements in particular Note no.17 and 23 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March 2014;
- ii) in the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### 5. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

B. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
- (iii) The Balance Sheet, the Statement of Profit and Loss, and the 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 the Cash Flow statement comply with the accounting standards notified under the Act (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs) referred to in sub-section (3C) of Section 211 of the Act; and
- (v) On the basis of written representations received from the Director as on 31<sup>st</sup> March 2014 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

**Place :** Delhi  
**Dated :** 26<sup>th</sup> May, 2014

**Annexure To The Independent Auditors' report**

Referred to in paragraph 5A 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<sup>st</sup> April, 2006 and the effective date as on 3<sup>rd</sup> December, 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) The fixed assets were physically verified during the year by the management in a phased periodic manner in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion do not constitute a substantial part of fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- (ii) As explained to us, there are no inventories held by the company as on 31<sup>st</sup> March, 2014.
- (iii) (a) The company has not granted any loans to company, firm or other party listed in the register maintained 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 regard 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 is a ‘Non Banking Financial Company-Micro Finance Institutions’(NBFC- MFIs) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (viii) In our opinion, and according to the information and explanations given to us, the internal audit functions carried out by the company along with 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 Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the services rendered by 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<sup>st</sup> March, 2014 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, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute. The details of Dues of Income tax which have not been deposited as on 31<sup>st</sup> March 2014 on account of dispute is given below

Name of Statute	Nature of Dues	Amount(Rs.in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income tax	2.47	2011	Commissioner of Income tax (Appeals)

- (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, prima 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 preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

- (xx) According to the information and explanations given to us and records examined by us, securities/charges have been created in respect of all secured redeemable non convertible debentures issued during the year and outstanding at the year end.
- (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 issued equity share capital and has allotted preferential share capital for the working capital requirements and further expansion of business. The equity share capital has been allotted after the 31<sup>st</sup> March 2014. The funds received by the company against the Preference share capital 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

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

**Place:** Delhi  
**Dated:** 26<sup>th</sup> May 2014

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014

Particulars	Note No.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	28,69,21,010.00	22,69,21,010.00
(b) Reserves and Surplus	4	1,15,74,81,081.06	1,00,95,87,027.83
<b>Sub-Total Shareholders' Funds</b>		<b>1,44,44,02,091.06</b>	1,23,65,08,037.83
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	3,28,81,53,110.07	2,77,97,30,124.33
(b) Long Term Provisions	6	26,03,506.00	28,02,885.00
<b>Sub-Total Non-Current Liabilities</b>		<b>3,29,07,56,616.07</b>	2,78,25,33,009.33
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	17,29,06,463.56	8,41,64,221.84
(b) Other Current Liabilities	8	6,22,84,51,742.80	3,33,62,79,128.42
(c) Short Term Provisions	9	2,11,51,776.66	1,24,02,544.06
<b>Sub-Total Current Liabilities</b>		<b>6,42,25,09,983.02</b>	3,43,28,45,894.32
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>11,15,76,68,690.15</b>	7,45,18,86,941.48
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	5,25,56,396.92	4,15,49,343.65
(ii) Intangible Assets	11	16,54,113.00	10,65,988.00
(iii) Capital Work-In-Progress	12	6,56,56,343.00	4,04,07,724.00
(b) Non-Current Investments	13	5,50,591.33	68,50,591.33
(c) Deferred Tax Assets (Net)	14	2,45,31,611.62	67,09,176.78
(d) Long Term Loans & Advances	15	1,58,68,341.83	6,28,299.00
(e) Other Non - Current Assets	16	72,01,95,695.60	65,19,82,539.00
<b>Sub-Total Non-Current Assets</b>		<b>88,10,13,093.30</b>	74,91,93,661.76
<b>(2) Current Assets</b>			
(a) Trade Receivables under Loan Contracts	17	7,78,94,35,179.60	4,53,25,81,381.73
(b) Cash & Cash Equivalents	18	2,15,22,27,472.02	2,05,25,35,738.49
(c) Short Term Loans and Advances	19	4,10,72,465.75	53,86,318.35
(d) Other Current Assets	20	29,39,20,479.48	11,21,89,841.15
<b>Sub-Total Current Assets</b>		<b>10,27,66,55,596.85</b>	6,70,26,93,279.72
<b>TOTAL ASSETS</b>		<b>11,15,76,68,690.15</b>	7,45,18,86,941.48

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

**For and on behalf of the Board of Directors**

**A.K. Gangaher**  
Proprietor  
M. No. 083674  
Firm ICAI Reg.No. 004588N

**H P Singh**  
(Chairman Cum Managing Director)

**Satvinder Singh**  
(Director)

**Place :** Delhi  
**Dated:** 26<sup>th</sup> May 2014

**Jugal Kataria**  
(Chief Financial Officer)

**Choudhary Runveer Krishanan**  
(Company Secretary & Compliance Officer)

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

Particulars	Note No.	Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
<b>I. Income</b>			
1. Revenue From Operations	21	1,90,54,83,750.23	94,12,80,249.28
2. Other Income	22	1,10,65,473.19	20,26,173.81
<b>Total</b>		<b>1,91,65,49,223.42</b>	<b>94,33,06,423.09</b>
<b>II. Expenses</b>			
1. Finance Cost	23	1,06,07,66,441.78	54,30,34,864.01
2. Employee Benefit Expenses	24	23,55,21,530.47	15,86,19,144.41
3. Other Expenses	25	37,89,86,716.78	18,20,13,046.25
4. Depreciation	10,11&12	71,46,960.00	61,36,063.00
<b>Total</b>		<b>1,68,24,21,649.03</b>	<b>88,98,03,117.67</b>
<b>Profit Before Exceptional And Extraordinary Items And Tax</b>		<b>23,41,27,574.39</b>	<b>5,35,03,305.42</b>
Exceptional Items		-	-
<b>Profit Before Extraordinary Items And Tax</b>		<b>23,41,27,574.39</b>	<b>5,35,03,305.42</b>
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>23,41,27,574.39</b>	<b>5,35,03,305.42</b>
Tax Expense:			
(1) Less : Current Tax		9,63,22,860.00	1,65,75,420.00
(2) Add/(Less) : Tax Related To Earlier Years		(50,495.00)	8,349.69
(3) Add/(Less) : Deferred Tax		1,78,22,434.84	20,46,699.20
<b>Profit After Tax For The Year From Continuing Operations</b>		<b>15,55,76,654.23</b>	<b>3,89,82,934.31</b>

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

Basic	6.83	2.18
Diluted	6.67	2.12

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

**For and on behalf of the Board of Directors**

**A.K. Gangaher**

Proprietor

M. No. 083674

Firm ICAI Reg.No. 004588N

Place : Delhi

Dated: 26th May 2014

**H P Singh**

(Chairman Cum Managing Director)

**Satvinder Singh**

(Director)

**Jugal Kataria**

(Chief Financial Officer)

**Choudhary Runveer Krishanan**

(Company Secretary & Compliance Officer)



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

Particulars	Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Finance Cost, Tax and Extra-Ordinary Items	1,29,48,94,016.17	59,65,38,169.43
<b>Adjustment for</b>		
Depreciation	71,46,960.00	61,36,063.00
<b>Operating Profit before Working Capital Changes</b>	<b>1,30,20,40,976.17</b>	60,26,74,232.43
(Increase)/Decrease in Long Term Loans & Advances	(1,52,40,042.83)	(1,39,489.00)
(Increase)/Decrease in Trade Receivables under Loan Contracts	(3,25,68,53,797.87)	(2,62,76,92,765.62)
(Increase)/Decrease in Short Term Loans and Advances	(3,56,86,147.40)	(6,29,225.55)
(Increase)/Decrease in Other Current Assets	(18,17,30,638.33)	(2,00,55,585.68)
Increase/(Decrease) in Long Term Provisions	(1,99,379.00)	(16,19,074.00)
Increase/(Decrease) in Short Term Provisions	87,49,232.60	61,65,211.31
Increase/(Decrease) in Other Current Liabilities	2,89,21,72,614.38	1,55,51,00,297.57
<b>Cash Generated from Operations</b>	<b>71,32,52,817.72</b>	(48,61,96,398.54)
Finance Cost	(1,06,07,66,441.78)	(54,30,34,864.01)
Tax Expense	(9,63,73,355.00)	(1,65,67,070.31)
<b>Net Cash from Operating Activities</b>	<b>(44,38,86,979.06)</b>	(1,04,57,98,332.86)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) (Net) of Fixed Assets	(4,39,90,757.27)	(95,07,758.00)
Sale/(Purchase) (Net) of Investments	63,00,000.00	-
<b>Net Cash used in Investing Activities</b>	<b>(3,76,90,757.27)</b>	(95,07,758.00)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from issue of Share Capital (Net)	5,23,17,399.00	39,80,77,402.00
Proceeds from Short Term Borrowings (Net)	8,87,42,241.72	1,81,63,83,162.50
Proceeds from Long Term Borrowings (Net)	50,84,22,985.74	47,37,39,199.23
<b>Net Cash used in Financing Activities</b>	<b>64,94,82,626.46</b>	2,68,81,99,763.73
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>16,79,04,890.13</b>	1,63,28,93,672.87
<b>Cash and Cash Equivalents as on 01.04.2013</b>	<b>2,70,45,18,277.49</b>	1,07,16,24,604.62
<b>Cash and Cash Equivalents as on 31.03.2014</b>	<b>2,87,24,23,167.62</b>	2,70,45,18,277.49

