



**SATIN CREDITCARE NETWORK LIMITED**

*Reaching out!*



**26th**

**Annual Report**

2015-16



# “There is no secret to success. It is the result of preparation, hard work and learning from botch”

- Collin Powel

Year 2015 was an eventful one. We grew our business by launching new strategies, simplified processes, inspired our team, redesigned and began our transformation into a more cost-efficient and competitive MFI that is client friendly. We also penetrated into 5 new states i.e. Jharkhand, Gujrat, Chhattisgarh, Himachal Pradesh and West Bengal that increased both our profitability and enabled us to improve our competitiveness along with creating values for shareholders.

Over the years, the environment we operate in has changed constantly. SCNL has achieved many firsts in terms of products, services, and transactions. Thanks to our determination to take on new challenges and the intent focus of our people at SCNL to "place our clients at the heart of everything we do", that we have continued to survive for 26 years. The year of 2015 added to yet another first in SCNL's kitty as we became the first MFI to be associated with MUDRA Bank that sanctioned its first loan of Rs. 35 Crores in July, 2015.

Furthermore, we also got listed on National Stock Exchange of India Limited (NSE), Bombay Stock Exchange (BSE) & The Calcutta Stock Exchange Limited (CSE).

Our service quality and client friendly approach has been one of our key focus since the inception, a commitment which has paid off through both increased client loyalty and numbers even in this financial year. SCNL has yet again been recognised by the industry as we received “Iconic Name in Microfinance Award”, at the Make in India Conclave – Indian Realty Award & International Business Awards in November, 2015.

I feel privileged to share that our ratings have been extremely good with a CARE Ratings of MFI 1 (MFI One) grading - the top most category in MFIs grading and received rating of 8 out of 10 in COCA (Code of Conduct Compliance) Audit for good compliance.

At SCNL we believe that the needs of society and our clients are transforming with time; thus we have identified digitalization as a key driver of our business success for sustainable development and made further progress in integrating it into our business.

In 2015 in the states of Bihar and Gujrat, as a pilot we started with cashless transactions with an aim to transform the usual cash collection into cash digitization. We also introduced 'Wash Loans' as a new loan product in the states of Bihar and Uttar Pradesh.

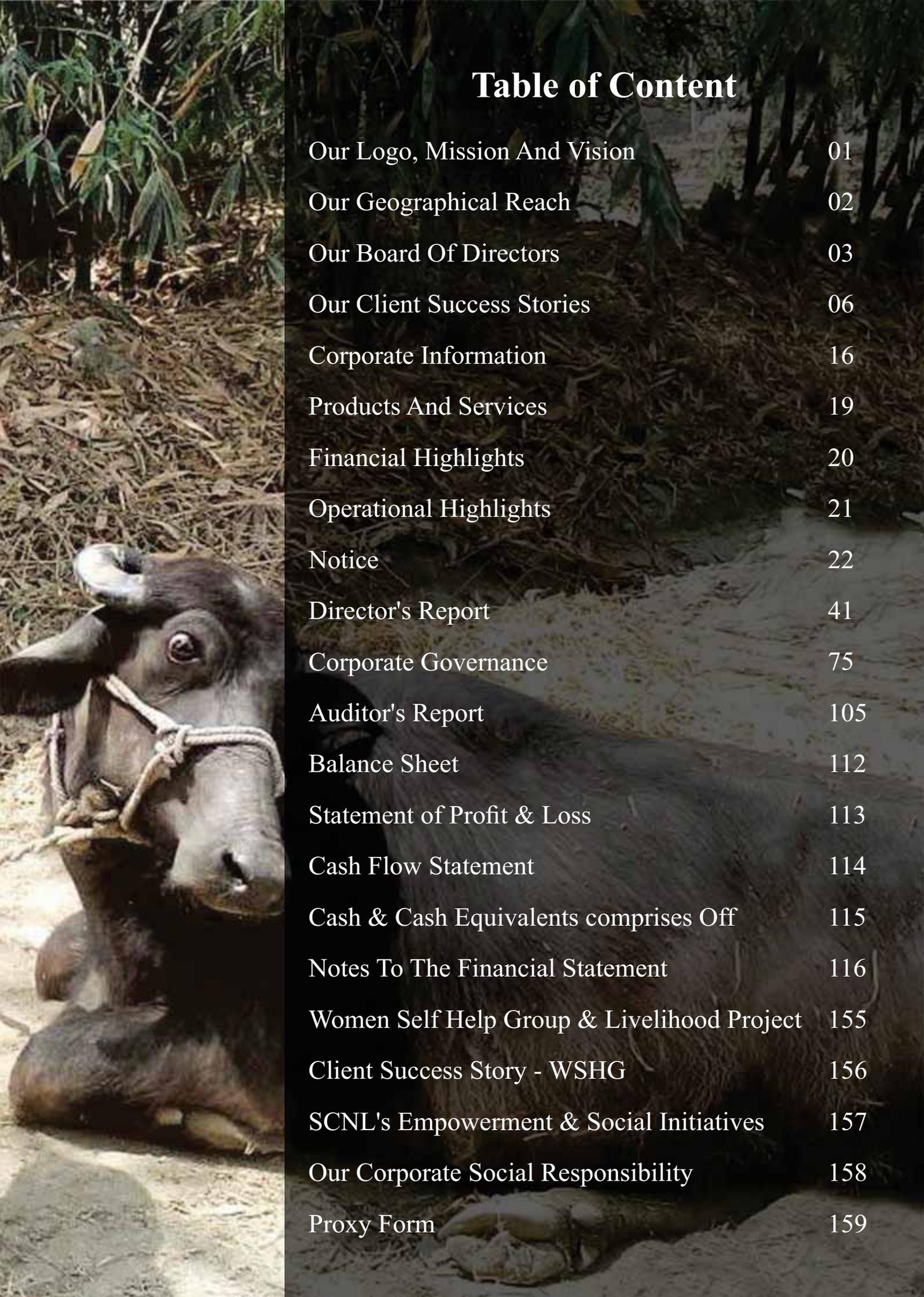
To sum up, the entire value chain of SCNL focuses on the areas where we have the biggest impact. Our strategic priorities are grounded in a fundamental sense of responsibility that includes all our stakeholders - clients, employees, communities and shareholders; whose support is the essence of our continuous growth and success.



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







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# SCNL's Logo, Vision & Mission

## 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 powerhouse with a range of financial products designed and suited for the financially excluded community.

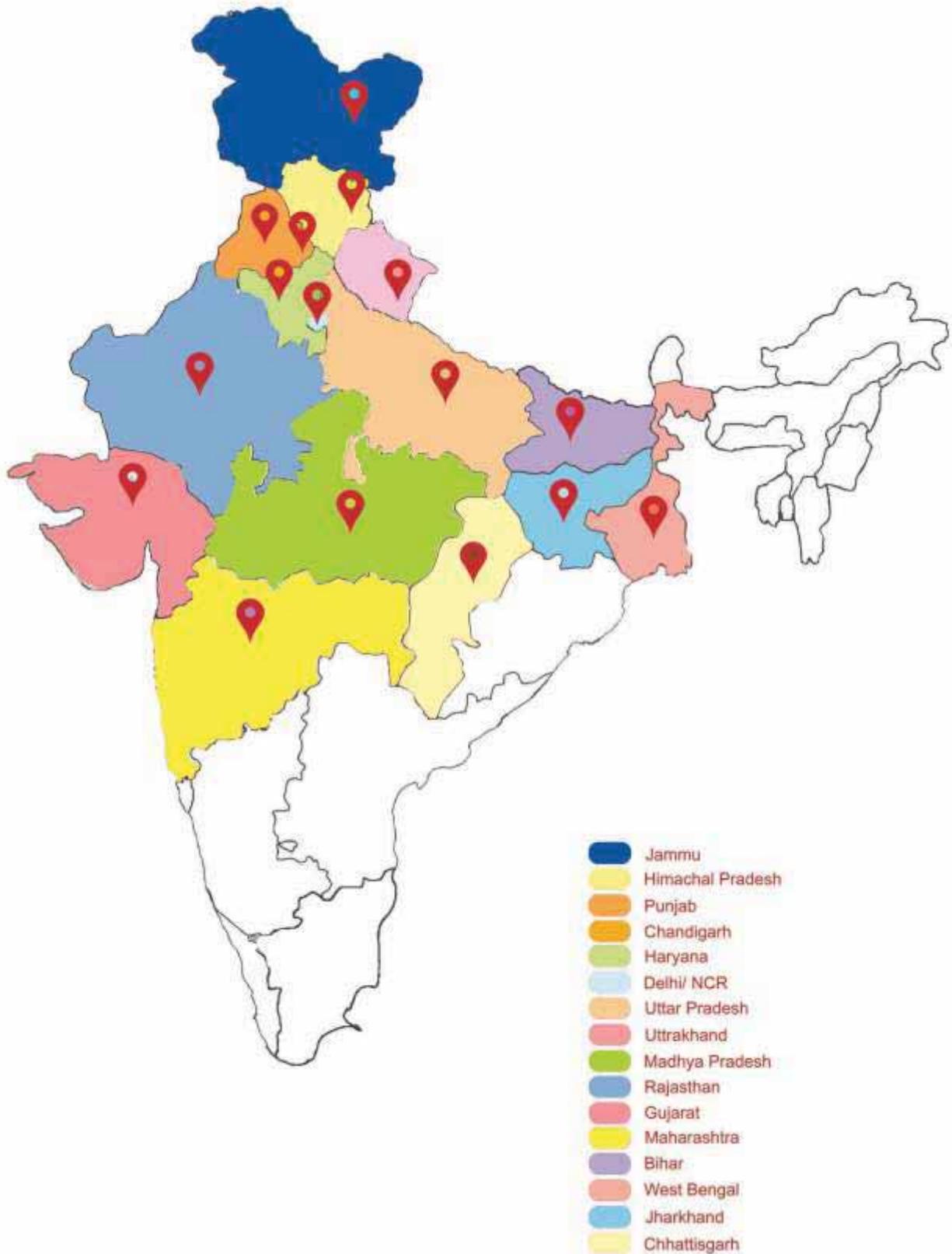
## LOGO

Our logo represents 'our vibrancy' through our ever expanding endeavors in 'Reaching out' to a large number of financially excluded households and to reach out to the under-served hinterlands of India. SCNL's motto is to empower, be compassionate, humane, kind and promote our borrowers. The adherence to this philosophy is followed at all levels.

## 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.

# Geographical Reach



# Our Board Of Directors



**Mr. H P Singh (Chairman cum Managing Director)** - Mr. H P Singh is a law graduate and a fellow of The Institute of Chartered Accountants of India since 1984. He has over two decades of microfinance experience and pioneered the unique concept of daily collection of repayments of loans. Besides an expert in lending (especially microfinance) he has experience in the field of auditing, accounts, project financing, advisory services and company law matters. His financial engineering experience of almost three decades has helped the Company in operational strategy and efficiency. He is actively involved in SCNL's day-to-day operations and has been a vital source of inspiration since the company's inception in 1990. Under his leadership, SCNL has grown into one of the leading microfinance institutions in North India and continues to expand its operations. He has participated in HBS Accion Program on Strategic Leadership for Microfinance in 2009 and leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011.



**Mr. Satvinder Singh (Director)** - Mr. Satvinder Singh serves as the Director of the Company. Mr. Singh has extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for SCNL. Mr. Singh is a management graduate and has been associated with the SCNL since its inception in 1990 and acted as Managing Director of SCNL from September 1995 to February 2011.



**Mr. Davis Golding (Investor Director –Nominee of ShoreCap II Ltd.)** - Mr. Davis Golding represents ShoreCap II Limited on the Board of SCNL. Working with ShoreCap, an international investment company which invests in and supports development financial institutions serving micro and small enterprises in developing economies. Davis holds the responsibility of initiating acquisition leads, performing on-site due diligence, recommending approval or decline of opportunities, structuring investments and serving on the Board of Directors of investee institutions. Prior to joining ShoreCap International, he was EVP and Chief Operating Officer of ShoreBank Pacific, a community development bank dedicated to sustainable development including environmental integrity, serving the US states of Washington and Oregon. Previously, he worked as Director, International Mergers and Acquisitions/Corporate Development for Textron Financial Corporation. Mr. 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.



**Mr. Kasper Svarrer (Investor Director –Nominee of DMP K/S)** - Kasper joined Maj Invest Equity International in 2009 and has been involved in the development of Maj Invests international private equity business in Asia, Latin America and Africa. Kasper has 15 years of experience working with international investments in emerging markets and developing countries. Kasper has been involved in the development of the microfinance business area, and part of the DMP-team until he took over the responsibility in 2013, together with Joaquin Costa. He has previously worked for The Investment Fund for Developing Countries (IFU) and The World Bank in Washington DC. Kasper is DMP's Board member in MicroCred. Kasper holds an MSc in Forestry and an Executive MBA from Henley Business School, Reading University, UK, and holds a certificate in International Business Management from Georgetown University, USA.



**Mr. Richard B. Butler (Investor Director –Nominee of MV Mauritius)** - Mr. Richard B. Butler represents MV Mauritius on the board of SCNL. He is a graduate in Development Economics & Middle Eastern History from Georgetown University and did post graduate studies in Agriculture Economics at the University of Minnesota. He holds the responsibility for investment approval processes relating to microfinance institutions, advising on investment due diligence and also on risk management in MV Mauritius. Prior to joining MV Mauritius he served for 30 years at various international financial service companies, including ING Capital, ING Barings Furman Selz, Chase Manhattan Bank and the US Peace Corps at various high capacities. He was also on the board of ING Capital Holding Corporation, Kaye Insurance Group and La Plata County Long Term Finance Committee.



**Mr. Arthur Sletteberg (Investor Director – Nominee of NMI Fund III K/S)** - Mr. Arthur Sletteberg represents NMI Fund III KS on the board of the Company. He is the Managing Director of Norwegian Microfinance Initiative AS (NMI) and has an overall experience of 27 years. Prior to joining NMI AS, Mr. Sletteberg was associated as an Executive Vice President Ferd AS, one of Norway's largest family offices. In past Mr. Sletteberg had been working on senior positions for various other eminent organisations. He has got advanced degree from International Economic Policy Research, Institute for Weltwirtschaft, Germany and completed his MBA from Norwegian School of Economics and Business Administration, Bergen.



**Mr. Rakesh Sachdeva (Independent Director)** - Mr. Rakesh Sachdeva joined SCNL's Board in April 1999. He previously served as Executive Director at SCNL and is now actively involved in evaluating the company's macro issues. Mr. Sachdeva is a Fellow of the Institute of Chartered Accountants of India and previously worked at 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.



**Mr. S S Chawla (Independent Director)** - Mr. S S Chawla has been associated with SCNL since March 2003. Mr. Chawla is a graduate of Arts and a Law Graduate. He served in the Lok Sabha Secretariat for 32 years most recently as Deputy Secretary before joining SCNL as Director.