## CASH & CASH EQUIVALENTS COMPRISES OFF

Particulars	Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
<b>Cash and Cash Equivalents:</b>		
Cash on Hand	8,22,21,729.71	8,28,37,592.44
Balance with banks in current accounts	86,19,81,455.83	43,34,18,559.40
Term deposits for remaining maturity of 3 months or less	23,39,35,991.00	68,18,38,930.00
	<b>1,17,81,39,176.54</b>	1,19,80,95,081.84
<b>Other Bank Balances:</b>		
Term deposits for remaining maturity of more than 3 months and upto 1 year	97,40,88,295.48	85,44,40,656.65
<b>Other Non-Current Assets:</b>		
Long term deposits having remaining maturity of more than 1 year	72,01,95,695.60	65,19,82,539.00
<b>Total</b>	<b>2,87,24,23,167.62</b>	2,70,45,18,277.49

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

**For and on behalf of the Board of Directors**

**A.K. Gangaher**

Proprietor

M. No. 083674

Firm ICAI Reg.No. 004588N

**Place :** Delhi

**Dated:** 26th May 2014

**H P Singh**

(Chairman Cum Managing Director)

**Satvinder Singh**

(Director)

**Jugal Kataria**

(Chief Financial Officer)

**Choudhary Runveer Krishanan**

(Company Secretary & Compliance Officer)

# NOTES TO THE FINANCIAL STATEMENT

## Note No.1 General Information

Satin Creditcare Network Limited (“The Company”) is a public limited company and incorporated under the provision of the Companies Act, 1956. The Company is a non deposit accepting micro finance non banking financial company, registered as NBFC-MFI with The Reserve Bank of India (“RBI”). Its equity shares are listed at Delhi Stock Exchange Limited, Jaipur Stock Exchange Limited and Ludhiana Stock Exchange Limited. The Company is engaged in the micro-finance activities.

## 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 and the amended Companies (Accounting Standards) Rules 2006, and the other relevant provisions of the Companies Act 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of Circular 15/2013 dated 13th September, 2013 and Circular no.4/2014 dated 04.04.2014 issued by the Ministry of Corporate Affairs) 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.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

### 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.

### 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

Computer software cost are capitalized and amortised using the written down value method. 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/- 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 values its Investments based on the accounting standard issued by the Institute of Chartered Accountants of India as under:
  - a. Investment held as long-term investments is 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

### A. Trade Receivables:

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

### B. Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of Cash Flow Statement comprises cash on hand, demand deposits with banks and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

## 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 securitization transaction in terms of RBI Guidelines. Profit on sale of loan assets through direct assignment, without any recourse obligation or otherwise is amortized 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 accrued.

## 9. ASSET CLASSIFICATION AND PROVISIONING NORMS

The Company being a NBFC-MFI adopts the following norms based on the guidelines/instructions issued by the Reserve Bank of India:-

### Asset Classification Norms:

- (i) Standard asset means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;
- (ii) Non Performing asset means an asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

### Provisioning Norms:

The aggregate loan provision is maintained by the Company at any point of time shall not be less than the higher of:-

- a) 1% of the outstanding loan portfolio, or
- b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

## 10. 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.

Borrowing costs consist of interest and other borrowing costs that the Company incurred in connection with borrowing of the funds. Interest cost is expensed off on the accrual basis. Other Incidental Borrowing Costs namely Processing Fee, Due Diligence charges and Stamp duty charges are amortized over the period of the loan. All other borrowing costs other than mentioned above are expensed in the period they are incurred. In case any loan is prepaid/ cancelled then the unamortized borrowing cost, if any, is fully expensed off on the date of prepayment/cancellation. In case of unamortized identified borrowing cost is outstanding at the year end, it is classified under loans and advances as unamortized cost of borrowings.

## **11. 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.

## **12. SHARE /DEBENTURE ISSUE EXPENSES**

All expenses pertaining to issue of share capital (both equity and preference share capital) and Debentures are adjusted / written off with Securities premium Reserve Account, if any, after the date of allotment as per the provisions of the Companies Act, 1956.

## **13. 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. Further the company being a NBFC-MFI also complies with the guidelines issued by the Reserve Bank of India regarding the various provisioning norms.

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.

## **14. EMPLOYEE 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.

## **15. 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.

## **16. 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.



## **17. 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.

## **18. 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.

## **19. 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.

## **20. OPERATING CYCLE**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
3	<b>Share Capital</b>				
	<b>Authorised</b>				
	3,00,00,000 ( Previous Year 2,50,00,000 ) Equity Shares of Rs. 10/- each		30,00,00,000.00		25,00,00,000.00
	10,00,00,000 (Previous Year NIL) Preference Shares of Rs. 10/- each		1,00,00,00,000.00		-
			1,30,00,00,000.00		25,00,00,000.00
	<b>Issued</b>				
	2,58,97,861 ( Previous Year 2,32,40,151) Equity Shares of Rs. 10/- each		25,89,78,610.00		23,24,01,510.00
	60,00,000 ( Previous Year NIL) 12% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		6,00,00,000.00		-
			31,89,78,610.00		23,24,01,510.00
	<b>Subscribed</b>				
2,32,40,151 ( Previous Year 2,32,40,151) Equity Shares of Rs. 10/- each		23,24,01,510.00		23,24,01,510.00	
60,00,000 ( Previous Year NIL) 12% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		6,00,00,000.00		-	
		29,24,01,510.00		23,24,01,510.00	
<b>Paid-up</b>					
<b>A Equity Share Capital</b>					
2,31,93,651 ( Previous Year 2,31,93,651) Equity Shares of Rs. 10/- each		23,19,36,510.00		23,19,36,510.00	
Less:- Amount recoverable from Satin Employees Welfare Trust ( Face value of 5,25,000 shares allotted to the Satin Employees Welfare Trust)		(52,50,000.00)		(52,50,000.00)	
Add: Forfeited shares (Amount originally paid on 46,500 equity shares)		2,34,500.00		2,34,500.00	
		6,00,00,000.00		-	
<b>B Preference Shares Capital</b>					
60,00,000 ( Previous Year NIL) 12% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		6,00,00,000.00		-	
		28,69,21,010.00		22,69,21,010.00	
<b>a Reconciliation of equity shares of the face value of Rs. 10/- each</b>					
<b>Authorised</b>					
At the beginning of the accounting period	2,50,00,000	25,00,00,000.00	2,00,00,000	20,00,00,000.00	
Additions during the year	50,00,000	5,00,00,000.00	50,00,000	5,00,00,000.00	
At the end of the accounting period	3,00,00,000	30,00,00,000.00	2,50,00,000	25,00,00,000.00	
<b>Issued</b>					
At the beginning of the accounting period	2,32,40,151	23,24,01,510.00	1,84,44,827	18,44,48,270.00	
Additions during the year	26,57,710	2,65,77,100.00	47,95,324	4,79,53,240.00	
At the end of the accounting period	2,58,97,861	25,89,78,610.00	2,32,40,151	23,24,01,510.00	
<b>Subscribed</b>					
At the beginning of the accounting period	2,32,40,151	23,24,01,510.00	1,84,44,827	18,44,48,270.00	
Additions during the year	-	-	47,95,324	4,79,53,240.00	
At the end of the accounting period	2,32,40,151	23,24,01,510.00	2,32,40,151	23,24,01,510.00	
<b>Paid up</b>					
At the beginning of the accounting period	2,31,93,651	23,19,36,510.00	1,83,98,327	18,39,83,270.00	
Additions during the year	-	-	47,95,324	4,79,53,240.00	
At the end of the accounting period	2,31,93,651	23,19,36,510.00	2,31,93,651	23,19,36,510.00	
<b>Shares issued to Satin Employees Welfare Trust</b>					
At the beginning of the accounting period	5,25,000	52,50,000.00	5,75,000	57,50,000.00	
Additions during the year	-	-	-	-	
Alloted to Employees during the year	-	-	50,000	5,00,000.00	
At the end of the accounting period	5,25,000	52,50,000.00	5,25,000	52,50,000.00	

b	Reconciliation of Preference shares of the face value of Rs. 10/- each	No.	Rs.	No.	Rs.
		<b>Authorised</b>			
	At the beginning of the accounting period	-	-	-	-
	Additions during the year	10,00,00,000	1,00,00,00,000.00	-	-
	At the end of the accounting period	10,00,00,000	1,00,00,00,000.00	-	-
	<b>Issued</b>				
	At the beginning of the accounting period	-	-	-	-
	Additions during the year	60,00,000	6,00,00,000.00	-	-
	At the end of the accounting period	60,00,000	6,00,00,000.00	-	-
	<b>Subscribed</b>				
	At the beginning of the accounting period	-	-	-	-
	Additions during the year	60,00,000	6,00,00,000.00	-	-
	At the end of the accounting period	60,00,000	6,00,00,000.00	-	-
	<b>Paid up</b>				
	At the beginning of the accounting period	-	-	-	-
	Additions during the year	60,00,000	6,00,00,000.00	-	-
	At the end of the accounting period	60,00,000	6,00,00,000.00	-	-

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

S. No.	Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
		No. of shares	Percentage Holding	No. of shares	Percentage Holding
1	Shore Cap II Limited	39,08,188	16.85%	39,08,188	16.85%
2	MV Mauritius Limited	34,95,520	15.07%	34,95,520	15.07%
3	Danish Microfinance Partners K/S	23,95,214	10.33%	23,95,214	10.33%
4	Parishek Finance Private Limited	21,50,880	9.27%	21,50,880	9.27%

1. Satin Employees Welfare Trust holds 2,75,000 equity shares under Satin ESOP 2009 and 1,00,000 equity shares under Satin ESOP 2010 and 1,50,000 equity shares aggregating to 5,25,000 equity shares as on 01<sup>st</sup> April, 2013.

a) 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 27<sup>th</sup> November 2009. 1,50,000 Options were granted on 12<sup>th</sup> January 2010. First 1/3<sup>rd</sup> of total options (i.e. 50,000 options) were vested and exercised on 12<sup>th</sup> January 2011. Second 1/3<sup>rd</sup> of total options (i.e. 50,000 options) were vested and exercised on 12<sup>th</sup> January 2012. Third 1/3<sup>rd</sup> of total options (i.e. 50,000 options) were vested and exercised on 12<sup>th</sup> January, 2013. The Company has granted 98,300 Options to 29 employees on 02<sup>nd</sup> December, 2013.