**Mr. Sundeep Kumar Mehta (Independent Director)** - Mr. Sundeep Kumar Mehta joined the Board in 2013. He is a Science graduate from University of Rajasthan and also holds a Post graduate diploma in Business Administration from Annamalai University. Apart from these, he holds various other certificates, degrees and diplomas in the field of Cyber Law, History, Labour Laws, Auto Engg and Human resources. He has over 14 years of experience. Prior to joining SCNL, He has served RKJ group, Escorts Ltd, Panacea Biotech Ltd, Bata India Ltd, and also Eicher Good Earth Ltd at various high capacities respectively.



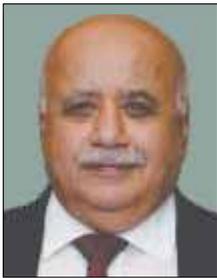
**Ms. Sangeeta Khorana (Independent Director)** - Dr. Sangeeta Khorana joined the board in August 2013. She is a former Indian Civil Services officer. She has a doctorate in International Economics from University of St. Gallen in Switzerland and summa cum laude Masters' degrees from University of Berne, Switzerland and Allahabad, India. She has over 15 years of experience and has worked with the Indian government before moving to academia and consulting in Europe. She has published extensively in internationally ranked journals and has authored books and book chapters. Her expertise on international business is world recognised and she has been invited by the European Parliament and British media to provide expert comments on India related issues.



**Mr. Colin Goh (Independent Director)** - Mr. Colin Goh is trained in Economics & Finance from Curtin University of Technology with a scholarship and an MBA in International Management from University of Technology, Sydney. Mr. Goh is currently the CEO of a newly incorporated not-for-profit organization, The Rice Company Limited. He is also, currently the Strategic Business Advisor to M/S Project Innovations Pte Ltd, a company offering place management & Consultancy Services for under-performing properties in Singapore and around Asia. He serves in several boards including Design Council Singapore, Sculpture Square Limited and Board of assessor for Inter-Cultural Theatre Institute Singapore.



**Mr. Sanjay Bhatia (Independent Director)** - Mr. Sanjay K Bhatia is a Chartered Accountant and Commerce graduate from Delhi University has work experience of more than 28 years with various leading corporates. Mr. Bhatia has well-rounded experience of Sales Management, Strategy formation in both start-up and BAU environment. Currently, he is Heading Sales at Antara Senior Living Limited and is responsible for development of upcoming community for progressive seniors, formulation of long term strategy and tactical execution and general management. He has provided consultancy on Income Tax, Corporate Tax and corporate law matters to various leading organizations. He has served as Vice President and Head – Strategic Initiatives (Revenue) at Max Life Insurance Limited, Max New York Life, Vikas Motors Limited, Dinker Portfolio Private Limited, New Delhi, DMA of Citibank N.A. and GE Countrywide.



**Mr. Anil Kumar Kalra (Independent Director)** - Mr. Anil Kumar Kalra has 31 years of experience in Banking and 5 years as CEO/ SVP in leading NBFC offering financial services in London and India and served in the area of Banking, Financial Services, Investment Banking and Infrastructure Financing. He served as Senior Vice President in a leading NBFC engaged in providing financial services including Asset financing, Debt Syndication, Corporate Advisory, Merchant Banking etc. to corporates besides support to sister companies in the Group focussed on Infrastructure Projects financing. He was the Chief Executive Officer in Financial Services Company, London, UK. He was associated with various well known Banks/Financial Institutions in India and London including Public Sector Banks. He has done 'Master in Business Administration' with specialisation in Finance from Faculty of Management Studies (FMS), Delhi University and B.Com (H) from Shree Ram College of Commerce, Delhi University.



**Mr. Suramya Gupta (Investor Director –Nominee of SBI FMO)** - Mr. Suramya Gupta represents SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd. on the board of the Company. Mr. Gupta is a part of the SBI Holdings Group (Japan) (previously known as SoftBank Investments). He is a Director in the Asian Private Equity Investments business and he also heads the India business for SBI Holdings. Mr. Gupta has over 14 years of investment banking and strategy consulting experience across Asia with Merrill Lynch (Singapore), Stern Stewart & Co. and ICICI Ltd. Over this period, he has advised some of the largest Asian business groups with regard to marquee transactions across sectors. His most recent assignment before joining SBI Group was with ANZ Bank in Singapore where he was Director, Asia IB and led the build-out of the ANZ Investment Banking franchise in the SE Asia and India regions. Mr. Gupta is a Mechanical Engineering Graduate from Delhi College of Engineering and holds an MBA in Finance and Strategy from IIM Lucknow.



# Our Client Success Stories

## Our Client Success Stories



**Hazra Begum:** Aged 52 years lives in Bhadohi, Uttar Pradesh with her husband and 5 children. Hazra got associated with SCNL about 2 years back to get financially independent and to provide her children with better education and a promising future. She then came to SCNL where a contribution of Rs.15,000 was given to her to open a small Carpet shop in Bhadohi. Hazra was determined to improve the financial status of her family and worked hard. Soon her business started growing and she took another loan of Rs. 25,000 from SCNL to put more stock in her shop. Today, Hazra's 5 children study in private schools. She has also kept a helper on a monthly salary of Rs. 2,000 in her newly expanded carpet shop. Hazra has proven to the world that there is no tool for development more effective than the empowerment of women.



**Neelam:** Aged 35 years lives in Sultanpur, Uttar Pradesh with her husband and 3 children. Neelam got associated with SCNL in 2014 to get financially independent and improve the living standard of her family. She then came to SCNL where a contribution of Rs.20,000 was given to her to open a small dairy shop in Sultanpur. Soon the dairy business started to grow and she took another loan of Rs. 30,000 from SCNL for expansion. Today, her children study in private schools. She has also kept a helper and gives him a monthly salary of Rs.3,000. It's rightly said that true empowerment comes from empowering others.



**Suman:** Aged 41 years lives in Bhadohi, Uttar Pradesh with her husband and 2 children. Suman got associated with SCNL about a year back where a contribution of Rs.20,000 was given to her to open a Tea stall in Bhadohi. Suman's tea stall soon started gaining popularity amongst the locals and her financial condition started to improvise. Her children now study in government schools and she hopes to open up a small hotel someday.



**Poonam:** Aged 32 years lives in Shivpuri Colony, Ambala Haryana with her husband who runs a General Store and 2 children. Poonam's financial position was not very stable with her husband's mere earning of Rs.50- Rs. 100 per day. It was too low to survive for a family of 4 members. She then got associated with SCNL and took her first loan of Rs. 25,000 with which she purchased products for her Grocery shop. Poonam now earns about Rs.300- Rs.500 per day and seeing her growing business her husband started helping although he continues to do his own business. Poonam's family today feels proud of her achievements and thanks SCNL for not only empowering her financially but also for educating them about the importance literacy and being independent in such a short period of time.



**Bhagwati:** Aged 43 years lives in Shivpuri, Ambala Haryana with her husband and 3 children. Bhagwati got associated with SCNL about 2 years back to help her family be financially and socially independent. She then came to SCNL where a contribution of Rs.15,000 was given to her to start a small sewing centre. Soon her business started to grow and she took another loan of Rs. 25,000 from SCNL to add stock in her shop. Today, Bhagwati owns 3 sewing machines, an interlock machine and purchases cloth to sell school uniforms. She also has 2 ladies who help her in her shop on a monthly salary of Rs. 2,500 each. Bhagwati has proven to the world that true charity is not by giving bread or money but providing employment opportunities to those who are need.



**Sunita:** Aged 35 years is a resident of Kurukshetra village in Ambala where she lives with her husband who is a labour and 4 children. Two years back Sunita bought a cow with her savings & the money contributed to her by SCNL. Today, Sunita has bought 2 more cows and is successful running her business of supplying milk. She is a source of inspiration to her family and believes that your self-worth is determined with hard work and by yourself.



**Praga Bai:** Aged 36 years lives in Sukari Village in Parasia, Madhya Pradesh with her husband who works as a contract labour and their 3 children. A year back her family's financial condition was not good. She was then introduced to SCNL by one of the women in her community and took a loan of Rs. 15,000 to start vegetable farming on a small piece of leased land. In March 2016, she again took another loan as her business started to grow and she wanted to do farming on a larger scale. Praga Bai has proved that self-empowerment is seeking the solution rather than fixating on the problems.



**Sunita Sahu:** Aged 36 years is a Resident of Jamai village in Parasia, Madhya Pradesh. She lives with her Husband who sells tea and 3 children. To improve her financial condition and help her husband Sunita took a loan of Rs. 20,000 from SCNL and year back to open a small grocery shop. Her business has grown and she intends to open another shop soon.



**Mamta Jain:** Got associated with SCNL 2 years back. She was depressed as she was unable to provide her children with basic needs of daily lives and education. She then took her first loan of Rs. 15,000 from SCNL to open a general store on her son's name. A year later she took another loan of Rs. 25,000 from SCNL to put more stock in her shop. Mamta is a happy women today, her income has increased 3 times and her children study in private schools.



**Pushpa Bai:** Aged 40 years lives in Amlaha district of Sihor. She got associated with SCNL 2years back and her first sanctioned loan amount was Rs. 15,000 with which she opened a shop of readymade clothes shop. Pushpa Bai took another loan of Rs. 35,000 (fourth loan) in 2016. Her shop is popular among the locals and her income has increased. Pushpa is very happy with her growing business.



**Seema Mishra:** Aged 35 year lives in Bhilai, Bilaspur with her husband and 2 children. Due to lack of funds she was unable to provide proper education and basic needs of daily life. She then decided to start her own business of selling fruits and approached SCNL for loan of Rs. 15,000 for investment. Seema's financial condition has improvised and her children now study in school. Seems intends to take another loan of a higher amount to expand her existing business.



**Indu Devi:** Aged 42 years is a resident of ChhotkaTelpa village in Chapra, Bihar. Indu Dev got associated with SCNL in 2012 when a small loan amount of Rs.10,000 was given to her to open a Grocery shop. In 2013, she again took loan of Rs.15,000 to expand her shop. Soon she started making profit and wanted to invest her earned profit in another business. Thus, in 2014, she took a loan of Rs. 25,000 from SCNL along with her earnings added to this amount she opened up a tent house. In 2015, to grow this on a larger scale, Indu Devi took yet another loan of loan of Rs.30,000 from SCNL. Indu Devi is a source of inspiration to her son who swears by his mother's determination and will to never give up.



**Shail Kumari Devi:** Aged 38 years is a resident of ChhotkaTelpa village in Chapra, Bihar. She got associated with SCNL in 2012 when a small loan amount of Rs. 10,000 was given to her to open a Channa/ Sattu. In 2013, she again took loan of Rs. 15,000 to grow her business on a larger scale and soon became a wholesale retailer of Channa/ Sattu in her village. ShailKumari now wanted to open another business and invested her earned capital along with a loan of Rs. 25,000 from SCNL opened up a Digital studio tent house. In 2015, to grow her businesses further she took loan of Rs. 30,000 from SCNL. ShailKumari's family is extremely proud of her, she not only financially empowered herself but her entire family.



**Chanda Devi:** Aged 27 years lives in DhainyaKhatal, Dhanbad with her husband. Chanda got associated with SCNL about 4 months back to get financially independent. She then came to SCNL where a contribution of Rs.15,000 was given to her to open a Beauty Parlour in her area. Chanda worked hard and was determined to improve the financial status of her family. Today, Chanda has kept a helper in her newly expanded Beauty Parlor and gives her a monthly salary of Rs.4,500.



**Anavari Khatoon:** Aged 38 years lives in Pander Pala, Dhanbad with her husband and 4 children. Anavari got associated with SCNL 3 months back where a contribution of Rs.15,000 was given to her to open a small Bangle shop in Pander Pala. Anavari worked hard and was determined to expand her business and social status of her family. Today, AnavariKhatoon's children study in private schools and she has also kept a helper on a monthly salary of Rs.3,500.



**Reeta Gupta:** Aged 35 years is from Gorakhpur where she lives with her husband and 2 children. Reeta got associated with SCNL 2 years back to get financially independent and provide her children with better education and secured future. She then came to SCNL where a contribution of Rs.15,000 was given to her to open a small grocery shop in Ghirdharganj, Gorakhpur. Soon her business started to grow and she took another loan of Rs. 40,000 from SCNL to put more stock in her shop. Today, Reeta's business is flourishing and she intends to expand her shop soon.



**Sunita:** Aged 33 years lives in Singhariya, Gorakhpur with her husband and 2 children. Sunita got associated with SCNL about 2 years back when a contribution of Rs.15,000 was given to her to open a small Tent Shop. Soon her business started to grow and she took another loan of Rs. 35,000 from SCNL for expansion of the Tent Shop. Sunita today feels very financially secure and has kept a private tutor for her children.



**Manoj Rani Gupta:** Aged 45 years is a resident of Amritvihar colony in Hapur where she lives with her husband who is into private job and there 2 children. Her husband's earnings of mere Rs. 90- Rs.100 per day was too low to survive for a family of 4 members. Manoj then got associated with SCNL 4 years back and her first loan was sanctioned with which she opened a small general store in her house. With her second and third loan she expanded the general store and added more products. Today, Manoj earns about Rs.800- Rs.900 per day and looking at her growing business, her husband helps her in evening once he is back from his job.



**Babita Sharma:** Aged 38 years lives in Amritvihar, Hapur with her husband and two children. Babita got associated with SCNL 4 years back to get financially independent and provide her children with better education. She then came to SCNL where a contribution of Rs.15,000 was given to her to open a small grocery shop in Amritvihar. Babita worked hard and was determined to improve the financial status of her family. Her business started to grow and she took another Rs. 25,000 from SCNL to add more stock in her shop. Today, Babita's two children study in private schools.



**Janki Bai:** Aged 30 years is a resident of Vidua colony at Bareilly in Madhya Pradesh where she lives with her son and husband who is a part time labour. Her husband's mere earning of Rs. 50 per day was too low to survive for a family of 3 members. Thus, 3 years back she got associated with SCNL and her first loan was sanctioned with which she started a small General Store. With her second and third loan she added more stock. Janki now earns about Rs.700- Rs. 800 per day.



**Parvati Bai:** Aged 32 years lives in Dhokheda, Bareilly with her husband and 2 children. Malti got associated with SCNL about 3 years back to get financially independent and provide her children with better education and future. She then came to SCNL where a contribution of Rs.10,000 was given to her to purchase buffalo. She then took another loan of Rs. 15,000 from to purchase one more buffalo. Today, Parvati owns 2 buffalo and a cow and sells approximately 15 litres of milk.



**Manju Devi:** Aged 36 years is a Resident of Sikar, Rajasthan where she lives with her child and husband who works in factory. She got associated with SCNL a year back when her first loan of Rs. 20,000 was sanctioned to open a cosmetic shop. Manju, is very happy with decision of being financially independent as her income has increased by four times.



**Sonika Devi:** Aged 24 years lives in Sikar, Rajasthan. With her husband Subhash her and daughter. Sonika got associated with SCNL 2 years back where a contribution of Rs.15,000 was given to her to open Beauty parlour. Sonika worked hard and was determined to improve the financial status of her family. Soon her Beauty Parlour started gaining popularity and she took another loan of Rs. 20,000 and invested it her newly opened Bangle Shop which her husband ran. This led to increase in the overall family income and a better standard of living.



**Gulshan:** Aged 45 years lives in Jaipur, Rajasthan with her husband Abddul Shakur and child. Gulshan got associated with SCNL about 2 years back where a contribution of Rs.15,000 was given to her to open a general store in her village Makarana. She again took another loan of Rs. 30,000 to add stock in her shop. With the growing business Gulshan feels empowered and independent. She is able to contribute financially in her family and feels this has helped her strengthen her bond with her husband.



**Meera Devi:** Is a house wife and has 4 children. Her husband is a daily labour with a mere earning of Rs. 200 per day. Meera Devi's financial condition was not stable, her children were unable to get education nor were they able to get proper medical treatment when they were sick. Meera was then introduced to SCNL by her neighbour and got her first loan of Rs. 15,000 to open a Cosmetic and Bangle shop. As her business started taking momentum Meera started to save money and repaid her entire loan. She then applied for a second loan of Rs. 30,000 for expansion of her business. Today, Meera owns not only a Bangle shop but also a small poultry farm close to her bangle shop. Meera is a happy women today, her family lives a comfortable lifestyle, her children go to school and her husband helps her with the business.



**Kiran:** Availed her first loan of Rs. 20,000 from SCNL that she invested in her Dry Cleaning business. She utilized this money to buy necessary products like detergent and chemicals required for dry cleaning. This was the first time Kiran availed any loan product from an MFI. She is very happy with her increased regular income and intends of having a long term association with SCNL.



**Pooja:** From Pathankot has been associated with SCNL for a long time and has recently received second loan cycle of Rs. 30,000. With her maturing relationship with the company and cooperation of group members she has developed a wider understanding of her local market needs and has bought a sewing machine. She also utilized the money in getting professional training for sewing dresses. Pooja plans to expand her business in near future and intends to stayconnected with SCNL.



**Neena:** Who lives in Jammu got associated with SCNL a year back and received a loan of Rs. 15,000 to meet her economic and productive needs. She took her second loan this year to buy a cow and sells milk in the locality. This has led to an increase in the family income. Her family's standard of living has enhanced and now she is optimistic about a better future.



**Pushpa Devi:** Aged 37 years lives in Uttar Pradesh with her husband who is a daily wage worker and 3 children. Pushpa's financial position was unstable with her husband's mere earning of Rs. 150- Rs.250 per day that was not enough to survive for a family of 5 members. Thus, she got associated with SCNL seven years back and her first loan was sanctioned with which she bought a sewing machine. With her second, third & fourth loan she bought 5 more sewing machine. Today, she owns a training centre and teaches sewing in her area. Her monthly earnings are about Rs. 8,000- Rs.10,000 in addition to the daily wages that her husband earns. Pushpa's son now studies in a college while her daughters study in a school. Pushpa's family today feels proud of her achievements consider her as there role model.



**Yashoda:** Aged 55 years widow from Uttar Pradesh and lives with her 2 married sons who were daily wage workers. Survival of a family of 7 members was difficult with a mere earnings of Rs. 300- Rs.400 per day. She then got associated with SCNL a year back and her first loan of Rs. 15,000 was sanctioned with which she has started a General Store in her locality. With her second loan she bought more stock and expanded the general store although her son continues to work on daily wages. Yashoda was determined to provide better education to her grandchildren who now study in a local public school and wish to join SCNL when they grow up.



**Omwati:** Lives in Moradabad, Uttar Pradesh with her husband who works was unable to get a job so he began to work as a labour as he was unable to find a job. Thus, Omwati got associated with SCNL seven years back and got her first loan of Rs. 10,000 with which she purchased a swing machine. She then took a second loan of Rs. 12,000 and third loan of Rs. 15,000 and bought 2 more sewing machines. As her business grew she kept 2 workers to help her stitch. Soon she took fourth loan of Rs. 40,000 and seeing the growing demand and need of more helping hands her husband too joined her. Today, Omwati has started her own business of readymade garments and sells them to export houses. She is a source of inspiration to other women in her village.



**Gulbahar:** lives in Moradabad with her husband who is a carpenter. Since he was not earning enough, survival was difficult. Gulbahar was good at stitching but did not have the finances to pursue her passion. She was then introduced to SCNL and got her first loan of Rs. 20,000 with which she purchased a sewing machine. She then took another loan of Rs. 40,000 for expansion. Today, Gulbahar's earning have increased and their standard of living has improvised. She intends to take a third loan from SCNL and have a long term association with the organization.



**Soni Devi:** Aged 26 years lives with her husband and 2 children in Bihata, Patna. She took her first loan of Rs. 20,000 to open a small poultry farm for her husband who was unemployed. After 1.6 years she took another loan of Rs. 30,000 to open a small cosmetic & grocery shop. The income from these two businesses has led to a good family income and Soni Devi has started sending her children in a convent school.



**Rekha Devi:** Aged 44 years lives in Patna, Bihar with her 3 children and husband who was unemployed. She was then introduced to SCNL and got her first loan of Rs. 15,000 with which both she and her husband started selling cloth door to door in many villages. After a year she took another loan of Rs. 25,000 to open a bangle shop which she ran. She then took a third loan of Rs. 30,000 to buy two sewing machines and invested the remaining money in the bangle shop. Both Rekha and her husband are now self-employed, own 3 businesses, have renovated their house and enjoy a respectful status in the society.



**Kamroonisha Bee:** Aged 45 years lives in Patna with her husband and 4 children who are all daily wage workers. She got associated with SCNL about 4 years back to get financially independent and to provide better education and future to her children's. She got her first loan of Rs. 12,000 to start her business of Brass Band (wedding musical band), later she took second and third loan of Rs. 15,000 and Rs. 35,000 respectively to expand her business. Kamroonisha Bee now manages the band and her husband and children have joined it as well. Their standard of living has improved and she intends to employ more people.



**Anandi Ben:** Aged 48 lives in Ujjain with her husband who is a labour, 2 children and her mother-in-law. Three years back she started a small business of making Agarbatti's (scented incense) with the contribution made to her by SCNL. With her second loan of Rs. 25,000 and her savings she opened a general store. Anandi Ben's both businesses are growing and doing well and she continues to inspire people in her community.

# Corporate Information

## BOARD OF DIRECTORS

Mr. H P Singh	Chairman cum Managing Director
Mr. Satvinder Singh	Director
Mr. Rakesh Sachdeva	Director
Mr. Sujan Singh Chawla	Director
Mr. Davis Frederick Golding	Nominee Director
Mr. Kasper Svarrer	Nominee Director
Mr. Sundeep Kumar Mehta	Director
Mr. Richard Benjamin Butler	Nominee Director
Mrs. Sangeeta Khorana	Director
Mr. Arthur Sletteberg	Nominee Director
Mr. Goh Colin	Director
Mr. Sanjay Kumar Bhatia	Director
Mr. Suramya Gupta	Nominee Director
Mr. Anil Kumar Kalra	Additional Director

## COMMITTEES OF BOARD OF DIRECTORS

Name of committee	Chairman	Members
Audit Committee	Mr. Rakesh Sachdeva	Mr. Rakesh Sachdeva
		Mr. Satvinder Singh
		Mr. Sundeep Kumar Mehta
Nomination & Remuneration Committee	Mr. Sundeep Kumar Mehta	Mr. H P Singh
		Mr. Davis Frederick Golding
		Mr. Rakesh Sachdeva
		Mr. Sundeep Kumar Mehta
		Mrs. Sangeeta Khorana
Corporate Social Responsibility Committee	Mr. H P Singh	Mr. H P Singh
		Mr. Rakesh Sachdeva
		Mr. Kasper Svarrer
		Mrs. Sangeeta Khorana
Risk Management Committee	Mr. Rakesh Sachdeva	Mr. Rakesh Sachdeva
		Mr. Satvinder Singh
		Mr. Sundeep Kumar Mehta
Compensation Committee	Mr. Rakesh Sachdeva	Mr. Rakesh Sachdeva
		Mr. Sundeep Kumar Mehta
		Mr. Suramya Gupta
Stakeholders Relationship Committee	Mr. Sundeep Kumar Mehta	Mr. Sundeep Kumar Mehta
		Mr. Satvinder Singh
		Mr. Sanjay Kumar Bhatia

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

**Choudhary Runveer Krishanan**

**CHIEF FINANCIAL OFFICER**

**Mr. Jugal Kataria**

**AUDITORS**

**Statutory Auditors**

**A. K. Gangaher & Co.**

Chartered Accountants  
401, Kundan Bhawan  
Azadpur Commercial Complex  
Delhi-110033

**Secretarial Auditor**

**S. Behera & Co.**

Company Secretaries  
B-304, Ansal Chamber-I  
Bhikaji Cama Place,  
New Delhi-110066

**BANKERS & OTHER LENDERS**

1. Allahabad Bank
2. Ananya Finance For Inclusive Growth Pvt. Ltd.
3. Andhra Bank
4. Axis Bank Limited
5. Bank Of India
6. Bank Of Maharashtra
7. Bhartiya Mahila Bank
8. BNP Paribas
9. Bank Of Baroda
10. Canara Bank
11. Capital First Limited
12. Central Bank Of India
13. Corporation Bank
14. Citi Bank Limited
15. Catholic Syrian Bank
16. CTBC Bank Co Ltd
17. Dena Bank
18. DCB Bank Limited
19. Dhanlaxmi Bank
20. Family Credit Ltd.
21. HDFC Bank Limited
22. Hero Fincorp Ltd.
23. ICICI Bank Limited
24. IDBI Bank
25. Indian Bank
26. Indusind Bank Limited
27. IDFC Bank Limited
28. Indian Overseas Bank
29. Kotak Mahindra Bank Limited
30. Maanaveeya Development & Finance Private Limited
31. Mas Financial Services Limited
32. Mahindra & Mahindra Financial Services Limited
33. Muthoot Fincorp Limited
34. Oriental Bank Of Commerce
35. Reliance Capital Limited
36. Religare Finvest Limited
37. Small Industries Development Bank Of India
38. Societe Generale
39. The South Indian Bank Limited
40. Standard Chartered Bank
41. State Bank Of India



42. SBM Bank (Mauritius) Limited
43. State Bank Of Patiala
44. SBER Bank
45. Syndicate Bank
46. Tata Capital Financial Services Pvt. Ltd.
47. The Karur Vysya Bank Ltd.
48. The Hongkong & Shanghai Banking Corporation Limited
49. RBL Bank Limited
50. Union Bank Of India
51. United Bank Of India
52. Vijaya Bank
53. Yes Bank Limited
54. Micro Unit Development & Refinance Agency Ltd.
55. Au Financiers India Ltd
56. Bajaj Finance Limited
57. National Bank For Agricultural And Rural Development
58. Punjab National Bank
59. Punjab & Sind Bank
60. Abu Dhabi Commercial Bank
61. Doha Bank
62. Karnataka Bank Limited
63. Federal Bank Limited
64. Sundaram Finance Limited
65. HDFC Limited

**REGISTRAR & TRANSFER  
AGENT (EQUITY SHARES  
& PREFERENCE SHARES)**

**Link Intime India Pvt. Ltd.**

44, Community Center, 2nd floor, Naraina Industrial Area,  
Phase-I, Near PVR Naraina, New Delhi-110028

**REGISTRAR & TRANSFER  
AGENT (NON CONVERTIBLE  
DEBENTURES)**

**Karvy Computershare Pvt. Ltd.**

46, Avenue 4, Street No. 1, Banjara Hills,  
Hyderabad-500034

**DEBENTURE TRUSTEES  
(NON-CONVERTIBLE DEBENTURES)**

**1. IDBI Trusteeship Services Limited**

Asian Building, Ground Floor, 17, R. Kamani Marg,  
Ballard Estate, Mumbai-400001

**2. GDA Trusteeship Limited**

B-22, Ansal Chambers-1, 3, Bhikaji Cama Place,  
New Delhi-110066

**3. Axis Trustee Services Limited**

2<sup>nd</sup> Floor 'E', Axis House  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400 025

**REGISTERED OFFICE**

**Satin Creditcare Network Limited**

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

**CORPORATE OFFICE**

**Satin Creditcare Network Limited**

909-914 ABC, 9th Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi - 110001, India  
Ph: 011- 4754-5000 Fax: 011- 2767-2727  
(With effect from 12th August, 2015)

**CORPORATE IDENTITY NUMBER**

L65991DL1990PLC041796

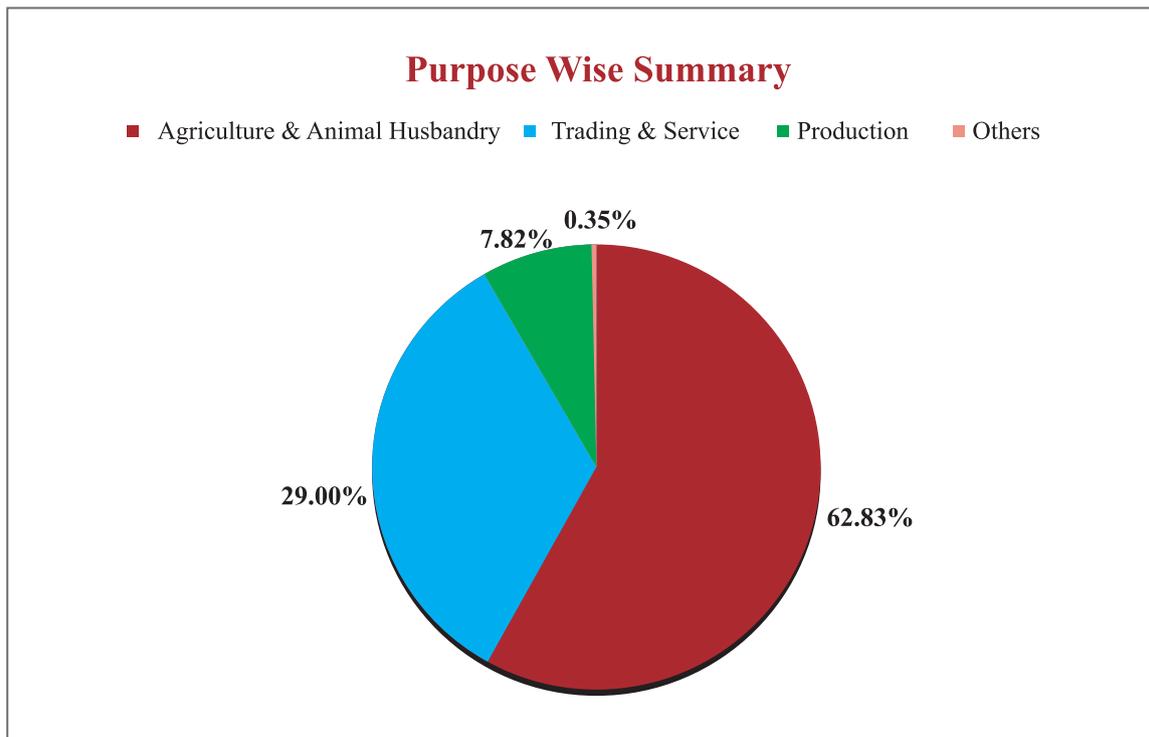
**WEBSITE**

**[www.satincreditcare.com](http://www.satincreditcare.com)**



# Products & Services

Purpose wise outstanding	No. of borrowers	Gross Loan Outstanding (Rs. in Crores)	%
Agriculture & Animal Husbandry	1,185,673	2,055.03	62.83
Trading & Service	562,968	948.53	29.00
Production	151,641	255.64	7.82
Others	190,348	11.56	0.35
<b>Total</b>	<b>2,090,630</b>	<b>3,270.76</b>	<b>100.00</b>