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 22<sup>nd</sup> 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 21<sup>st</sup> April 2011.

b) The Company had allotted shares to Satin Employees Welfare Trust @ Rs. 20/- each (including premium of Rs. 10/- each) on 27<sup>th</sup> November 2009. The Company had further allotted shares to Satin Employees Welfare Trust @ Rs. 22/- each (including premium of Rs. 12/- each) on 22<sup>nd</sup> June 2010. The Company had further allotted shares to Satin Employees Welfare Trust @ Rs. 25/- each (including premium of Rs. 15/- each) on 21<sup>st</sup> April 2011. These shares were allotted at a value which is over the fair market value of these share at the time of allotment and thus no expense has been recognized.

c) The Company has provided following share based options to its employees. During the financial year ended 31<sup>st</sup> March

2014, the following schemes were in operations:

Particulars	ESOP 2009	ESOP 2010	ESOP II 2010
Date of grant	12.01.2010 & 02.12.2013	Not Granted	Not Granted
Date of Board approval	27.11.2009 & 12.11.2013	22.06.2010	21.04.2011
Date of Shareholders approval	01.06.2009	26.03.2010	15.12.2010
No. of options granted	2,48,300 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"> <li>1. First 50,000 options were vested on 12.01.2011 and exercised on the same day by employees (i.e. 1/3<sup>rd</sup> of total options granted subject to lock-in period of one year from the date of vesting of options)</li> <li>2. Second 50,000 options were vested on 12.01.2012 and exercised on the same day by employees (i.e. 1/3<sup>rd</sup> of total options granted subject to lock-in period of one year from the date of vesting of options)</li> <li>3. Third 50,000 options were vested on 12.01.2013 and exercised on the same day by employees (i.e. 1/3<sup>rd</sup> of total options granted subject to lock-in period of one year from the date of vesting of options)</li> </ol> <p>Now, above shares are free from Lock-in.</p>	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 31.03.2014		As at 31.03.2013	
	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	3,25,000	20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercise during the year	-	-	50,000	20
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,76,200	20	2,75,000	20
Exercisable at the end of the year	98,300	20	-	20
Weighted average remaining contractual life (in years) of the option exercisable	1.67	-	-	-
Weighted average fair value of the options exercisable	-	20	-	-

The details of ESOP 2010 are summarized below:

Particulars	As at 31.03.2014		As at 31.03.2013	
	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	1,00,000	22
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercise during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,00,000	22	1,00,000	22
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable	-	-	-	-

The details of ESOP II 2010 are summarized below:

Particulars	As at 31.03.2014		As at 31.03.2013	
	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	1,50,000	25	1,50,000	25
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercise during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,50,000	25	1,50,000	25
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable	-	-	-	-



The detail of exercise price for stock option at the end of the financial year 2013-2014 is:

Series	Range of exercise prices	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	Not Applicable	20
ESOP 2010	22/- per option	1,00,000	Not Applicable	22
ESOP II 2010	25/- per option	1,50,000	Not Applicable	25

2. The Company has Rs. 1,14,50,000.00 (Previous year Rs. 1,14,50,000.00) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.
3. During the year the authorized share capital of the Company was increased from Rs. 2,500.00 Lacs to Rs. 13,000.00 Lacs on 05<sup>th</sup> February, 2014 by creating 10,00,00,000 preference shares of Rs.10/- each and 50,00,000 equity shares of Rs.10/- each after obtaining necessary approval from shareholders.
4. The Company has obtained the approval of shareholders through Extra-ordinary General Meeting held on 05<sup>th</sup> February, 2014 for allotment of upto 30,00,000 (Thirty Lacs only) Equity Shares of the Company of face value of Rs.10/- (Rupees ten only) each for cash at Rs 107/- (Rupees One Hundred Seven only) each including premium of Rs. 97/- (Rupees Ninety Seven only) to the Non-promoters to meet the present working capital requirement and for the expansion of the company's business operations.
5. On 28<sup>th</sup> February, 2014, the Company made Allotment of 60,00,000 (Sixty Lacs) 12% Cumulative Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs 6,00,00,000.00 (Rupees Six Crores only) by way of private placement.

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
4	<b>Reserves &amp; Surplus</b>				
	<b>Securities Premium Reserve</b>				
	At the beginning of the accounting period	88,38,74,482.00		53,47,50,320.00	
	Additions during the year	-		36,20,46,962.00	
	Less: Share / Debenture issue expenses	69,23,165.00		1,29,22,800.00	
		87,69,51,317.00		88,38,74,482.00	
	Less: Amount recoverable from Satin Employees Welfare Trust	62,00,000.00		62,00,000.00	
	At the end of the accounting period		87,07,51,317.00		87,76,74,482.00
	<b>General Reserves</b>				
	At the beginning of the accounting period	37,26,157.00		37,26,157.00	
	Additions / (Deductions) during the year	-		-	
	At the end of the accounting period		37,26,157.00		37,26,157.00
	<b>Statutory Reserve Fund</b>				
	At the beginning of the accounting period	2,67,39,590.00		1,89,43,003.00	
	Additions during the year	3,11,15,331.00		77,96,587.00	
	At the end of the accounting period		5,78,54,921.00		2,67,39,590.00
	<b>Surplus in Statement of Profit &amp; Loss</b>				
At the beginning of the accounting period	10,14,46,798.83		7,02,60,451.52		
Additions during the year	15,55,76,654.23		3,89,82,934.31		
Less: Transfer to Statutory Reserve Fund	3,11,15,331.00		77,96,587.00		
Less: Proposed Dividend-Preference Share Capital @12.34%	6,49,118.00		-		
Less: Dividend Distribution Tax	1,10,318.00		-		
At the end of the accounting period		22,51,48,686.06		10,14,46,798.83	
		1,15,74,81,081.06		1,00,95,87,027.83	

1. During the year, the Company received a sum of Rs. NIL (Previous year Rs. 36,20,46,962.00 on account of premium on issue of NIL (Previous year 47,95,324) equity shares.
2. During the year, the Company utilized a sum of Rs. 69,23,165.00 (Previous year Rs. 1,29,22,800.00) from Securities Premium Reserve towards writing off incidental expenditure pertaining to raising share capital and non-convertible debenture as per the provision of Section 78 of the Companies Act, 1956.
3. The Company has Rs. 1,14,50,000.00 (Previous year Rs. 1,14,50,000.00) 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. 3,11,15,331.00 (Previous Year Rs. 77,96,587.00) towards Statutory Reserve Fund.

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
5	<b>Long term borrowings</b>				
	<b>Secured Loans</b>				
A	<b>Non Convertible Debentures</b>				
	(a) 72 (Previous Year: Nil) ,14.70% Secured, Redeemable, Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on September 27, 2019 .The date of allotment is September 27, 2013. (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)	18,00,00,000.00		-	
	(b) 25 (Series-1) (Previous Year: 25) ,14.25% Secured, Redeemable, Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on September 14, 2018 .The date of allotment is September 14, 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)	-		6,25,00,000.00	
	(c) 75 (Series-2) (Previous Year: 75) ,14.25% Secured, Redeemable, Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on September 14, 2018 .The date of allotment is September 14, 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)	18,75,00,000.00		18,75,00,000.00	
	(d) 250 (Previous Year: 250) ,14.60% Secured, Redeemable, Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on December 18, 2016. The date of allotment is December 18, 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)	-		25,00,00,000.00	
	(e) 124 (Previous Year: Nil) ,13.97% Secured, Redeemable, Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on October 29, 2015 .The date of allotment is October 29, 2013. (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)	23,25,00,000.00		-	

	(f) 37 (Previous Year: 37) ,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)			9,25,00,000.00	
<b>B</b>	<b>Term Loan</b>		<b>60,00,00,000.00</b>		<b>59,25,00,000.00</b>
	<b>From Banks</b>				
	For Working Capital	<b>2,43,84,41,649.84</b>		1,89,77,49,771.00	
	For Purchase of Fixed Assets	<b>77,69,761.53</b>	<b>2,44,62,11,411.37</b>	74,79,630.52	1,90,52,29,401.52
	<b>From Others</b>				
	For Working Capital	<b>24,02,08,326.00</b>		28,10,93,851.67	
	For Purchase of Fixed Assets	<b>17,33,372.70</b>	<b>24,19,41,698.70</b>	9,06,871.14	28,20,00,722.81
	<b>Total Long Term Borrowings</b>		<b>3,28,81,53,110.07</b>		<b>2,77,97,30,124.33</b>

- As per the terms of issue regarding the Secured Redeemable, Non Convertible Debentures, the security offered by the Company is the hypothecation of present and future receivable equivalent to the outstanding amount against each series of Non Convertible Debenture. The above mentioned Non Convertible Debentures are freely tradable and listed on the Bombay Stock Exchange Limited.
- As per the terms of issue, out of 124, ( Previous Year: Nil), 13.97% Secured , Redeemable, Non-Convertible Debentures amounting to Rs. 31,00,00,000.00, an amount of Rs. 7,75,00,000.00 (refer Note No.8A (a)) will be redeemed in financial year 2014-15. The balance amount of Rs. 23,25,00,000.00 redeemable after financial year 2014-15 has been shown in Long Term Borrowings-Secured Loan
- For Term loans refer Note No. 8 (1).