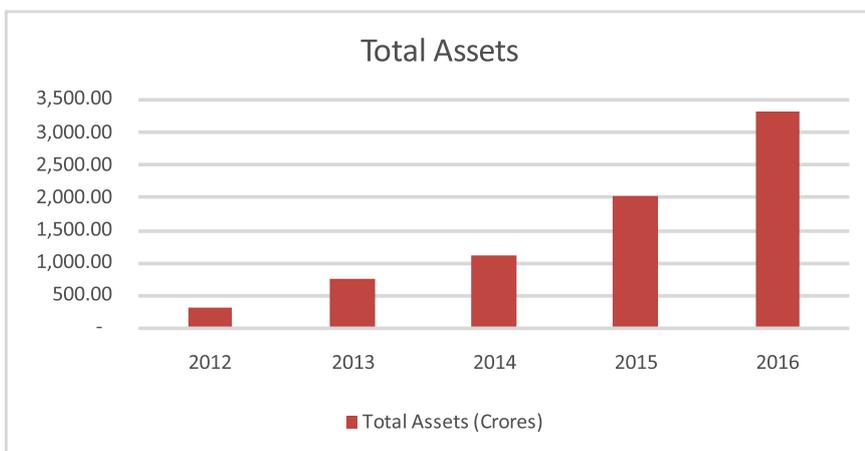
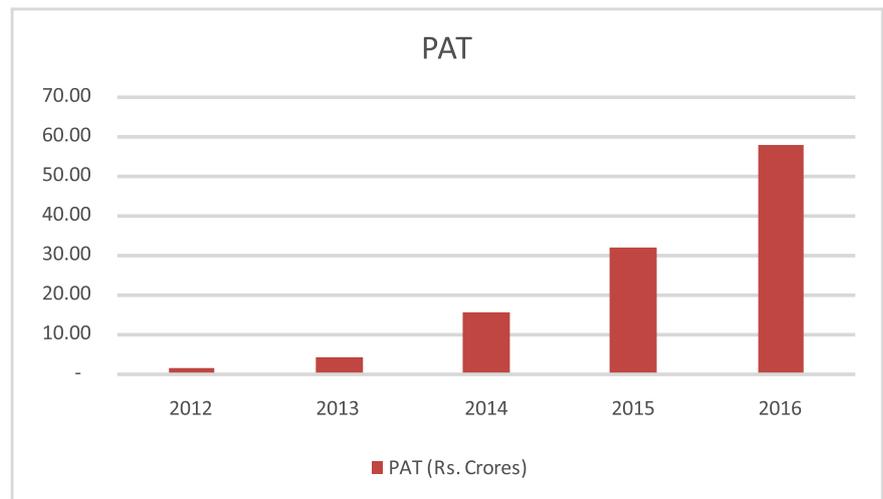
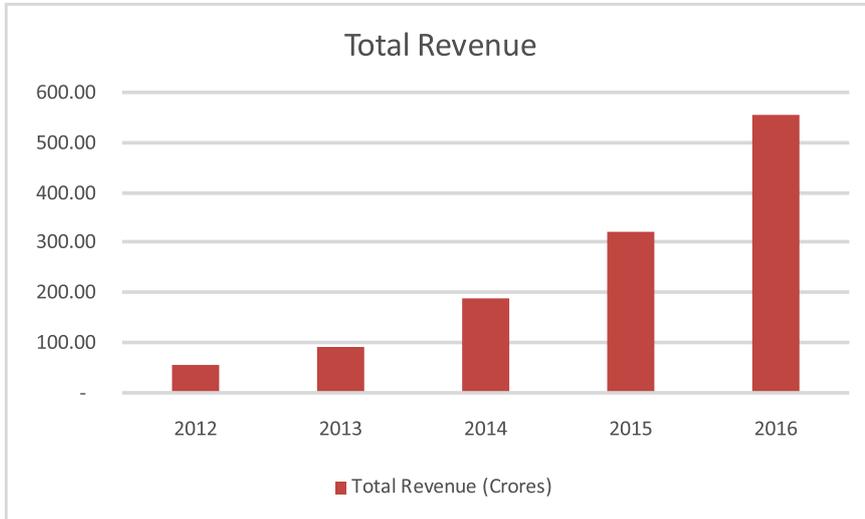


## Loan Amount Product & Service

Loan Term	<=INR 30000/- loan for 12 months and above >INR 30000/- 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 cycle (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

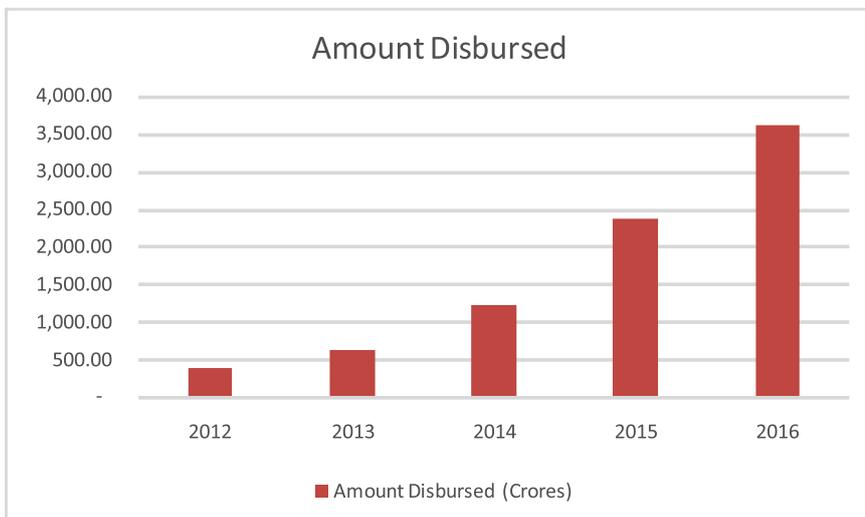
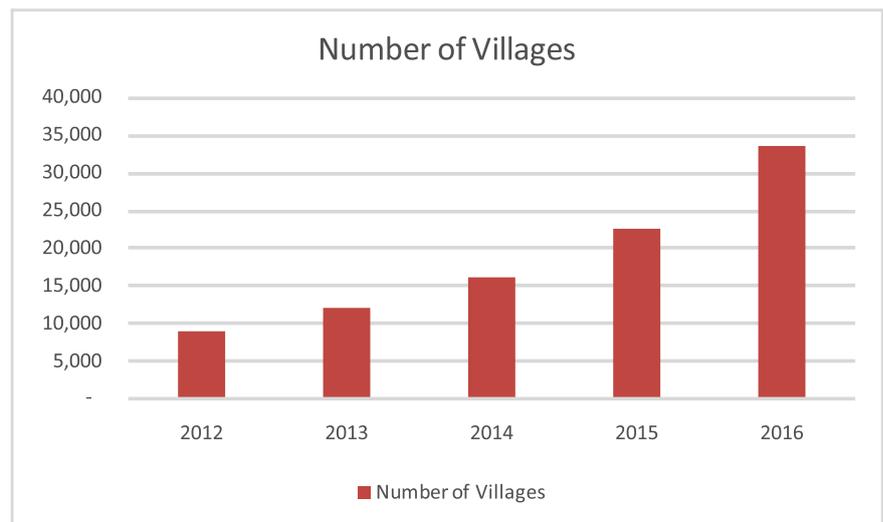
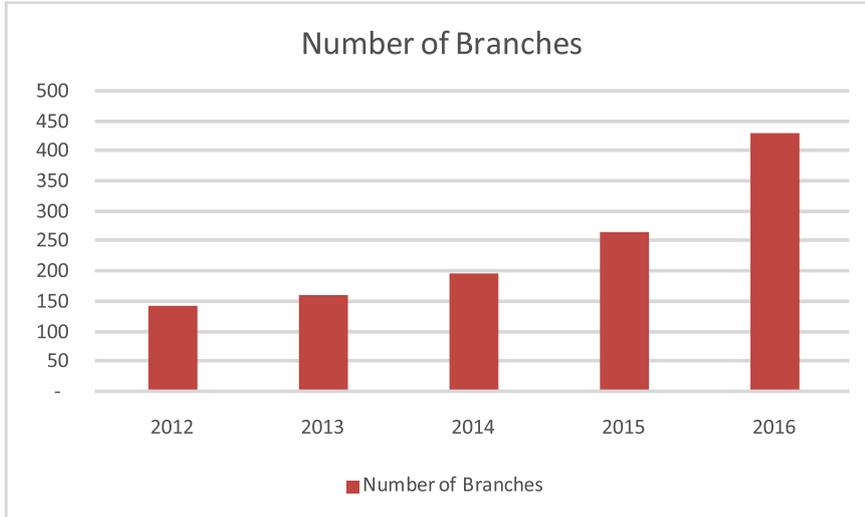
# Financial Highlights

Particulars	2012	2013	2014	2015	2016
Total Revenue (Rs. in Crores)	56.23	94.33	191.65	324.16	558.52
PAT (Rs. in Crores)	1.40	3.90	15.56	31.72	57.94
Total Assets (Rs. in Crores)	316.51	745.19	1,115.77	2,010.71	3,303.43



# Operational Highlights

Particulars	2012	2013	2014	2015	2016
Number of Branches	144	161	199	267	431
Number of Villages	8,888	11,945	16,135	22,499	33,631
Amount Disbursed (Crores)	387.50	626.41	1,229.20	2,365.76	3,606.11



# Notice

**Notice** is hereby given that the Twenty Sixth Annual General Meeting of **Satin Creditcare Network Limited** will be held on Saturday, July 30, 2016 at 10:00 A.M. at “Shri Ram Center-Auditorium” 4, Safdar Hashmi Marg, Mandi House, New Delhi-110001, to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2016 and the Report of Board of Directors of the Company and Auditors' thereon.
2. To appoint a Director in place of Mr. Davis Frederick Golding (DIN: 00440024), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution

“**RESOLVED THAT** M/s A. K. Gangaher & Co. Chartered Accountants (ICAI Registration No. 004588N), New Delhi, be and is hereby appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at a remuneration as may be fixed and determined by the Board of Directors of the Company in consultation with the Statutory Auditors.”

## SPECIAL BUSINESS

4. **RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL AND CONSEQUENT ALTERATION OF MEMORANDUM OF ASSOCIATION**

**To consider, and if thought fit, to pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and all other applicable provisions of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) (“**Companies Act**”) and the rules made thereunder and the provisions of the Memorandum and Articles of Association of the Company, 1,50,00,000 (One Crore Fifty Lakh) preference shares of Rs. 10 (Rupees Ten only) each, lying unissued be and are hereby cancelled for the purpose of re-classification by concurrently creating 1,50,00,000 (One Crore Fifty Lakh) equity shares of Rs. 10 (Rupees Ten only) each and accordingly the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution) be and is hereby authorised for reclassification of the existing authorised share capital of the Company of Rs. 1,30,00,00,000 (Rupees One Hundred And Thirty Crores only) divided into 4,00,00,000 (Four crore) equity shares of Rs. 10 (Rupees Ten only) each and 9,00,00,000 (Nine Crore) preference shares of Rs. 10 (Rupees Ten only) to Rs. 1,30,00,00,000 (Rupees One Hundred And Thirty Crores only) divided into 5,50,00,000 (Five Crore and Fifty Lakh) Equity shares of Rs. 10 (Rupees Ten Only) each and 7,50,00,000 (Seven Crore Fifty Lakh) preference shares of Rs. 10 (Rupees Ten only) each.

“**RESOLVED FURTHER THAT**, consequently, pursuant to Section 13, 61 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

*“V. The Authorised Share Capital of the Company is Rs. 1,30,00,00,000 (Rupees One Hundred And Thirty Crores only) divided into 5,50,00,000 (Five Crore and Fifty Lakh) Equity shares of Rs. 10 (Rupees Ten Only) each and 7,50,00,000 (Seven Crore Fifty Lakh) preference shares of Rs. 10 (Rupees Ten only) each.”*

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board, be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies.

**RESOLVED FURTHER THAT** subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or Officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board or person(s) authorised by the Board for this



purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

## 5. ACQUISITION OF A WHOLLY OWNED SUBSIDIARY THROUGH SHARE SWAP AND CONSEQUENTIAL PREFERENTIAL ISSUE AND ALLOTMENT OF SECURITIES

**To consider, and if thought fit, to pass the following resolution as a Special Resolution:**

**RESOLVED THAT** pursuant to Sections 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory amendments or re-enactments thereof for the time being in force), the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “**SEBI ICDR Regulations**”), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI LODR Regulations**”), each as amended, the provisions of Foreign Exchange Management Act, 1999, as amended rules and regulations framed there under, and subject to other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the Reserve Bank of India, and the stock exchanges where the shares of the Company are listed (“**Stock Exchanges**”) and enabling provisions of the Memorandum and Articles of Association of Satin Creditcare Network Limited (the “**Company**”), the uniform listing agreement entered into by the Company with the Stock Exchanges, and subject to necessary approvals / sanctions / permissions of appropriate statutory / regulatory authorities, if applicable, and further subject to such conditions as may be prescribed by any of them while granting such approvals / sanctions, the board of directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution) be and is hereby authorised to acquire the entire shareholding of Taraashna Services Private Limited (CIN U74140DL2012PTC236314) from its existing shareholders by way of a share swap and consequently create, offer, issue and allot up to 12,38,157 (Twelve Lacs Thirty Eight Thousand One Hundred and Fifty Seven) equity shares of the Company having face value of Rs. 10 (Rupees Ten) each (“**Equity Shares**”), by way of a private placement on preferential basis to existing shareholders of Taraashna Services Private Limited (the “**Proposed Allottees**”) at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

**RESOLVED FURTHER THAT** in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009, the '**Relevant Date**' for the purpose of calculating the floor price for the issue of Equity Shares shall be June 30, 2016 i.e. the date 30 (thirty) days prior to the date on which the meeting of members is to be held to approve such issue i.e. July 30, 2016.

**RESOLVED FURTHER THAT** in accordance with the SEBI (ICDR) Regulations, 2009 the Equity Shares shall be issued and allotted by the Company to the Proposed Allottees in dematerialised form within a period of 15 days from the date of passing of the special resolution, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval.

**RESOLVED FURTHER THAT** the Equity Shares proposed to be allotted to the Proposed Allottees will be listed on the Stock Exchanges, and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of the Equity Shares and for the admission of the Equity Shares with the depositories and for the credit of the Equity Shares allotted to the demat account of the Proposed Allottees.

**RESOLVED FURTHER THAT** subject to the provisions of the SEBI (ICDR) Regulations, 2009 and other applicable laws, the Board be and is hereby authorized to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue to the Proposed Allottees, as may deem expedient.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including but not limited to execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the members.

**RESOLVED FURTHER THAT** subject to applicable laws, the Board be and is hereby also authorized to delegate,



all or any of the powers herein conferred, to any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.”

## 6. FURTHER ISSUANCE OF SECURITIES

**To consider, and if thought fit, to pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 42 and 62, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules thereunder and also including any relevant provisions of the Companies Act, 1956 to the extent that such provisions of the Companies Act, 1956 have not been superseded by the Companies Act, 2013 (the “**Companies Act**”), the provisions of the Memorandum of Association and Articles of Association of the Company, and in accordance with any other applicable law or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), the listing agreements entered into with the respective stock exchanges where the shares of the Company are listed (the “**Stock Exchanges**”), the provisions of the Foreign Exchange Management Act, 1999, as amended (“**FEMA**”), including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, the Consolidated Foreign Direct Investment Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued from time to time by the Government of India (“**GoI**”), the Reserve Bank of India (“**RBI**”), the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, National Capital Territory of Delhi and Haryana (the “**RoC**”), the Stock Exchanges, and/or any other competent authorities and subject to any required approvals, consents, permissions and/or sanctions from the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce and Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), SEBI, the RoC, the RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and / or sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the “**Board**” which term shall be deemed to include any committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by this Resolution) to create, issue, offer and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons including employees of the Company, as may be permitted under applicable law), either in India or in the course of international offering(s) in one or more foreign markets, equity shares of the Company with a face value of Rs. 10 each (Rupees Ten only) (the “**Equity Shares**”), global depository receipts (“**GDRs**”), American depository receipts (“**ADRs**”), foreign currency convertible bonds (“**FCCBs**”) and/or other financial instruments convertible into or exchangeable for Equity Shares (including warrants, or otherwise, in registered or bearer form), fully convertible debentures, non-convertible debentures with warrants and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as the “**Securities**”) or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, through public and/or private offerings and/or on preferential allotment basis, including without limitation through a qualified institutions placement (“**QIP**”) in accordance with Chapter VIII of the SEBI ICDR Regulations, or any combination thereof or by issue of prospectus and / or placement document and/or other permissible/requisite offer document to any eligible person(s), including but not limited to qualified institutional buyers (as defined in the SEBI ICDR Regulations) (“**QIBs**”) in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign institutional investors, foreign portfolio investors, Indian and/or bilateral and/or multilateral financial institutions, non-resident Indians, stabilizing agents, state industrial development corporations, insurance companies, provident funds, pension funds and/or any other categories of investors whether or not such investors are members of the Company (collectively referred to as the “**Investors**”), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding Rs. 250 Crores (Rupees Two Hundred Fifty Crores only) or equivalent thereof in any foreign currency, inclusive of such premium as may be fixed on such Securities at such a time or times, in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the

exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and / or underwriter(s) and / or other advisor(s) for such issue. The number and /or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

**RESOLVED FURTHER THAT** if any issue of Securities is made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as “**Eligible Securities**” within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination thereof as may be decided by the Board shall be completed within 12 (twelve) months from the date of approval of the shareholders of the Company by way of a special resolution for approving QIP or such other time as may be allowed under the SEBI ICDR Regulations at a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations, provided that the Board may, in accordance with applicable law, offer a discount of not more than 5% (five percent) or such percentage as permitted under applicable law on such price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations. The Eligible Securities shall be allotted on as fully paid-up (subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants, where the tenure of any convertible or exchangeable Eligible Securities shall not exceed 60 (sixty) months from the date of allotment), and the aggregate of all QIPs made by the Company in the same financial year shall not exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year.

**RESOLVED FURTHER THAT** in the event that the Equity Shares are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the “relevant date” for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the “relevant date” for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities are entitled to apply for Equity Shares or such other time as may be permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations as amended from time to time.

**RESOLVED FURTHER THAT** the relevant date for the determination of the applicable price for the issue of any other Securities shall be as per the regulations/guidelines prescribed by the SEBI, the Ministry of Finance, the RBI, the GOI through their various departments, or any other regulator, as the case may be, and the pricing of any Equity Shares issued upon the conversion of such Securities shall be made subject to and in compliance with the applicable rules and regulations.

**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions:

- a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- b) any Equity Shares that may be created, offered, issued and allotted by the Company shall rank *paripassu* with the existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking *paripassu* with the existing Equity Shares in all respects.

**RESOLVED FURTHER THAT** in addition to all applicable Indian laws, the Securities issued pursuant to this Resolution shall also be governed by all applicable laws of any foreign jurisdiction where such Securities are or are proposed to be marketed or listed, or that may in any other manner apply in this relation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolutions described above, the Board or Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, including the private placement offer letter, creation of mortgage/ charge in accordance with the provisions of the Companies Act in respect of any Securities as may be



required either on *paripassu* basis or otherwise, as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the RoC, the lead managers, or other authorities or agencies involved in or concerned with the issue of Securities and as the Board or Committee thereof may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this Resolution may be exercised by the Board or Committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

**RESOLVED FURTHER THAT** the Board or Committee thereof be and is hereby authorized to engage/appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

**RESOLVED FURTHER THAT** subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any whole-time Director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.”

#### **7. RAISING FPI LIMIT OF THE COMPANY**

**To consider, and if thought fit, to pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the applicable provisions of the FEMA, the Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside India) Regulations, 2000, as amended, the Companies Act and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) consent of the members of the Company be and is hereby granted to increase the limit of investment by Foreign Portfolio Investors (“FPIs”) in the equity shares of the Company, including, without limitation, by subscription pursuant to any further issue of Securities by the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or direct purchase or acquisition from the open market under the Portfolio Investment Scheme under FEMA, from 24% (twenty four per cent.) to 49% (forty nine per cent.) of the paid-up equity share capital of the Company.”

#### **8. TO APPOINT MR. ANIL KUMAR KALRA (DIN: 07361739) AS AN INDEPENDENT DIRECTOR**

**To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**Resolved That** pursuant to Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, and as per Articles of Association of the Company and pursuant to applicable provisions, if any of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, Mr. Anil Kumar Kalra (DIN:07361739), appointed vide resolution passed by the Board through circulation on December 08, 2015 as a non-executive Director (Additional 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 December 08, 2015 or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and he shall not be liable to retire by rotation.”

#### **9. TO CONSIDER, DISCUSS AND APPROVE THE ISSUANCE OF NON-CONVERTIBLE DEBENTURES, IN ONE OR MORE SERIES/TRANCHES OF AMOUNTING UPTO RUPEES 1000 CRORES PURSUANT TO SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES 2014**

**To consider, and if thought fit, to pass the following resolution as a Special Resolution:**



**“RESOLVED THAT IN SUPERSESION OF** the earlier special resolution passed at the Annual General Meeting held on July 8, 2015 and pursuant to the provision of Sections 42 and 71 of the Companies Act, 2013 and Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute), to issue/offer/invite for subscription of secured/unsecured, rated/unrated, listed/unlisted non- convertible debentures (“Debentures”) by way of private placement, in one or more tranches, from time to time, to any category of investors eligible to invest in the Debentures, aggregating upto Rs. 10,00,00,00,000/- (Rupees One Thousand Crores only) on such terms and conditions and at such times whether at par/premium/discount, as may be decided by the Board to such person or persons including one or more company(ies), body Corporate(s), statutory corporation(s), commercial Bank(s), Lending Agency(ies), Financial Institution(s), insurance company(ies), mutual fund(s) and individual(s), as the case may be or such other person/persons as the Board may decide so for a period of one year from the date of approval of the shareholders, within the overall borrowing limits of the Company, as approved by the members of the Company from time to time.

**RESOLVED FURTHER THAT** in connection with the above, the Board be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolutions and for matters connected therewith or incidental thereto.

**RESOLVED FURTHER THAT,** any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the Resolution.”

**By Order of the Board of Directors  
For Satin Creditcare Network Limited**

**Place: Delhi  
Dated: June 30, 2016**

**Choudhary Runveer Krishanan  
Company Secretary & Compliance Officer  
[FCS: 7437]**



## Notes:

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of the business specified above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF 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 carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The register of members and share transfer books of the Company shall remain closed from July 23, 2016 to July 30, 2016 (both days inclusive) for annual closing.
4. The notice is being sent to all the members of the Company, whose names appear on the register of members/ record(s) of depositories as on Friday, the June 24, 2016.
5. Members may also note that the Notice of the 26<sup>th</sup> Annual General Meeting and the Annual Report for year ended March 31, 2016 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: "[investors@satincare.com](mailto:investors@satincare.com)". The Company has a dedicated e-mail address "[investors@satincare.com](mailto:investors@satincare.com)" for shareholders to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest.
6. Electronic copy of the Notice of the aforesaid Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members, whose email IDs are registered with the Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the aforesaid Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
7. Voting Rights: Shareholders holding Equity Shares shall have one vote per share as shown against their holding and shareholders.
8. 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.
9. Members can inspect the register of director and key managerial personnel and their shareholding, required to be maintained under section 170 of the Companies Act 2013 during the course of the meeting at the venue.
10. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the Annual General Meeting.
11. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
12. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The details of email id can be sent to "[investors@satincare.com](mailto:investors@satincare.com)".
13. **VOTING THROUGH ELECTRONIC MEANS**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the Company is pleased to provide members facility to exercise their right to vote at the



Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Security Depository Limited (NSDL). The members may download the notice and cast their vote electronically. The website address is [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The members may also cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

**Note:** Please read the instructions printed below before exercising your vote.

The instructions for members for voting electronically are as under:

- I. In case of members receiving e-mail from NSDL (for members whose e-mail addresses are registered with the Company):
  - i. Open the e-mail and also open password protected PDF file viz. "SCNL e-Voting.pdf" with your Client ID or Folio No. as password to open PDF file which contain your user ID and Password for e-voting. Please note that the password is an initial password.
  - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - iii. Click on Shareholder – Login.
  - iv. If you are already registered with NSDL for e-voting then you can use your existing user id and password.
  - v. If you are logging in for the first time, please enter the user ID and Password as initial password noted in step (i) above. Click Login.
  - vi. The Password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum 8 digits/characters or a combination of both. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vii. Once the e-Voting home page opens, click on e-Voting: Active Voting Cycles.
  - viii. Select EVEN (E-Voting Even Number) of Satin Creditcare Network Limited which is "104261" For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
  - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: [evotingrajivbhatia@gmail.com](mailto:evotingrajivbhatia@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of Members receiving physical copy of the Notice of Annual General Meeting (for members whose email addresses are not registered with the Company/Depositories):
  - I. Initial password is provided in the enclosed Ballot Form: EVEN, user id and password.
  - II. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) as mentioned in (I) above, to cast vote.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders, available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- IV. **Other Instructions:**
  - a. Members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date, i.e. Saturday, the July 22, 2016 may avail the facility of remote e-voting or electronic voting at the meeting.
  - b. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday, the July 22, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- c. **The remote e-voting period commences on Wednesday, the July 27, 2016 at 10.00 A.M. and ends on Friday the July 29, 2016 at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.**
  - d. 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.
  - e. The facility for voting, either through electronic voting system or ballot or polling paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
  - f. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entailed to cast their vote again.
  - g. Mr. Rajeev Bhatia, Practicing Chartered Accountant (Membership No.: 089018) has been nominated as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - h. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and make not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor and against, if any, to the Chairman or person authorized by him in writing who shall countersign the same.
- V. The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.satincreditcare.com/> and on the website of NSDL immediately after the declaration of result by the Chairman and communicated to the Stock Exchanges (if any), where the shares of the Company are listed.

**By Order of the Board of Directors  
For Satin Creditcare Network Limited**

**Place: Delhi  
Dated: June 30, 2016**

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



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONG WITH THE NOTICE DATED JUNE 30, 2016

### Item No. 4

Section 61 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force, the “**Companies Act**”) provides that a limited company having a share capital may, if so authorized by its Articles of Association, with the consent of its members in its general meeting, alter the conditions of its Memorandum of Association so as to cancel shares which have not been taken or agreed to be taken by any person and increase its share capital by such amount as it thinks expedient by issuing new shares.

Article 61 of the Articles of Association empowers the Company to increase, consolidate, subdivide, reduce or otherwise alter its authorized share capital, for the time being, and to divide the shares in the capital into several classes with rights, privileges or conditions, as may be determined.

For the purposes as stated hereinabove, it is recommended by the Board that 1,50,00,000 (One Crore Fifty Lakh) preference shares of Rs. 10 (Rupees Ten only) each, lying unissued be cancelled for the purpose of re-classification by concurrently creating 1,50,00,000 (One Crore Fifty Lakh) equity shares of Rs. 10 (Rupees ten only) each and consequently, the present Authorised Share Capital should be revised from Rs. 1,30,00,00,000 (Rupees One Hundred And Thirty Crores only) divided into 4,00,00,000 (Four crore) equity shares of Rs. 10 (Rupees Ten only) each and 9,00,00,000 (Nine Crore) preference shares of Rs. 10 (Rupees Ten only) to Rs. 1,30,00,00,000 (Rupees One Hundred And Thirty Crores only) divided into 5,50,00,000 (Five Crore and Fifty Lakh) Equity shares of Rs. 10 (Rupees Ten Only) each and 7,50,00,000 (Seven Crore Fifty Lakh) preference shares of Rs. 10 (Rupees Ten only) each and Clause V of the Memorandum of Association should be amended accordingly.

The Board recommends the resolution for approval of the members of the Company.

None of the directors, key managerial personnel and relatives of Directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business.