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>6</b>	<b>Long-Term provisions</b>				
	Provision for Leave Encashment		<b>26,03,506.00</b>		28,02,885.00
			<b>26,03,506.00</b>		28,02,885.00

- 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:

	<b>Current Year (Amount in Rs.)</b>	<b>Previous Year (Amount in Rs.)</b>
Employer's Contribution to Provident Fund	<b>1, 11, 59,103.00</b>	77, 75,747.00
Employer's Contribution to Superannuation Fund	<b>Nil</b>	Nil
Employer's Contribution to Pension Scheme	<b>Nil</b>	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:

	<b>Current Year (Amount in Rs.)</b>	Previous Year (Amount in Rs.)
Leave Encashment (Unfunded)		
<b>a. Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
Defined Benefit obligation at beginning of the year	<b>28,02,885.00</b>	44,21,959.00
Current Service Cost	-	-
Interest Cost	<b>2,47,859.00</b>	3,40,872.00
Actuarial (gain)/loss	<b>(2,88,910.00)</b>	(14,80,996.00)
Benefits paid	<b>(1,58,328.00)</b>	(4,78,950.00)
Defined Benefit obligation at year end	<b>26,03,506.00</b>	28,02,885.00
<b>b. Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Employer contribution	-	-
Benefits Paid	<b>(1,58,328.00)</b>	(4,78,950.00)
Fair value of plan assets at year end	-	-
Actual return on plan assets	-	-
<b>c. Reconciliation of fair value of assets and obligations</b>		
Fair Value of plan assets at year end	-	-
Present value of obligation at year end	<b>26,03,506.00</b>	28,02,885.00
Amount recognized in Balance Sheet	<b>26,03,506.00</b>	28,02,885.00
<b>d. Expenses recognized during the year (Under the head "Payments to and Provisions for Employees)</b>		
Current Service Cost	-	-
Interest Cost	<b>2,47,859.00</b>	3,40,872.00
Expected return on plan assets	-	-
Actuarial (gain)/loss	<b>(2,88,910.00)</b>	(14,80,996.00)
Net Cost	<b>(41,051.00)</b>	(11,40,124.00)
<b>e. Actuarial assumptions</b>		
Mortality Table (L.I.C/IAL)	<b>IAL 2006-08 (Ultimate)</b>	IAL 2006-08 (Ultimate)
Discount Rate (per annum)	<b>9.10%</b>	8.15%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	<b>5.00%</b>	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. 7,76,421.00 (Previous Year Rs. 10,77,353.00) will be added to this figure.

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
7 A	<b>Short Term Borrowings</b>				
	<b>Secured Loans</b>				
	<b>Term Loan</b>				
	<b>From Banks</b>				
	For Working Capital	-	-	5,00,00,000.00	5,00,00,000.00
	<b>From Others</b>				
	For Working Capital	1,79,99,310.00	1,79,99,310.00	-	-
B	<b>Overdraft Facility against Fixed Deposits</b>				
	From Banks		5,49,07,153.56		3,41,64,221.84
			7,29,06,463.56		8,41,64,221.84
C	<b>Unsecured Loans</b>				
	For Working Capital		10,00,00,000.00		-
	<b>Total Short Term Borrowings</b>		17,29,06,463.56		8,41,64,221.84

1. For Term loans refer Note No. 8 (1).

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
8 A	<b>Other Current Liabilities</b>				
	<b>Current Maturity of Non Convertible Debentures-Secured</b>				
	(a) 25 (Series-1) (Previous Year: 25) ,14.25% Secured, Redeemable, Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on September 14, 2018 .The date of allotment is September 14, 2012.	6,25,00,000.00		-	
	(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)				
	(b) 250 (Previous Year: 250) ,14.60% Secured, Redeemable, Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on December 18, 2016. The date of allotment is December 18, 2012.	25,00,00,000.00		-	
	(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)				

	(c) 124 (Previous Year: Nil) ,13.97% Secured, Redeemable, Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on October 29, 2015 .The date of allotment is October 29, 2013.  (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)	7,75,00,000.00		-
	(d) 37 (Previous Year: 37) ,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)	9,25,00,000.00		-
	(e) 12, Secured Redeemable Non - Convertible Debentures @ 14.10%, of Rs. 1,00,00,000/- each redeemable at par on March 31, 2014. The date of allotment is March 21, 2011. (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)	-		12,00,00,000.00
			48,25,00,000.00	12,00,00,000.00
<b>B</b>	<b>Current Maturity of long term borrowings-Secured from Banks</b>			
	For Working Capital	4,44,55,89,975.71		2,41,77,45,699.08
	For Purchase of Fixed Assets	3,91,108.28		63,908.15
			4,44,59,81,083.99	2,41,78,09,607.23
<b>C</b>	<b>Current Maturity of long term borrowings-Secured from Others</b>			
	For Working Capital	69,57,76,121.67		49,58,83,686.79
	For Purchase of Fixed Assets	11,19,946.82		3,91,128.86
			6968,96,068.49	4962,74,815.65
<b>D</b>	<b>Expenses Payable</b>		1,72,71,570.74	45,62,059.50
<b>E</b>	<b>Trade Payable</b> (Trade payable includes a sum of Rs.32,90,41,433.24 (Previous year Rs. 14,77,64,457.07 ) on account of Installment collected on managed Portfolio.)		38,46,06,508.24	17,02,11,898.10
<b>F</b>	<b>Cash Profit on loan transfer transaction pending recognition (Unamortised)</b>		13,19,38,288.00	9,33,66,898.00
<b>G</b>	<b>Interest accrued but not due on loans</b>		1,69,91,045.69	82,27,543.97
<b>H</b>	<b>Interest accrued but not due on Debentures</b>		1,98,10,990.31	1,32,07,735.66
<b>I</b>	<b>Statutory Liabilities Payable</b>		3,24,56,187.34	1,26,18,570.31
			6,22,84,51,742.80	3,33,62,79,128.42

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

(Amount in Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
Long Term from Banks- Secured	2,43,84,41,649.84	1,89,77,49,771.00
Long Term from Others- Secured	24,02,08,326.00	28,10,93,851.67
Short Term from Banks- Secured	-	5,00,00,000.00
Short Term from Others- Secured	1,79,99,310.00	-
Short Term from Others- Unsecured	10,00,00,000.00	-
Current maturity of long term debts for lending from Banks- Secured	4,44,55,89,975.71	2,41,77,45,699.08
Current maturity of long term debts for lending from Others- Secured	69,57,76,121.67	49,58,83,686.79
<b>Total</b>	<b>7,93,80,15,383.22</b>	<b>5,14,24,73,008.54</b>

The above loans are repayable on periodic installments of principal and interest. The sanctioned tenure of the loans outstanding as at 31<sup>st</sup> March ,2014 varies from 12 months to 48 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. 66,980.24 Lacs (Previous Year Rs. 47,590.32 Lacs) have been guaranteed by the Directors, Mr. Satvinder Singh and / or Mr. H P Singh in their personal capacity

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

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
9	<b>Short - Term Provision</b>				
	Provision for Leave encashment		7,76,421.00		10,77,353.00
	Proposed dividend on preference shares on prorata basis		6,49,118.00		-
	Proposed dividend distribution tax on proposed dividend on preference shares		1,10,318.00		-
	Contingent provisions against Standard Assets		1,96,15,919.66		1,13,25,191.06
		<b>2,11,51,776.66</b>		<b>1,24,02,544.06</b>	

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

**Note No. 10**

**Tangible Assets**

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As At 01.04.2013	Addition/ Adj.	Sale / Adj.	As At 31.03.2014	As At 01.04.2013	For The Year	Adj./Written Back	As At 31.03.2014	WDV On 31.03.2014	WDV On 31.03.2013
	Buildings	3,09,51,057.28	-	-	3,09,51,057.28	76,69,530.53	11,64,075.75	-	88,33,606.28	2,21,17,451.00
Plant & Equipment	1,57,95,819.22	73,43,057.00	-	2,31,38,876.22	1,10,16,070.93	24,15,722.29	-	1,34,31,793.22	97,07,083.00	47,79,748.29
Office Equipment	57,67,360.59	27,99,073.00	1,94,805.00	83,71,628.59	22,52,146.53	5,88,629.41	79,084.00	27,61,691.94	56,09,936.65	35,15,214.06
Vehicles	71,48,217.00	39,46,475.00	23,53,269.00	87,41,423.00	42,32,163.35	9,92,716.65	19,23,742.00	33,01,138.00	54,40,285.00	29,16,053.65
Furniture & Fixtures	1,29,92,023.33	40,73,818.27	30,500.00	1,70,35,341.60	59,35,222.43	14,34,890.90	16,413.00	73,53,700.33	96,81,641.27	70,56,800.90
<b>Total</b>	<b>7,26,54,477.42</b>	<b>1,81,62,423.27</b>	<b>25,78,574.00</b>	<b>8,82,38,326.69</b>	<b>3,11,05,133.77</b>	<b>65,96,035.00</b>	<b>20,19,239.00</b>	<b>3,56,81,929.77</b>	<b>5,25,56,396.92</b>	<b>4,15,49,343.65</b>
Previous Year	6,72,29,747.42	63,19,245.00	8,94,515.00	7,26,54,477.42	2,57,41,439.77	57,37,899.00	3,74,205.00	3,11,05,133.77	4,15,49,343.65	