### Item No. 5

In Oct, 2010, the MFI industry was severely impacted by the MFI crisis in Andhra Pradesh(AP). While Satin Creditcare Network Ltd. (SCNL) had no exposure to the state of AP (and still does not have any), the funding to the entire industry suddenly stopped. As a result, not only SCNL but all the players in the industry had to make some tough decisions to restructure their operations. The initial consensus was that the crisis would be over in a couple of months. But with no relief in sight even a year later, SCNL's management team devised a strategy to de-risk the business. As a result Taraashna Services Pvt. Ltd. (TSPL) came into existence in May, 2012, with the objective of being a service only company (distribution of financial services). NBFC were not allowed to be doing such work at that time. In June 2014, the RBI (vide its circular no. RBI/2013-14/653 DBOD.No.BAPD.BC.122/122.01.009/2013-14 dated 24.06.2014) permitted banks to appoint non-deposit taking Non-Banking Financial Companies (NBFC) as their Business Correspondent (BCs), based on recommendations by an RBI committee. As per these new rules, microfinance institutions operating as NBFCs could operate as BCs. This was done with a view to help extend banking services to remote areas. NBFCs had been seeking permission to be BCs for long, claiming they are well-positioned for the task. As TSPL started operations, its business partners were also of the view that an NBFC can either do on-book lending or BC business. The concern of the business partners was that for an MFI operating in a certain geography, and doing on-book lending, why would it scale its operations and advance the portfolio on behalf of the bank. Keeping this view in mind, TSPL continued to operate outside the purview of SCNL's operations.

To address concerns of business partners and in order to build operational efficiency and synergetic advantages, Satin Creditcare Network Limited (the “**Company**”) is proposing to acquire the entire share capital of Taraashna Services Private Limited (“**TSPL**”), from its existing shareholders in consideration for allotting equity shares of the Company having face value of Rs. 10 each (“**Equity Shares**”) by way of a private placement on preferential basis to existing shareholders of TSPL. In this regard, consent of the shareholders is sought for issuing up to 12,38,157 Equity Shares as stated in the resolution to the existing shareholders of TSPL (“**Proposed Allottees**”) and acquiring entire 90,82,732 equity shares of TSPL, having its registered office at 301, 3<sup>rd</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110001 having PAN No. AAECT2517J thereby swapping the shares of TSPL with the Shares of company.

The resolution, if passed, will have the effect of allowing the Board to issue and allot Equity Shares to the Proposed Allottees and to acquire 100% stake in TSPL, thereby making TSPL a wholly owned subsidiary of the Company. Since the proposed special resolution would result in issue of Equity Shares of the Company otherwise than to the members of the Company in the manner laid down under Section 62 of the Companies Act, 2013, consent of the shareholders is being sought pursuant to the provisions of Section 42, 62 and all other applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI LODR Regulations**”) and the listing agreements entered into by the Company with the stock exchanges where the Company is listed (“**Stock Exchanges**”).



The issue and allotment of Equity Shares would be subject to the receipt of regulatory approvals, if any. The Equity Shares proposed to be allotted, subject to receipt of necessary approvals, would be listed on the BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

In terms of Regulation 73 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended (“**SEBI (ICDR) Regulations**”), the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

**i. The objects of the issue through preferential offer:** To make TSPL a wholly owned subsidiary of SCNL to achieve operational efficiency.

**ii. Proposal of the Promoters/Directors/Key Management Personnel to subscribe to the offer:**

The proposed preferential issue is partly being made to the Promoters of the Company and the Directors or Key Management Personnel of the Company do not intend to subscribe to the part of the offer.

The Company, subject to necessary approvals, is proposing to issue and allot, on a preferential basis Equity Shares to following persons/entities belonging to Promoter Group:

- Ms. Anureet H P Singh,
- Satin (India) Limited; and
- Satin Media Solutions Limited

and to following entities belonging to Non-Promoter Group:

- M/s MV Mauritius Limited,
- M/s NMI Fund III KS and
- M/s SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd.

**iii. Relevant Date:**

The Relevant Date as per the SEBI (ICDR) Regulations, 2009 for the determination of issue price of the equity shares pursuant to the aforesaid preferential allotment has been fixed as June 30, 2016 i.e. the date falling 30 days prior to the date of Annual General Meeting i.e. July 30, 2016.

**iv. Pricing of Preferential Issue:**

The equity shares will be allotted for consideration other than cash at a value in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations, 2009.

**Pricing:** The Equity shares of the Company are listed at both BSE Limited and National Stock Exchange Limited. However, for the purpose of determination of minimum issue price, the stock exchange data having the highest trading volume is to be taken into consideration. Thus, same has been calculated on the basis of trading at National Stock Exchange having the highest volume data. The minimum issue price calculated on the basis of trading at NSE has been arrived at 457.82/- each share.

With the intent of making TSPL, a Wholly Owned Subsidiary of the Company, the equity shares are proposed to be issued for consideration other than cash, as a swap of equity shares. The value of equity shares of TSPL has been determined by M/s Corporate Professionals Capital Private Limited, a SEBI registered (Cat-1) Merchant Banker. The Valuation Report dated June 30, 2016 will be placed at the Annual General Meeting.

**v. The Company hereby undertakes that:**

- a) It would re-compute the price of the Securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009, if it is required to do so.
- b) If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

**vi. Neither the Company nor any of its promoters or directors are categorised as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.**



**vii. Identity of the natural persons who are ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the Proposed Allottees:**

The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the Proposed Allottees, where applicable, is as follows:

Name of proposed allottee(s)	Category	Details of Ultimate Beneficial Owners
Ms. Anureet H P Singh	Promoter	Mr. H P Singh and his family are the ultimate beneficial owners and/or who ultimately control the 2 (two) proposed allottees falling under the Promoter category
M/s Satin (India) Limited		
M/s Satin Media Solutions Limited		
M/s MV Mauritius Limited	Non-Promoter	MV Mauritius Fund is owned by MVII-A Master Fund. There are no natural person in Master Fund.
M/s NMI Fund III KS	Non-Promoter	See Note below & Annexure-B
M/s SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd.*	Non-Promoter	Investor is an investment fund and its ultimate and beneficially owners are the following: (i) SBI Holdings, Inc, a publicly listed company in Japan; and (ii) NederlandseFinancierings-MaatschappijvoorOntwikkelingslanden N.V., a Dutch development bank majority owned by the Dutch government.

**Note:** NMI Fund III KS (“NMI”) has been established under Norwegian law as a limited partnership. The limited partners of NMI are (i) Norfund, (ii) DNB Livsforsikring, (iii) Ferd AS, (iv) KLP and (v) Storebrand. Norfund, the Norwegian Development Finance Institution, is 100% owned by the Government of Norway. Norfund directly owns a 26.25% stake in NMI. The other limited partners of NMI are private investors consisting of DNB Livsforsikring, Ferd AS, KLP and Storebrand. DNB Livsforsikring, KLP and Storebrand are regulated financial institutions and each directly owns a 11.25% stake in NMI. Ferd which directly owns a 30% stake in NMI is a private company. The ultimate owners of Ferd AS are Alexandra G Andresen, Katharina G Andresen and Johan H Andresen. NMI AS which holds a 10% stake in NMI is the general partner of NMI and is owned by the above mentioned limited partners of NMI. The shareholding pattern of NMI along with the names of the ultimate beneficiaries of the partners of NMI is attached to this notice as **Annexure-B**.

**viii. Names of the Proposed Allottees and the percentage of the post preferential issue that may be held by them:**

Name of the Proposed Allottee	Pre Preferential Allotment		No. of shares proposed to be allotted#	Post Preferential Allotment	
	No. of shares	%		No. of shares	%
Ms. Anureet H P Singh	199611	0.62	288745	485356	1.46
M/s Satin (India) Limited	1448410	4.53	220799	1669209	5.03
M/s Satin Media Solutions Limited	979960	3.07	339709	1319669	3.98
M/s MV Mauritius Limited	3495520	10.94	150701	3646221	10.99
M/s NMI Fund III KS	2657710	8.32	114594	2772304	8.35
M/s SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd.	3190000	9.98	123609	3313609	9.98

# The number of shares proposed to be allotted have been subject to rounding off adjustments as a result of applying the swap ratio determined pursuant to applicable pricing guidelines in a manner that fraction being less than 0.5 the number shall be round down the previous whole number and fraction being 0.5 and more to be rounded off to the next up whole number.

**ix. Shareholding Pattern of the Company pre and post preferential offer:**

The present shareholding pattern and the shareholding pattern assuming full allotment of Equity Shares are given below:

Name of shareholders	Pre issue Shareholding Structure		No. of Equity shares to be allotted <sup>^</sup> Share allotted	Post issue Shareholding Structure	
	No of Shares held	% of shares		No of Shares held	% of shares
<b>(A) Promoters' Shareholding</b>					
Promoter & Promoter Group					
(1) Indian				-	-
(a) Individuals /HUF	1412858	4.42	288745	1701603	5.13
(b) Central Govt. /State Govt.	-	-	-	-	-
(c)Bodies Corporate	10151870	31.77	560508	10712378	32.28
(d) Financial Institutions /Banks	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>11564728</b>	<b>36.19</b>	<b>849253</b>	<b>12413981</b>	<b>37.40</b>
(2) Foreign					
(a) Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-
(c ) Institutions	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter &amp; Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>11564728</b>	<b>36.19</b>	<b>849253</b>	<b>12413981</b>	<b>37.40</b>
<b>(B) Non Promoters' Shareholding</b>					
Mutual Fund	87340	0.27		87340	0.26
Foreign Portfolio Investors	861946	2.70		861946	2.60
Financial Institutions/Banks/Foreign Bodies Corporate	2	0.00	-	2	0.00
Non-Institutions:					
(a) Bodies Corporate	2182999	6.83	-	2182999	6.58
(b) (i) Individual holding nominal share capital up to Rs. 2Lacs	1381813	4.32	-	1381813	4.16
(ii) Individual holding nominal share capital in excess of Rs2 Lacs	333579	1.04	-	333579	1.01
(c) Any Other -	-	-	-	-	-
i. Foreign Bodies corporate	13646632	42.71	388904	14035536	42.29
ii. Trusts	482093	1.51	-	482093	1.45
iii Non Resident Indians	156772	0.49	-	156772	0.47
iv HUF	53066	0.17	-	53066	0.16
v Clearing Members	1195691	3.74	-	1195691	3.60
Vi Foreign Individuals/NRI	4700	0.01	-	4700	0.01
<b>Total Public Shareholding (B)</b>	<b>20386633</b>	<b>63.81</b>	<b>388904</b>	<b>20775537</b>	<b>62.60</b>
<b>TOTAL (A+B+C)</b>	<b>31951361</b>	<b>100.00</b>	<b>1238157</b>	<b>33189518</b>	<b>100.00</b>

^The number of shares proposed to be allotted have been subject to rounding off adjustments as a result of applying the swap ratio determined pursuant to applicable pricing guidelines in a manner that fraction being less than 0.5 the number shall be round down the previous whole number and fraction being 0.5 and more to be rounded off to the next up whole number.

**x. Proposed time within which the allotment shall be completed:**

As required under Chapter VII of the Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of date of approval of the members to the preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority, within 15 (fifteen) days from the date of such approval(s), as the case may be.

**xi. Change in control:**

As a result of proposed preferential issue of Equity Shares, here shall be no change in management or control of the Company. However voting rights will change in tandem with the shareholding pattern.

**xii. Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

The allotment is being made pursuant to the swap of shares of TSPL with the company with an intent to make TSPL as a wholly owned subsidiary of SCNL.

**xiii. Securities to be issued:**

The resolution as set out in the accompanying notice authorizes the Board to issue to the Proposed Allottees, up to 1238157 Equity shares of face value of Rs. 10/- each at an Issue Price of Rs. 457.82 (including Rs 447.82 as premium), in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009.

**xiv. Auditors certificate:**

The certificate from M/s A. K. Gangaher & Co. Chartered Accountant, being the Statutory Auditor of the company certifying that the issue is being made in accordance with the requirements contain in Chapter VII of SEBI (ICDR) Regulations 2009 shall be available for inspection at the registered office of the company and shall be placed at the ensuing Annual General Meeting of members.

**xv. Lock in period:**

Pre-preferential allotment holding of Equity Shares, non-disposal of Equity Shares and lock-in period of the Equity Shares:

- a) The Equity Shares to be allotted on a preferential basis to person/entities belonging to the Promoter Group shall be subject to 'lock-in' for a period of three years from the date of trading approval for such Equity Shares in accordance with Regulation 78(1) of the SEBI ICDR Regulations.
- b) The Equity Shares to be allotted on a preferential basis to entities belonging to the Non-Promoter Group shall be subject to 'lock-in' for a period of one year from the date of trading approval for such Equity Shares in accordance with Regulation 78(1) of the SEBI ICDR Regulations.
- c) The entire pre-preferential allotment shareholding of the proposed allottee belonging to the promoter and Non-promoter Group, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 78(6) of the SEBI ICDR Regulations.

None of the proposed allottees have sold their respective equity shares in the Company during the six months preceding the Relevant Date. Further, during the financial year 2016-17, apart from this proposed issue, no preferential issue has been made to any person/entity of the Company.

As it is proposed to acquire TSPL's shares and make it as a wholly owned subsidiary of the Company pursuant to a swap and consequently issue and allot the aforesaid securities on preferential allotment basis to the shareholders of TSPL, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013, other applicable provisions of Companies Act, 2013 and Chapter VII of the SEBI ICDR Regulations. The Board believes that the proposed acquisition and preferential issue and allotment of Equity Shares is in the best interest of the Company and its members. Your Directors, therefore, recommend the resolution for your approval.



## **Nature of Concern or Interest of Promoter/ Directors/ Key Managerial Personnel:**

None of the Directors/manager or key managerial personnel or their respective relatives (as defined in the Companies Act, 2013) is in any way concerned or interested, financially or otherwise, in the above referred resolutions except (i) Mr. H P Singh (Chairman cum Managing Director of the Company), Mr. Satvinder Singh (Director of the Company) and their relatives being associated [as directors/shareholders] with Satin (India) Limited and Satin Media Solutions Limited (forming part of the Promoter Group of the Company) which are also the Proposed Allottees in the proposed Issue; and (ii) Mr. Richard Benjamin Butler, Mr. Arthur Sletteberg, Directors of the Company to the extent of their interest as nominee directors on behalf of M/s MV Mauritius Limited and M/s NMI Fund III KS, which are also the Proposed Allottees in the proposed Issue, respectively.

All the documents referred to in the accompanying Notice and Statement annexed thereto would be available for inspection without any fee by the members at the [Corporate Office] of the Company during 10.00 A.M. to 5.00 P.M on any working day (excluding Saturday and Sunday) up to the date of the meeting.

## **Item No. 6**

Pursuant to the relevant Sections of the Companies Act, including, without limitation, Section 62 of the Companies Act, 2013, any offer or issue of securities in the Company to persons other than members of the Company requires prior approval of the members by way of Special Resolution.

Your Directors draw your attention to the fact that the Company requires additional capital in the future to meet the needs of its growing business and to augment the Company's capital base and financial position. Accordingly, it is proposed that equity or equity-linked debt capital raising be undertaken by the Company, which would involve creating, offering, issuing and allotting securities to eligible investors, as stated in the resolution at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at its discretion, taking into consideration market conditions and other relevant factors and wherever necessary in consultation with lead managers and other advisors, either in one or more foreign currencies or Indian Rupees inclusive of such premium as may be determined by the Board, all in accordance with applicable laws. The Company intends to issue securities for an aggregate amount not exceeding Rs. 250 Crores (Rupees Two Hundred Fifty Crores) or its equivalent in one or more tranches. This is an enabling Resolution and the Company will issue new Securities, subject to applicable law and necessary compliances.

This Special Resolution, among other things, seeks to enable the Board of Directors (including any duly authorised committee thereof) to undertake a Qualified Institutions Placement to Qualified Institutional Buyers in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009, amended (the “**SEBI ICDR Regulations**”) as prescribed under Chapter VIII of the SEBI ICDR Regulations for the purposes mentioned above, without the need for fresh approval from the shareholders.

**Basis or Justification of Price:** The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be determined by the Board in accordance with the regulations on pricing of securities determined in accordance with Chapter VIII the SEBI ICDR Regulations. The “Relevant Date” for this purpose, in case of allotment of Equity Shares, will be the date when the Board decides to open the issue, or, in case of convertible securities, either the date of the meeting in which the Board or a committee thereof decides to open the issue of the convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares as provided under Chapter VIII of the SEBI ICDR Regulations. The resolution enables the Board of Directors to, in accordance with applicable laws, offer a discount of not more than 5% (five per cent.) or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

The Special Resolution also enables the Board to issue Securities in tranches, at such times, at such prices and to such person(s) including institutions, bodies incorporated and/or individuals or otherwise as the Board deems fit. The Company with this resolution intends to retain the right and flexibility to issue securities including but not limited to GDRs, ADRs, FCCBs and Equity Shares.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the lead manager(s) and other advisors appointed in relation to the proposed issue and such other authorities as may be required, taking into consideration market conditions and in accordance with applicable law. The Equity Shares allotted or arising out of conversion of any Securities will be listed and traded on stock exchanges where Equity Shares of the Company are currently listed (“**Stock Exchanges**”), subject to obtaining necessary approvals. The offer/ issue/ allotment/ conversion/ redemption of Securities would be subject to obtaining regulatory approvals, if any by the Company. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any provisions of the listing agreements entered into with the Stock Exchanges.



The Board of Directors of the Company recommend the Resolution as set out at Item No. 6 of the accompanying Notice for approval of the members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

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

In terms of applicable foreign investment related regulations, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000, as amended and the current Consolidated FDI Policy (effective from June 7, 2016) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**Consolidated FDI Policy**”), Foreign Portfolio Investors (“**FPIs**”, including foreign institutional investors that are deemed to be FPIs in accordance with applicable regulations) are permitted to invest in the capital of an Indian company under the portfolio investment scheme, subject to certain conditions, including that the aggregate investment by FPIs under the portfolio investment scheme does not exceed 24% of the paid-up capital of the company. Such aggregate limit of 24% can be increased by the company, up to the applicable sectoral cap on overall foreign investment prescribed under the Consolidated FDI Policy for such company, through a resolution passed by its board of directors followed by a special resolution passed by its shareholders, subject to prior intimation to the Reserve Bank of India (“**RBI**”).

In relation to the proposed raising of funds through further issue of Equity Shares and given that the Company is now listed on the BSE Limited and National Stock Exchange of India Limited (in addition to the Calcutta Stock Exchange), which experience trading in high volumes by FPIs, the Company proposes to increase the limit of investment by foreign portfolio investors in the Company from 24% to 49% of its paid-up equity share capital. This would allow FPIs to invest to a greater extent to in the Company and allow further liquidity to our shareholders in the secondary market.

Accordingly, your Directors recommend raising the FPI limit from 24% (twenty four per cent.) to 49% (forty nine per cent.) of the equity share capital of the Company.

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

In terms of Section 149, 150 and 152 and 161 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 Regulation 25 (2) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 which is applicable from December 01, 2015, 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 read with rules framed thereunder, SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and other applicable laws.

After recommendation from Nomination & Remuneration Committee, Mr. Anil Kumar Kalra (DIN: 07361739), appointed vide resolution passed by the Board through circulation on December 08, 2015 as non-executive Independent Director of the Company and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, holds office only upto the date of this Annual General Meeting and not liable to retire by rotation.

The nature of expertise of Mr. Anil Kumar Kalra, including his, 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Company has received from Mr. Anil Kumar Kalra (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 they are 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 Mr. Anil Kumar Kalra as a Director of the Company.

In the opinion of the Board, Mr. Anil Kumar Kalra fulfils the conditions specified in the Companies Act, 2013 and rules made



thereunder for his appointment as an Independent Director of the Company. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Anil Kumar Kalra is appointed as an Independent Director of the Company

Copy of the draft letter for appointment of Mr. Anil Kumar Kalra 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. The terms and conditions will also be available on the website of the company

Except for Mr. Anil Kumar Kalra, 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 Mr. Anil Kumar Kalra as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anil Kumar Kalra as an Independent Director, for the approval by the shareholders of the Company.

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

Further to the shareholder resolution passed on July 8, 2015 under Section 180 (1)(c) of the Companies Act, 2013, wherein it was resolved that the Board of Directors of the Company is permitted to borrow an amount not exceeding Rs 60,00,00,00,000 Crores (Rupees Six Thousand Crores only), Section 42 of the Companies Act 2013 read with the relevant rules thereunder requires every issuance of non-convertible debentures of the Company to be authorized by way of a special resolution.

It may be noted that Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with section 42 of the Companies Act, 2013, allows a company to pass a special resolution once in a year for all the offer or invitation for Non-Convertible Debentures/ Bonds to be made during the year through Private placement basis in one or more tranches.

Consent of the Members is therefore sought in connection with the aforesaid issue of Non-Convertible Debentures/ Bonds from time to time and they are requested to authorize the Board (including any committee of the Board) to issue Non-Convertible Debentures/Bonds during the year on private placement basis upto Rs 10,00,00,00,000/- (Rupees One Thousand Crores only) as stipulated above, in one or more tranches. For every issue of non-convertible debentures proposed to be offered during this year, the pricing of the debentures (including premium if any) will be determined on the basis of the prevailing market consideration and as specifically approved by the Board at such time.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding (if any) in the Company. Board of Directors recommends the passing of the resolution as Special Resolution.

**By Order of the Board of Directors  
For Satin Creditcare Network Limited**

**Place: Delhi**

**Dated: June 30, 2016**

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



## ANNEXURE-A

<b>Name of the Director</b>	<b>Davis Frederick Golding</b>	<b>Anil Kumar Kalra</b>
<b>DIN</b>	<b>00440024</b>	<b>07361739</b>
<b>Date of Appointment</b>	<b>May 29, 2013</b>	<b>December 8, 2015</b>
<b>Date of Birth</b>	<b>November 18, 1958</b>	<b>May 22, 1955</b>
<b>Brief Profile/ Nature of Expertise</b>	<p>Mr. Davis Golding represents ShoreCap II Limited on the Board of Satin. Working with ShoreCap, an international investment company which invests in and supports development financial institutions serving micro and small enterprises in developing economies, Davis holds the responsibility of initiating acquisition leads, performing on-site due diligence, recommending approval or decline of opportunities, structuring investments, and serving on the Board of Directors of investee institutions. Prior to joining ShoreCap International, he was EVP and Chief Operating Officer of ShoreBank Pacific, a community development bank dedicated to sustainable development including environmental integrity, serving the US states of Washington and Oregon. Previously, he worked as Director, International Mergers and Acquisitions/ Corporate Development for Textron Financial Corporation. Mr. 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.</p>	<p>Mr. Anil Kumar Kalra, a qualified professional having 31 years of experience in Banking and 5 years as CEO/ SVP in leading NBFC offering financial services in London and India and served in the area of Banking, Financial Services, Investment Banking and Infrastructure Financing. He worked as senior vice president in the leading NBFC engaged in providing financial services including Asset financing, Debt Syndication, Corporate Advisory, Merchant Banking etc. to Corporates besides support to sister companies in the Group focussed on Infrastructure Projects financing. He was the chief executive officer in Financial Services Company, London, UK. He was associated with various well known Banks/Financial Institutions in India and London including Public Sector Banks. He has done 'Master in Business Administration' with specialisation in Finance from Faculty of Management Studies (FMS), Delhi University and B.Com (H) from Shree Ram College of Commerce, Delhi University.</p>
<b>Names of other companies in which the person also holds the directorship</b>	<b>NIL</b>	<b>NIL</b>
<b>Names of companies in which the person also holds the membership of Committees of the Board</b>	<b>NIL</b>	<b>NIL</b>
<b>Number of Equity Shares held in the Company</b>	<b>NIL</b>	<b>NIL</b>
<b>Relationship between directors inter-se</b>	<b>None</b>	<b>None</b>

	Shareholder level 1	Shareholder Level 2	Shareholder level 3*	Ultimate beneficiaries
<b>NMI Fund III KS</b>	1. Norfund (26,25%) 2. DNB Livsforsikring ASA (11,25%) Regulated Life insurance company 3. Storebrand Livsforsikring AS (11,25%), Regulated Life insurance company	Norwegian Government 1. DNB ASA (100%) Public listed Bank, regulated 1. Storebrand ASA (100%) Public listed company, regulated	1. Ministry of Trade and Industry (34%) 2. Sparebankstiftelsen DNB (Savings foundation of DNB) (9,88%) 3. Norwegian Government Pension Fund (5,83%) 1. Gjensidige Forsikring (24,33%), Public listed insurance company, regulated 2. JP Morgan Chase Bank (6,46%)	Norwegian Government Norwegian Government Norwegian Government 1. Gjensidige Foundation (62,2%) 2. Norwegian Government Pension Fund (4,5%) 3. DWS Investments (2,5%)
	4. KLP (11,25%) Regulated insurance company 5. Ferd AS (30%) Privat held company	(Mutually own insurance company owned by approx. 200 municipalities in Norway) 1. Ferd Holding AS (100%)	3. Norwegian Government Pension Fund (5,07%)	Norwegian Government
	6. NMI AS (10%) (General Partner)	1. Norfund (50%) 2. KLP (12,5%) 3. Storebrand Livsforsikring ASA (12,5%) 4. DNB Livsforsikring ASA (12,5%) 5. Ferd AS (12,5%)	1. Alexandra G Andresen (42,4%) 2. Katharina G Andresen (42,4%) 3. JHA AS (15,2%) 4. Johan H Andresen (0,01 %) Please see Ultimate beneficial Owner above. Please see Ultimate beneficial Owner above. Please see Ultimate beneficial Owner above. Please see Ultimate beneficial Owner above.	(Mutually own insurance company owned by approx. 200 municipalities in Norway) Alexandra G Andresen Katharina G Andresen Johan H Andresen Johan H Andresen

\* Shareholdings of listed companies are shown as of 30 November 2013

# Board's Report

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty Sixth Annual Report of the Company together with the Audited Accounts for the financial year ended March 31, 2016.

## FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

(Rs. In Crores)

Particulars	Current Year	Previous year
Gross Income	558.52	3,24.16
Expenses	467.60	2,75.54
Profit before Depreciation and tax	90.92	48.62
Depreciation and amortization expenses	2.88	1.96
Profit Before Exceptional, Corporate Social Responsibility Expense, Extraordinary Items And Tax	88.04	46.66
Exceptional Items	-	-
Profit Before Extraordinary Items, Corporate Social Responsibility Expense And Tax	88.04	46.66
Corporate Social Responsibility Expense	0.51	0.21
Extraordinary Items	-	-
Profit Before Tax	87.53	46.45
Tax Expense	29.59	14.73
Profit after Tax	57.94	31.72
Brought forward from Previous Year	47.00	22.51
Profit available for appropriation	104.94	54.23
Transfer to Statutory Reserve Fund	11.59	6.34
Dividend-Preference Share Capital @12.34%	0.49	0.74
Dividend Distribution Tax	0.10	0.15
Surplus carried to Balance Sheet	92.76	47.00

## OPERATIONS, PROSPECTS AND FUTURE PLANS

During the year under review, your Company has done well on all parameters and grown the business substantially. The Company has disbursed 1,688,914 loans totalling Rs. 3,606.11 Crores during the year ended March 31, 2016 against Rs. 2,365.76 Crores during the previous year. The net outstanding portfolio (including managed portfolio and net of provisions) as at March 31, 2016 is Rs. 3,248.01 Crores. Presently, total number of branches are 431 as at March 31, 2016 as against 267 as at March 31, 2015. Satin started its JLG operations from Uttar Pradesh and then extended it to Madhya Pradesh, Jammu & Kashmir, Uttarakhand, Bihar, Maharashtra, Himachal Pradesh Rajasthan, Punjab, Haryana, Chandigarh, Chhattisgarh, Jharkhand, West Bengal, Delhi and Gujrat. The Company's PAR > 60 is 0.24 % as of March 31, 2016 as against 0.12% for previous year. The Company has raised Rs. 80.00 Crores as sub debt during the financial year 2015-16. During the financial year 2015-16, your Company had undertaken several initiatives with an objective to enhance customer reach, improve operating efficiencies, reduce operating cost and build up a leadership pool at various levels. The Company has introduced a loan product for solar lamp where the existing clients of Satin can avail a product on installment from the nearby branches. The Company has also started Health & Sanitation loan from October 2015. The Company has disbursed approx. Rs. 0.41 Crore on Health & Sanitation loan till March 31, 2016. We continued to provide high-quality customer service with robust operating systems. Besides, we strengthened our risk mitigation practices to emerge as a credible player with a long-term commitment to financial inclusion. Employees are recruited from various sources and are provided training to improve skills considering the job requirements at different levels. This has enabled the Company to reduce cost and improve bottom line.



Your Company had submitted an application for converting into a Small Finance Bank (SFB) on January 28, 2015 as per the 'Guidelines for Licensing of Small Finance Banks in the Private Sector' issued by the Reserve Bank of India (RBI) on November 27, 2014. The Reserve Bank of India (RBI), on September 16, 2015 granted "in-principle" approval to 10 applicants to set up small finance banks. The 10 (Ten) applicants were chosen from the 72 (Seventy Two) applications received by the RBI. 8 (Eight) out of 10 (Ten) licenses have been given to Microfinance institutions. Some of the large Micro Finance Institutions (MFIs) have got the in-principle approval to convert in Small Finance Bank. Your Company has not received the in principle approval to convert into Small Finance Bank. However, the Board feels that there is good opportunity to grow the business without getting the banking license in medium term.

Further, National Stock Exchange of India Limited has granted listing cum trading approval vide its Circular Ref. no. 847/2015 dated August 24, 2015 for 29,081,361 Equity Shares of the Company from August 26, 2015. Further, BSE Limited has accorded approval for listing cum trading for 29,081,361 Equity Shares of the Company vide its letter Ref. DCS/DL/AU/TP/706/2015-16 dated October 16, 2015 with effect from October 20, 2015.