**Note No. 11**

**Intangible Assets**

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As At 01.04.2013	Addition/ Adj.	Sale / Adj.	As At 31.03.2014	As At 01.04.2013	For The Year	Adj./Written Back	As At 31.03.2014	WDV On 31.03.2014	WDV On 31.03.2013
	Computer Software	22,14,543.00	11,39,050.00	-	33,53,593.00	11,48,555.00	5,50,925.00	-	16,99,480.00	16,54,113.00
<b>Total</b>	<b>22,14,543.00</b>	<b>11,39,050.00</b>	<b>-</b>	<b>33,53,593.00</b>	<b>11,48,555.00</b>	<b>5,50,925.00</b>	<b>-</b>	<b>16,99,480.00</b>	<b>16,54,113.00</b>	<b>10,65,988.00</b>
Previous Year	15,62,328.00	6,52,215.00	-	22,14,543.00	7,50,391.00	3,98,164.00	-	11,48,555.00	10,65,988.00	

**Note No. 12**

**Capital Work-In-Progress**

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As At 01.04.2013	Addition/ Adj.	Sale / Adj.	As At 31.03.2014	As At 01.04.2013	For The Year	Adj./Written Back	As At 31.03.2013	WDV On 31.03.2013	WDV On 31.03.2013
	Capital Work in Progress	4,04,07,724.00	2,52,48,619.00	-	6,56,56,343.00	-	-	-	-	6,56,56,343.00
<b>Total</b>	<b>4,04,07,724.00</b>	<b>2,52,48,619.00</b>	<b>-</b>	<b>6,56,56,343.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,56,56,343.00</b>	<b>4,04,07,724.00</b>
Previous Year	3,73,51,116.00	30,56,608.00	-	4,04,07,724.00	-	-	-	-	4,04,07,724.00	

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

Note No.	Particulars	Face Value	No. of Units/ Shares 31.03.2014	As at 31.03.2014 Rs.	No. of Units/ Shares 31.03.2013	As at 31.03.2013 Rs.
13	<b>Non Current Investments-Non Trade-At Cost</b>					
	<b>I Unquoted - Equity Shares</b>					
	Parishek Finance Private Limited	10	-	-	40,000	8,00,000.00
	Satin (India) Limited	10	-	-	1,50,000	25,00,000.00
	Satin Media Solutions Limited	10	-	-	1,50,000	30,00,000.00
	Alpha Micro Finance Consultants Private Limited	10	50,000	5,00,000.00	50,000	5,00,000.00
	<b>Total (A)</b>			<b>5,00,000.00</b>		<b>68,00,000.00</b>
	<b>II Unquoted - Others</b>					
	Government of India, Inscribed stock -6.17%	100	500	50,591.33	500	50,591.33
	<b>Total (B)</b>			<b>50,591.33</b>		<b>50,591.33</b>
	<b>Grand Total</b>			<b>5,50,591.33</b>		<b>68,50,591.33</b>
	Aggregate Cost of unquoted Investments			<b>5,50,591.33</b>		<b>68,50,591.33</b>

- During the Year, Company sold part of its long term investments of Rs.63,00,000.00 for Rs.1,34,20,000.00 resulting in profit of Rs.71,20,000.00.
- 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 Rs.)

Note No.	Particulars	As at 31.03.2013	(Liability)/Assets/ Movements/ during the year	As at 31.03.2014
14	<b>Deferred Tax Assets/(Liabilities)/Timing difference on account of</b>			
	<b>Depreciation</b>	(10,46,987.79)	(12,32,547.81)	<b>(22,79,535.60)</b>
	<b>Provisions created but not claimed in Income Tax</b>	77,56,164.57	1,90,54,982.65	<b>2,68,11,147.22</b>
	<b>Total Deferred Tax Assets</b>	67,09,176.78	1,78,22,434.84	<b>2,45,31,611.62</b>

- 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 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
15	<b>Long Term Loans &amp; Advances</b>				
	Security Deposits - Unsecured		7,50,337.00		6,28,299.00
	Unamortised cost of borrowings		1,51,18,004.83		-
			<b>1,58,68,341.83</b>		<b>6,28,299.00</b>

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

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
16	<b>Other Non-Current Assets</b>				
	Long term deposits having remaining maturity of more than 1 year		72,01,95,695.60		65,19,82,539.00
			<b>72,01,95,695.60</b>		<b>65,19,82,539.00</b>

- For long term deposits refer Note No.18.



Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
17	<b>Unsecured, considered good-Trade Receivables under Loan Contracts</b>				
	Amount Receivables under Loan Contracts (Loan Portfolio)	7,84,83,02,282.77		4,54,12,77,846.56	
	Less: Provision for Bad & Doubtful debts (Refer Note below)	5,88,67,103.17		86,96,464.83	
			<b>7,78,94,35,179.60</b>		<b>4,53,25,81,381.73</b>

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. 7,84,83,022.83 (Previous year Rs. 2,00,21,655.89) stood at 31<sup>st</sup> March 2014 towards bad and doubtful debts. This includes an amount of Rs. 1,96,15,919.66 (Previous year Rs. 1,13,25,191.06) as provision for doubtful debts on standard assets as per notification no. DNBS.223/CGM (US)-2011 dated 17<sup>th</sup> January, 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:

(Amount In Rs.)

Asset classification	Loan Contract Outstanding	
	As at 31.03.2014	As at 31.03.2013
Standard Assets	7,84,63,67,864.56	4,53,41,70,380.26
Substandard Assets	19,34,418.21	71,07,466.30
Doubtful Assets	-	-
Loss Assets	-	-
Total	7,84,83,02,282.77	4,54,12,77,846.56
Less: Provision for Bad and Doubtful Debts	5,88,67,103.17	86,96,464.83
Net own assets	7,78,94,35,179.60	4,53,25,81,381.73
Managed Portfolio	2,71,22,52,279.00	1,25,89,77,687.00

The Reserve Bank of India (“RBI”) issued a circular No. RBI/2011-12/290 DNBS.CC. PD. No. 250/03.10.01/2011-12 on 2<sup>nd</sup> December, 2011, for changes in asset classification and provisioning norms, applicable to NBFC-MFI companies w.e.f. 1<sup>st</sup> April 2012. The applicability of the same was deferred to 1<sup>st</sup> April 2013. Accordingly, the Company from 1<sup>st</sup> April 2013, has changed its asset classification and provisioning norms. The provisioning for the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 as per new norms is higher by Rs. 437.41 Lacs as compared to the previous provisioning norms.

The Company has followed the following provisioning norms during the current & previous year:

**Provisioning norms for Current Year:**

The aggregate loan provision is maintained by the Company at any point of time shall not be less than the higher of:-

- 1% of the outstanding loan portfolio, or
- 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

**Provisioning norms for Previous Year:**

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%

2. In the opinion of the Management, amount receivable under Loan contracts are good for recovery unless otherwise stated. An amount of Rs 9,09,45,042.44 (Previous Year – Rs. 2,25,01,328.26) has been written off / provided as bad debts during the year. In the opinion of management, the amounts written off as bad debts are not recoverable despite various steps taken by the Company.

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
18	<b>Cash &amp; Cash Equivalents:</b>				
	Cash on Hand		8,22,21,729.71		8,28,37,592.44
	Balance with banks in current accounts		86,19,81,455.83		43,34,18,559.40
	Term deposits for remaining maturity of 3 months or less		23,39,35,991.00		68,18,38,930.00
	<b>Other Bank Balances</b>				
	Term deposits for remaining maturity of more than 3 months and upto 1 year		97,40,88,295.48		85,44,40,656.65
			<b>2,15,22,27,472.02</b>		<b>2,05,25,35,738.49</b>

1. Total term deposits with banks and others amounting to Rs. 1,92,82,19,982.08 (Previous Year Rs. 2,18,82,62,125.65) includes long term deposits amounting Rs. 72,01,95,695.60 (Previous Year Rs. 65,19,82,539.00) as stated in Note No. 16. The amount under lien as security against term loan and overdraft facility availed, assets assigned and securitized are as follows:-

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
Term Loan	94,55,21,313.00	57,71,69,245.00
Overdraft Facility	23,09,76,371.60	23,19,29,332.65
Asset Assigned/Securitized	46,94,48,246.48	31,03,83,638.00
<b>TOTAL</b>	<b>1,64,59,45,931.08</b>	<b>1,11,94,82,215.65</b>

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
19	<b>Short Term Loans &amp; Advances - Unsecured</b>				
	Staff Advance		84,90,727.58		53,86,318.35
	Unamortised share issue expenses		75,10,298.00		-
	Unamortised cost of borrowings		2,50,71,440.17		-
			<b>4,10,72,465.75</b>		<b>53,86,318.35</b>

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

Note No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
20	<b>Other Current Assets</b>				
	Prepaid Expenses		60,06,310.51		2,44,209.00
	Interest accrued but not due		16,96,43,717.05		7,75,98,215.89
	Advances recoverable in cash or in kind or for value to be received		11,82,70,451.92		3,43,47,416.26
			<b>29,39,20,479.48</b>		<b>11,21,89,841.15</b>

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

Note No.	Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
21	<b>Revenue from operations</b>				
	Interest Income	1,67,45,56,907.83		79,61,64,298.72	
	Other operational income	23,09,26,842.40	1,90,54,83,750.23	14,51,15,950.56	94,12,80,249.28

Note No.	Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
22	<b>Other Income</b>				
	Other Income		1,10,65,473.19		20,26,173.81

1. The amount of Rs. 20,08,755.00 (Previous Year Nil) included in other income are received from Taraashna Services Private Limited in pursuance of Service Agreement between the Company and Taraashna Services Private Limited executed on 20<sup>th</sup> December 2013 where Satin Creditcare Network Limited agrees to provide its expertise, knowledge, skill and guidance to Taraashna Services Private Limited to enable the latter one to undertake its business and operations in effective manner.

2. Also refer Note No.13(1)

Note No.	Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
23	<b>Finance Cost</b>				
	Interest paid to Banks	71,38,61,976.65		31,20,93,207.55	
	Interest paid to Others	14,27,71,655.88		8,98,92,726.33	
	Interest paid on Debentures	13,04,59,675.72		5,74,66,975.94	
	Finance Charges	7,36,73,133.53	1,06,07,66,441.78	8,35,81,954.19	54,30,34,864.01

The Company was following the policy of charging off the incidental costs relating to raising funds for working capital in the year they were incurred. However, The Reserve Bank of India, vide its letter no. DNBS.PD.NO. 4906/03.10.038/ 2012-13 dated 4th April, 2013 to MFIN (Micro Finance Institutions Network) on calculation of Cost of Borrowing, clarified that the incidental costs namely Processing Fee, Due Diligence charges and Stamp duty charges incurred by any entity for raising a loan should be amortized over the period of loan. Accordingly the Company changed its accounting policy for charging of the incidental cost relating to raising of the funds for its working capital. The Company, during the year, has incurred incidental cost of Rs. 543.32 Lacs for raising funds for working capital. A sum of Rs. 401.89 Lacs of incidental cost has been deferred as at 31st March 2014. Finance Cost for the period 1st April 2013 to 31st March 2014 as per new policy is lower by Rs. 401.89 Lacs as compared to the previous accounting policy.

Note No.	Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>24</b>	<b>Employee Benefit Expenses</b>				
	Salaries & Other Incentives	20,91,80,165.47		13,97,13,622.41	
	Contribution to Provident & Other Funds	1,56,02,447.00		1,12,08,181.00	
	Gratuity	10,00,000.00		8,00,000.00	
	Employee Welfare Expenses	97,38,918.00	23,55,21,530.47	68,97,341.00	15,86,19,144.41

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Salary	48,00,000.00	24,00,000.00
Contribution to Provident Fund, etc.	13,76,000.00	6,88,000.00
<b>Total</b>	<b>61,76,000.00</b>	<b>30,88,000.00</b>

2. Also refer Note No. 6.

Note No.	Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>25</b>	<b>Other Expenses</b>				
	Annual Listing Fee	2,75,172.00		1,94,523.00	
	Conveyance & Travelling	4,14,92,541.00		2,37,44,587.00	
	Direct Operational Expenses	6,01,42,156.57		4,20,86,641.18	
	Printing & Stationary	4,17,60,657.00		2,12,99,953.00	
	Communication	1,26,60,070.00		1,07,76,402.00	
	Business Promotion	1,10,75,067.00		28,78,431.00	
	Legal & Professional Charges	2,63,70,812.00		1,23,08,053.40	
	Directors Sitting Fees	1,00,000.00		-	
	Insurance Charges	25,57,387.00		11,11,419.00	
	Office Expenses	4,75,17,854.00		2,00,17,343.49	
	Rent	1,56,61,966.00		1,12,68,060.00	
	Advertisement Expenses	2,59,849.00		7,94,026.00	
	Auditors' Remuneration	3,46,000.00		2,21,465.00	
	Subscription & Fee	22,53,852.00		12,40,420.00	
	Rates & Taxes	68,66,177.00		4,31,594.00	
	Repairs & Maintenance	53,11,837.00		34,87,501.00	
	Miscellaneous Expenses	1,33,30,757.77		73,59,986.92	
	Bad Debts Written off	3,17,23,675.50		1,32,57,306.90	
	Provision for Standard/Non Performing Assets	5,92,21,366.94		92,44,021.36	
	(Profit)/Loss on Sale of Fixed Assets	59,519.00	37,89,86,716.78	2,91,312.00	18,20,13,046.25

1. Auditors' remuneration includes the following:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Audit Fees	2,00,000.00	1,65,000.00
Tax Audit Fees	50,000.00	35,000.00
Certification work	96,000.00	21,465.00
<b>Total</b>	<b>3,46,000.00</b>	<b>2,21,465.00</b>

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

**Note No.26**

1. Estimated amount of contract remaining to be executed on capital account and not provided for Rs. **401.49 Lacs** (Previous Year Rs. 18.83 Lacs).

2. Contingent Liability: On account of guarantees given by the Company:

(Rs. in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
On account of managed portfolio	3,425.08	2,270.25
Income Tax pending appeal	2.47	-
<b>Total</b>	<b>3,427.55</b>	<b>2,270.25</b>

3. 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.

4. 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, 2014 # (Amount in Rs.)	Amount written off or written back # (Amount in Rs.)
Mr. H P Singh	Key Personnel	Remuneration	61,76,000.00 ( 30,88,000.00)	Nil (Nil)	Nil (Nil)
		Sale of Investment	49,30,000.00 (Nil)	Nil (Nil)	Nil (Nil)
Mr.Satvinder Singh	Non-Executive Director & Relative of Key Managerial Personnel	Sitting Fees	30,000.00 (Nil)	Nil (Nil)	Nil (Nil)
Parishek Finance Pvt.Ltd.	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (Nil)	Nil (8,00,000.00) Dr.	Nil (Nil)
Satin (India) Ltd.	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (Nil)	Nil (25,00,000.00) Dr.	Nil (Nil)
		Sale of Investment	15,60,000.00 (Nil)	Nil (Nil)	Nil (Nil)
U.V.Associates Pvt. Ltd.	Influence of Key Managerial Personnel & Relatives	Sale of Investment	15,60,000.00 (Nil)	Nil (Nil)	Nil (Nil)
Tyagi Associates Pvt. Ltd.	Influence of Key Managerial Personnel & Relatives	Sale of Investment	15,60,000.00 (Nil)	Nil (Nil)	Nil (Nil)



Anushna Estates Pvt. Ltd.	Influence of Key Managerial Personnel & Relatives	Sale of Investment	<b>15,60,000.00</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Satin Media Solutions Limited	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	<b>Nil</b> (Nil)	<b>Nil</b> (30,00,000.00) Dr.	<b>Nil</b> (Nil)
		Sale of Investment	<b>22,50,000.00</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Taraashna Services Pvt. Ltd.	Influence of Key Managerial Personnel & Relatives	Received on account of Managerial Services	<b>20,08,755.00</b> (Nil)	<b>9,97,394.00 Dr.</b> (Nil)	<b>Nil</b> (Nil)

# Figures in bracket pertain to previous year.

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

(Amount in Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
Operating lease payments recognized during the year	<b>1,56,61,966.00</b>	1,12,68,060.00
Minimum lease obligations:		
- Not later than 1 year	<b>1,02,91,005.00</b>	71,14,430.75
- Later than 1 year but not later than 5 years	<b>46,90,252.00</b>	13,85,837.00
- 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.)	<b>15,48,17,218.23</b>	3,89,82,934.31
Weighted average number of Equity Shares for computation of Basic Earnings Per Share	<b>2,26,68,651.00</b>	1,78,60,425.00
Basic Earnings Per Share (Rs.)	<b>6.83</b>	2.18
Weighted average number of Equity Shares for computation of Diluted Earnings Per Share	<b>2,31,93,651.00</b>	1,84,24,603.00
Diluted Earnings Per Share (Rs.)	<b>6.67</b>	2.12

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

Particulars	Current Year	Previous Year
Basic Earnings Per Share (Rs.)	<b>6.83</b>	2.18
Effect of outstanding ESOS (Rs.)	<b>(0.16)</b>	(0.06)
Diluted Earnings Per Share (Rs.)	<b>6.67</b>	2.12

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

(Amount in Rs.)

Nature	Current Year	Previous Year
Share Application Money	-	30,00,00,177.00
<b>Total</b>	-	30,00,00,177.00

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

(Amount in Rs.)

Nature	Current Year	Previous Year
Travelling expenses	29,75,430.00	12,31,332.00
Fees & Subscription	17,07,139.00	117,569.00
<b>Total</b>	<b>46,82,569.00</b>	<b>13,48,901.00</b>

8. The Company has not discontinued any operations hence there is no profit/loss on this account.
9. 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 31<sup>st</sup> March, 2014 (Previous year Nil).
10. Additional disclosures as required by the Reserve Bank of India: -

- (a) Disclosure as required by Paragraph 10 of Non Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is as under:

(i) Capital to Risk Assets Ratio (“CRAR”)

Item	31.03.2014	31.03.2013
CRAR (%)	15.31	23.43
CRAR – Tier I Capital (%)	14.32	23.20
CRAR – Tier II Capital (%)	0.99	0.23

- (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 Crore)

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
<b>Liabilities</b>									
<b>Borrowings from Banks</b>	22.33 (10.81)	33.27 (22.84)	56.95 (27.75)	119.69 (58.53)	212.03 (130.26)	249.68 (190.52)	0.03 -	- -	693.98 (440.71)
<b>Market Borrowings (other than Banks)</b>	15.78 (3.51)	16.17 (4.04)	6.11 (3.93)	26.78 (15.49)	64.91 (34.67)	84.24 (87.45)	0.06 -	0.61 -	214.66 (149.09)
<b>Assets</b>									
<b>Advances</b>	134.44 (77.64)	59.09 (51.69)	55.06 (64.87)	159.66 (125.07)	324.40 (215.34)	305.10 (165.65)	- (3.01)	- -	1,037.75 (703.27)
<b>Investments</b>	- -	- -	- -	- -	- -	- -	- -	0.06 (0.69)	0.06 (0.69)

# Figures in brackets pertain to previous year.

(b) Disclosures as per RBI guidelines are as under:

(Rs. In 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 as credit enhancement. (outstanding value)
<b>187,123</b> (Previous Year 119,986)	<b>24,726.33</b> (Previous Year 13,086.60)	<b>26,365.86</b> (Previous Year . 14,092.00)	<b>1,952.55</b> (Previous Year 1005.40)	<b>2,594.40 (as cash collateral)</b> (Previous Year 1,412.93)

(c) Disclosures as per circular no.RBI/2011-12/540 DBOD.No.BP.BC-103/21.04.177/2011-12, Dated 7<sup>th</sup> May, 2012 issued by RBI are as under:-

(No./Rs. In Lacs)

S No.	Particulars	Current Year	Previous Year
1	No of SPVs sponsored by the NBFC for securitisation transactions	23	10
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	19,592.42	13,086.60
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off Balance Sheet exposures		
	* First Loss	-	-
	* Others	-	-
	b) On Balance Sheet exposures	-	-
	* First Loss	3,568.97	1,412.93
	* Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off Balance Sheet exposures		
	i) Exposure to own securitizations		
	* First Loss	-	-
	* Others	-	-
	ii) Exposure to third party securitizations	-	-
	* First Loss	-	-
	* Others	-	-
	b) On Balance Sheet exposures	-	-
	i) Exposure to own securitizations	-	-
	* First Loss	-	-
	* Others	-	-
	ii) Exposure to third party securitizations	-	-

(d) Disclosure as required under DNBS (PD) CC. No. 300/03.10.038/2012-13 dated 3rd August 2012.

The Margin Cap of the Company as on 31st March 2014 is 9.92% (Previous Year 9.51%). The same has been computed as suggested by Micro Finance Institution Network in their representation to the Reserve Bank Of India dated 29th August 2012.

(e) 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			
<b>Liabilities side:</b>			
1	<b>Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:</b>	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	10,825.00	-
	: Unsecured (other than falling within the meaning of Public deposits)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	79,380.15	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(g) Other Loans (specify nature) -	-	-
	Public deposits	-	-
	Other unsecured loans	-	-
	Secured loans against assets of Company	7063.99	-
<b>Assets side:</b>		<b>Amount outstanding</b>	
2	<b>Break-up of Loans and advances including bills receivables (other than those included in (4) below) :</b>		
	(a) Secured		-
	(b) Unsecured		78,880.90
3	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
	(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	<b>Break-up of Investments :</b>		
	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)		-
	<u>Long Term Investments :</u>		
	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		5.00
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		0.51
	(V) Others (please specify)		-
			<b>5.51</b>

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	-	77,698.20	77,698.20
	<b>Total</b>	-	<b>77,698.20</b>	<b>77,698.20</b>
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	-	-	
	(c) Other related parties	-	-	
	2. Other than related Parties	5.51	5.51	
	<b>Total</b>	<b>5.51</b>	<b>5.51</b>	
7	Other information			
	Particulars	Amount		
(I)	Gross Non-Performing Assets	19.34		
	(a) Related parties	-		
	(b) Other than related parties	19.34		
(II)	Net Non-Performing Assets	19.15		
	(a) Related parties	-		
	(b) Other than related parties	19.15		
(III)	Assets acquired in satisfaction of debt	-		

11. The figures of the previous year have been regrouped / reclassified wherever necessary to make them comparable with the figures of the current year.

As per our report of even date annexed

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

**For and on behalf of the Board of Directors**

**A.K. Gangaher**  
Proprietor  
M. No. 083674  
Firm ICAI Reg.No. 004588N

**H P Singh**  
(Chairman Cum Managing Director)

**Satvinder Singh**  
(Director)

**Place :** Delhi  
**Dated:** 26th May 2014

**Jugal Kataria**  
(Chief Financial Officer)

**Choudhary Runveer Krishanan**  
(Company Secretary & Compliance Officer)



SATIN CREDITCARE NETWORK LTD.

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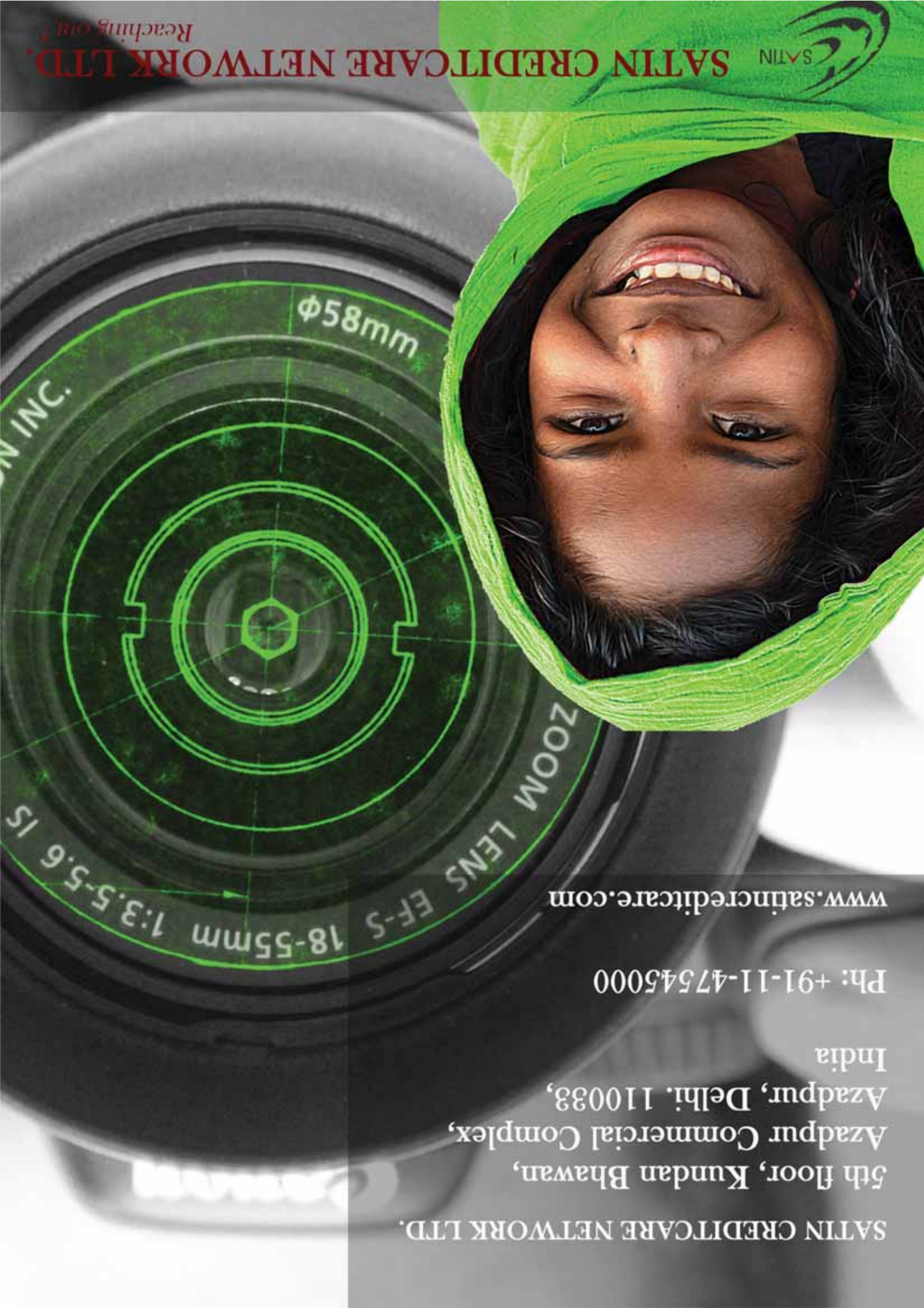
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## SCNL's Social Media Buzz

There has been a tremendous amount of change in the global markets in the past few years. Thus, at SCNL we do realize that the 'Social media' is an instrument of two-way communication with the use of technological tools and applications that enables people to connect and share opinions, news, knowledge and latest developments irrespective of the geographic areas we operate in or belong to. In today's world social media is one of the best ways to connect across vast distances and it has fundamentally changed the way we promote our organization, products and services.

Therefore at SCNL, our communication department monitors the social results for insight, responds to various queries that are often sent on our social media platforms (facebook, twitter, flickr & pinterest) and utilizes social tools to recruit talent which can take the company to the next level.

The possibilities presented by social media channels are endless. With a strong set of pictures, videos & topic of discussions, one is able to see exactly what SCNL as a brand name offers.

To know more of what we do on these social media platforms, please follow us on:

<https://www.facebook.com/SatinCreditcareNetworkLtd>



<http://www.pinterest.com/pin/521221356846077265/>



<https://www.flickr.com/photos/120783094@N07/>



<https://twitter.com/SatinCreditcare>





<b>Campaign Name</b>	
International Women's Day	
<b>Target Segment</b>	Clients & Employees of SCNL
<b>Month</b>	8 <sup>th</sup> March 2014
<b>Agenda</b>	Social Issues, Economic Independence & Empowerment of Women
<b>Venue</b>	Azadpur, Delhi Region
<b>Target Participants</b>	100

Report on International Women's Day, Delhi



**Children's Day Celebration:** SCNL celebrated Children's Day on 14th November, 2013. There were more than 300 children including our clients from total 18 centers of Burari branch, who came to be part of the celebrations. All participants participated in drawing competition and first three best drawing were awarded with bouquet & prizes by SCNL team members.



<b>Campaign Name</b>	Financial Literacy Program
<b>Target Segment</b>	Clients of SCNL
<b>Month</b>	16 <sup>th</sup> August 2013
<b>Agenda</b>	Capacity Building
<b>Venue</b>	Loni
<b>Target Participants</b>	500

Report on Financial Literacy Program, Loni

<b>Campaign Name</b>	Children's Day Celebration
<b>Target Segment</b>	Children and Clients of SCNL
<b>Month</b>	14 <sup>th</sup> November 2013
<b>Agenda</b>	Observation of Important Days
<b>Venue</b>	Burari
<b>Target Participants</b>	300

Report on Children's Day Celebration

**International Women's Day:** SCNL celebrated the spirit of womanhood on 8th March 2014 in collaboration with reputed NGOs; Goonj...a voice, an effort, Sahayogi and Well Known Social Activist Ms. Usha Thakur. A total of 130 participants were present for the meeting. SCNL took the initiative to thank all the women in the organization, be it clients or employee of SCNL. While all the women were felicitated by flowers and gifts, the clients were brought together and a healthy conversation took place.





**Financial Literacy Program:** SCNL believes that only as monetary assistance is not sufficient to women & their families to achieve quality in life. Therefore, SCNL organized Financial Literacy Program in Loni on 16th August, 2013. Total 500 women and their families participated in this program.

<b>Target Participants</b>	500
<b>Agenda</b>	Preventive Health Camp
<b>Month</b>	16 <sup>th</sup> August 2013
<b>Target Segment</b>	Clients of SCNL
<b>Campaign Name</b>	Cancer Awareness Workshop

Report on Cancer Awareness Workshop, Loni



**Cancer Awareness Camp:** SCNL organized a workshop on Breast cancer awareness in association with Rajiv Gandhi Cancer Institute and Research Centre, Loni branch, Hapur Region. There were more than 500 Clients who came to be part of the workshop. SCNL collaborated with the Preventive Oncology Department of RGCIRC to bring the best knowledge to our clients.

<b>Target Participants</b>	250 Families
<b>Venue</b>	Rishikesh, Haridwar
<b>Agenda</b>	Disaster relief and rehabilitation
<b>Month</b>	30 <sup>th</sup> June- 2 <sup>nd</sup> July 2013
<b>Target Segment</b>	Flood affected Families
<b>Campaign Name</b>	Uttarakhand Disaster Relief Camp

Report on Uttarakhand Disaster Relief Camp



**Uttarakhand Disaster Relief Camp:** SCNL united as an institution and raised funds for the help of the victims of this disaster. SCNL set up food and resource distribution camps in the villages near Haridwar, Rishikesh and Dehradun in association with Sahib Bandagi Ashram. This food distribution was specially targeted for the families of more than 5000 people who were missing and the families had no other option then to wait. SCNL came to rescue of those people.

<b>Target Participants</b>	700
<b>Venue</b>	Sambhal, Hapur Region
<b>Agenda</b>	Empowerment of Center Leaders
<b>Month</b>	18 <sup>th</sup> January 2014
<b>Target Segment</b>	Clients of SCNL
<b>Campaign Name</b>	Center Leader Workshop

Report on Center Leader Workshop, Sambhal

<b>Target Participants</b>	700
<b>Venue</b>	Joya, Hapur Region
<b>Agenda</b>	Empowerment of Center Leaders
<b>Month</b>	18 <sup>th</sup> January 2014
<b>Target Segment</b>	Clients of SCNL
<b>Campaign Name</b>	Center Leader Workshop

Report on Center Leader Workshop, Joya

<b>Target Participants</b>	600
<b>Venue</b>	Muradabad, Hapur Region
<b>Agenda</b>	Empowerment of Center Leaders
<b>Month</b>	18 <sup>th</sup> January 2014
<b>Target Segment</b>	Clients of SCNL
<b>Campaign Name</b>	Center Leader Workshop

Report on Center Leader Workshop, Muradabad

# SCNL's Empowerment & Social Initiatives

Like every year, the year 2013-2014 too commenced with a wide range of Social Performance Activities that were organized by team SCNL so as to create benefits for our stakeholders, their families and communities to provide them with basic needs that they are departed off. Below mentioned is the snapshot of the activities undertaken:

**Free Health Check up & Awareness Camp:** SCNL organized Free Health check up & Awareness Camp in association with Sir Ganga Ram Hospital at Gosiya Colony, Mehrauli. The Health camp was not only for the clients of SCNL but for their entire family and other residents of Gosiya Colony. Total 134 people came for the check up and received free consultation as well as free medicines.



Report on Health Camp, Gosiya Colony

<b>Campaign Name</b>	Health Check up and Awareness Camp
<b>Target Segment</b>	Clients of SCNL
<b>Date</b>	20 <sup>th</sup> April, 2013
<b>Agenda</b>	Preventive and Curative Health Care
<b>Venue</b>	Gosiya Colony
<b>Target Participants</b>	134 clients

**Center Leader Workshops:** SCNL has always been devoted for the cause of welfare of our clients. The centre leader workshop not only gave us an opportunity to make our clients more empowered through inculcating financial literacy but also gives them leadership skills. SCNL conducted Center Leader Workshops in Sikanrabad, Joya, Sambhal and Muradabad branches of Hapur Region. SCNL feels very proud to claim that we have empowered around 2600 Centre Leaders of around 563 villages in the year of 2013.







Thus, in Neelu and Ashish Naamdev's words "SCNL has not only brought happiness in our lives through the WSHG program but today we are living our life with dignity", and at SCNL, we look forth to bring happiness in life of as many women as we can.

Gradually, her neighbors started to give them work. Today, Neelu works from her place which definitely has a better environment as compared to the labour work she did earlier and has also raised her social and financial status. Nowadays, Neelu also give free training to women who would like to earn their livelihood through sewing and tailoring just like her and intends to do much more for her group.

Few months later SCNL came to their village with WSHG program and not so surprisingly, Neelu was the first women to come forward and join the group - "Shree Krishna Satin SHG" as president in Goragao village of Raipur Karchuliya Block in Rewa district of Madhya Pradesh. Neelu underwent skill training program conducted by SCNL on Sewing & Tailoring in her village. Few months later, her WSHG was credit linked with union bank with which she bought a new sewing machine and trained her husband who was not physically fit to do any heavy work.

Neelu Naamdev was living miserable life after her marriage. Her husband Ashish, was handicapped from one leg and her family of four members' survival was on Neelu's income who was a daily wage earner. Things were getting tougher as Neelu was not able to get this kind of job on regular bases. As a result, the only alternative Neelu had was to take from a local money lender at very high interest rate which made life more difficult for her.

# Women Self Help Group & Livelihood Project

Satin Creditcare Network Ltd. (SCNL) has always dedicated itself to uplift the social & economic life of weaker section of our society and to fulfill this objective, SCNL started to work on WSHG Scheme at Rewa District in Madhya Pradesh in April 2012, which was launched by Ministry of Finance with the support of Lead Banks and NABARD. Keeping the efforts and impact created by SCNL at Rewa District in Madhya Pradesh, the Ministry of Finance & NABARD rewarded SCNL to extend this project in yet another district of Madhya Pradesh i.e. Anuppur in April 2013.

Also, it is to be noticed that till March 2014, SCNL has successfully promoted 1256 Women Self Help Groups (WSHGs) out of that 1128 have been saving linked and 417 have been credit linked with various Banks with an amount of Rs. 2.24 Cr. Beside this, with great effort of team SCNL all these WSHG members have been able to save more than 1 Crore rupees during a short span of time.

SCNL's WSHG members are not only putting their effort towards economic empowerment but are also working on many social agenda like plantation, safe sanitation, gender equality, child education, vaccination for children, water conservation etc.





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2013-2014

**24<sup>th</sup> ANNUAL REPORT**