### Operational Highlights:

Particulars	March 2016	March 2015
Number of branches	431	267
Amount disbursed (Rs. in Crores)	3,606.11	2,365.76
Number of active loan	18,51,113	11,90,999
Total Assets under management including securitised and assigned portfolio (Net of Provision) (Rs. in Crores)	3,248.01	2,126.01

During the year 2015-16, the Company has raised borrowings of Rs. 2,105.45 Crore by way of Term Loans, Non-Convertible Debentures ("NCDs"), Commercial Papers and Other working capital limits which was 38% higher as compared to Rs.1,522.79 Crore raised during 2014-15. Further, the Company has raised Rs. 1,355.97 Crore by way of securitisation and assignment of receivables which was 64% higher as compared to Rs. 828.30 Crore raised during 2014-15.

The Company already has borrowing arrangement with a large number of lenders and continuing on the track of diversification of sources, the Company has initiated relationship with 13 new lenders including National Agriculture Bank of Rural Development ("NABARD") which has sanctioned and disbursed Rs. 150 Crore during the year. The Company has successfully placed its first commercial paper of Rs. 50 Crore and first senior unsecured Non-Convertible Debenture during the year. Further, the Company was the first one to which Micro Units Developments and Refinance Agency ("MUDRA") Bank has sanctioned its first loan. The Company has also raised subordinate debts of Rs. 80 Crore from institutional lenders which can be classified as Tier-II capital as per RBI guidelines.

The Company has raised funds through Private Placement by issuance of 61,00,000 equity shares to Promoters and SBI FMO Emerging Asia Financial Services Pte. Ltd, resulting in a capital infusion of Rs.79.30 crore during the year. The net worth of the Company & Subordinate Debt as on March 31, 2016 was at Rs. 324.01 crore and Rs. 162.22 crore respectively. Capital adequacy as on March 31, 2016 was 16.82% well above the norm of 15% prescribed by RBI.

The Company has redeemed 60,00,000 Preference Shares (i.e. 12% Cumulative, Rated, Non-Participative, Non-Convertible, Compulsory Redeemable Preference Share) of Rs. 10 Each vide Circular Resolution passed by the Board of Directors on November 24, 2015. The total dividend pay-out for the period of 241 days (dividend payment date: November 27, 2015) amounted to Rs. 48.88 Laacs (excluding dividend distribution tax).

The cost of borrowing of the Company has come down 14.29% in 2015-16 as against 15.01% in 2014-15. Reduction was primarily on account of improved financial performance of the Company and diversification of the source of borrowings.

### Company's Prospects, Future Plans and Business Overview:

The Business of your Company scaled up rapidly through increase in number of branches and employees of the Company. The Company is expanding its business to new geographical territories. The Company is hopeful in achieving better performance during the current year. It remains to be seen whether the slew of initiatives announced by the Central Government like 'Make in India' programme, increased FDI limits in certain sectors, a financial inclusion effort through Pradhan Mantri Jan Dhan Yojana and India's improved rating outlook gives a fillip to the performance of the financial sector in the coming year. Acknowledging



that Non-Banking Financial Companies (NBFCs) are engaged in financial lending to different sectors, the Finance Bill-2016 proposes to extend the benefit to NBFCs. This is a welcome move as NBFCs account for a big chunk of lending in the country. From a period of low growth, high inflation and shrinking production, the Central Government has not only strengthened macro-economic fundamentals, but has also propelled the economy to a higher growth trajectory. Various rating agencies and think tanks have predicted that India's growth would accelerate sharply in the next few years. There are some initial indication of interest rate cut by few bankers, which may help the Company to reduce its cost of borrowing. The fluctuation in the foreign currency and tough competition in the international financial market will continue to be a challenge but your Company foresees better turnover and increased demand of its quality services.

The Company also planning to enter into financing for Small and Medium scale enterprise (SME) segment to augment their financial needs and to capture the gap available. The Company feels that SME segment is viable option to diversify portfolio and business risk.

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

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and Rules made thereunder. Details on loans, guarantees or investment are mentioned in financial statements of this Annual Report.

## **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has proper and adequate system of internal control geared towards achieving efficiency in its operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Testing of such Control Systems forms a part of Internal Audit (IA) function. The scope and authority of IA function is defined in the IA policy. The Internal Auditors of the Company conduct audits of various departments based on an annual audit plan covering key area of operations. Internal Audit reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. Your Company has instituted various preventive or control measures in the loan approval process to mitigate the risk of extending loans to non-existent borrowers or fictitious borrowers. The Company has continued its efforts to align its processes and controls with best practices and has put in place a process wise internal control framework across the Company.

## **SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company has neither any subsidiary, associate Company nor any Joint Venture during the financial year 2015-16.

## **DIRECTORS AND KEY MANAGEMENT PERSONNEL (KMP)**

Mr. Davis Frederick Golding (DIN.00440024) who liable to retire by rotation in the ensuing and being eligible offers himself for re-appointment. Mr. Davis Frederick Golding is representing M/s ShoreCap II Ltd. on the Board of the Company and has shown his interest for his re-appointment. The Nomination & Remuneration Committee and the Board of Directors have recommended his re-appointment for consideration of the Shareholders.

Mr. Anil Kumar Kalra (DIN: 07361739) was appointed as Additional Director on December 08, 2015. Pursuant to Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, and as per Articles of Association of the Company, Mr. Anil Kumar Kalra appointed as a non-executive and independent Director of the Company, who have submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013. The Nomination & Remuneration Committee and the Board of Directors have also recommended his appointment for consideration of the shareholders. Mr. Anil Kumar Kalra will be appointed as Independent Director of the Company to hold office for a period of five years from the date of his appointment as additional director or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and not liable to retire by rotation.

Brief resume of these Director(s), 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.

Mrs. Deepa A. Hingorani (DIN: 00206310) (nominee director appointed by Danish Microfinance Partners KS), has tendered her resignation from Company's Board and in her place, Mr. Kasper Svarrer (DIN: 072252475) has been introduced as an Additional Director on the Board of the Company on August 12, 2015 to hold office upto the date of the next annual general



meeting of the Company (“AGM”) or the last date on which the AGM should have been held, whichever is earlier and liable to retire by rotation. The Directors has appreciated her contribution on the Satin Board. Further, Mr. Suramya Gupta (DIN: 06816354) (nominee director of SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd) appointed as an Additional Director on the Board of the Company on August 12, 2015 to hold office upto the date of the next AGM of the Company or the last date on which the AGM should have been held, whichever is earlier and liable to retire by rotation. Further, pursuant to the requirements of Section 161(3) of the Companies Act, 2013 the designation of Mr. Suramya Gupta (DIN.06816354) and Mr. Kasper Svarrer (DIN: 072252475) were changed to Nominee Director vide Board meeting held on November 04, 2015. It is pertinent to note that “Nominee Directors” appointed pursuant to Section 161(3) of the Companies Act, 2013 are not subject to Shareholders’ approval or confirmation (in terms of Section 161(3) of the Companies Act, 2013) and liable to retire by rotation. After change of designation from Additional Director to Nominee Director, appointment of Mr. Suramya Gupta (DIN.06816354) and Mr. Kasper Svarrer (DIN: 072252475) are not subject to Shareholders’ confirmation/approval.

Further, pursuant to the requirements of Section 161(3) of the Companies Act, 2013 the designation of Mr. Davis Frederick Golding (DIN.00440024), Mr. Richard Benjamin Butler (DIN.06574786) and Mr. Arthur Sletteberg (DIN.07123647) who were appointed as Investor Directors on the Board of Directors of the Company for the Investments made by M/s ShoreCap II Ltd., M/s MV Mauritius Ltd. and M/s NMI Fund III KS, respectively, were changed to Nominee Directors vide Board meeting held on November 04, 2015 as the above said directors’ being nominated on the Board by the various Investors (hereinafter referred to as their respective organisations) for taking care and looking after the business operations of the Company to the extent and for the best interest of their Investor Organisations.

During the year 4 (Four) Board Meetings were held. These Board Meetings were held on May 25, 2015, August 12, 2015, November 04, 2015 and February 10, 2016.

## **PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

The Board of Directors of the Company carried out annual evaluation of its own performance, its Committees and individual directors based on criteria and framework adopted by the Board and in accordance with existing regulations. The manner of evaluation was conducted after consideration of parameters through set of questioner(s). The policy on Nomination & Remuneration for Directors, Key Managerial personnel (KMP) and senior management and other employees contains the methodologies of evaluation criteria. The Board found its own performance of each Director individually and of its various Committees satisfactory.

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

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 have submitted a declaration that the independent directors meet with the criteria of independence as required under Section 149(6) of the Companies Act, 2013.

## **DIRECTORS’ RESPONSIBILITY STATEMENT**

**Pursuant to section 134 (5) of the Companies Act, 2013, the Directors hereby confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis;
5. That the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



### **Information on material order passed by the regulators or courts or tribunal:**

There are no material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **RELATED PARTY TRANSACTIONS**

During the financial year 2015-16, there is no materially significant related party transaction with the Company's promoters, directors, the management or relatives which may have potential conflict with the interest of the Company at large. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The Company has also formulated a policy for determining the material related party transactions and the details of such policies for dealing with related party transactions are available on the website of the Company i.e. [www.satincare.com](http://www.satincare.com).

Particulars of Contracts or Arrangements with related parties referred to in Section 188(1) is given in Form AOC- 2 as **Annexure-I**. Further, details of Related Party Transactions as required to be disclosed by Accounting Standard-18 on "Related Party Transactions" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 are given in the Notes to the Financial Statements.

### **Justification for entering into related party transactions:**

In order to broaden the horizon of working areas and to diversify the risk of business, the Company has discussed and approved the proposal to enter into a service agreement with Taraashna Services Private Limited (a private limited company engaged in the business of providing business correspondent services) vide resolution passed in its Board meeting held on November 13, 2013. Except to the extent of directorship/shareholding (directly or through related party), of Mr. H P Singh, Chairman cum Managing Director and Mr. Satvinder Singh, Director of the company, no other Director or KMP are in anyway concerned or interested in aforesaid related party transaction. Further, the remuneration is paid to Mr. H P Singh, Chairman cum Managing Director and sitting fee to non-executive directors (other than Investor's nominee) for each Board/Committee meeting(s) attended and are shown under Related party disclosures segment under "notes to the account" of Balance Sheet in terms of Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

### **AUDITORS & THEIR REPORTS**

#### **Statutory 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) read with Section 141 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014. The same was discussed in the Audit Committee meeting. Your directors recommend their re-appointment. The Company has received audit report from M/s A. K. Gangaher & Co., Chartered Accountants.

#### **Secretarial Auditors & their Report:**

In terms of Section 204 of the Companies Act, 2013 and Rules framed thereunder and on the recommendation of the Audit Committee, the Board of Directors of the Company had appointed M/s S. Behera & Co. Company Secretaries (ICSI PCS Registration No. 5980) as the Secretarial Auditor of the Company for the financial year 2015-16. Secretarial audit report as provided by M/s S. Behera & Co. Company Secretaries is also annexed to this Report, in the prescribed Form No. MR-3, is annexed as **Annexure-II**.

Any member interested in hard copy of the Secretarial Audit Report may inspect the same at the Corporate Office of the Company or write to the Company Secretary for a copy.

The Company has received consent from M/s S. Behera & Co. Company Secretaries, for their re-appointment for the financial year 2016-17. Your directors recommend their re-appointment.

#### **Qualifications in Audit Reports:**

Your Directors do not observe any qualification, reservation or adverse remark or disclaimer made by the statutory auditor in his report and by the company secretary in practice in his secretarial audit report.

### **AUDIT COMMITTEE**

The Company has an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and in



accordance with Uniform Equity Listing agreement with the Stock Exchanges and as per other applicable laws. All members of the Committee are financially literate within the meaning of the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman of the Committee was present at the last Annual General Meeting to answer the queries of the Shareholders. The Scope of the activities of the Audit Committee is as set out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Equity Listing Agreements executed with the Stock exchanges read with Section 177 of the Companies Act, 2013 and other applicable laws are approved by Board of Directors of the Company. The composition of the Audit committee and the details of meetings attended by the Directors are provided in Corporate Governance Report section of this Annual Report.

## **DIVIDEND**

The Company has accounted for in its financial statements the necessary dividend for 60,00,000 Fully Paid Up 12% Cumulative, Rated, Non Participative, Non-Convertible, and Compulsorily Redeemable Preference Shares. Directors of your Company have recommended an interim dividend of Rs. 48,88,669/- (Rupees Forty Eight Lacs Eighty Eight Thousand Six Hundred and Sixty Nine Only) (excluding dividend distribution tax). Further, pursuant to Section 55 of Companies Act, 2013 and rules made thereunder, 60,00,000 Fully Paid Up 12% Cumulative, Rated, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares aggregating to amount Rs. 6,00,00,000 (Rupees Six Crore only) be redeemed out of the proceeds of a fresh issue of shares made for the purpose of redemption on November 27, 2015, the due date of redemption. These Preference Shares were redeemed on November 27, 2015. Further, in order to undertake and carry on future plans, it is necessary to conserve the resources. Your directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend on equity shares for the year ended March 31, 2016.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors has constituted the Corporate Social Responsibility Committees vide resolution passed in its meeting held on May 26, 2014. As per Section 135 of 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 Crores or more during any financial year are 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. The CSR Committee vide its meeting dated February 09, 2015 approved and recommended to Board for its approval a policy known as CSR policy, which indicates the activities to be undertaken by the Company as specified under Schedule VII of Companies Act, 2013. Further, the Company in its Board meeting dated February 09, 2015 approved the detailed CSR policy.

Now as per the requirement of Rule 8(1) of The Companies (Corporate Social Responsibilities) Rules, 2014 the Annual Report on CSR is annexed as **Annexure-III** to this report and the same is posted on the website of the Company i.e. [www.satincare.com](http://www.satincare.com).

## **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 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The above Rule 20 of the Companies (Management and Administration) Rules, 2014 have been amended on March 19, 2015 to introduce a new concept of e-voting i.e. E-Voting at general meeting through an electronic voting system. To comply with the requirements of new Companies Act, 2013 and to ensure good governance for its members, your Company has provided e-voting facility for its general meetings to enable its members to participate in the voting electronically. The instruction(s) for e-voting for ensuing Annual General Meeting/Postal Ballot is also provided with notice to shareholders of this Annual Report.

## **EMPLOYEES STOCK OPTION PLAN**

In order to develop and implement a long term incentive program to attract, motivate and retain the talent in a competitive environment, the Company has formulated and implemented “Employees Stock Option Schemes (the Schemes)” which provides for grant of equity shares of Satin Creditcare Network Limited to employees of the Company. 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.

The Company had allotted 4,25,000 equity shares to Satin Employees Welfare Trust @ Rs. 20/- each (including premium of Rs. 10/- each) on November 27, 2009. The Company had further allotted 1,00,000 shares to Satin Employees Welfare Trust @ Rs. 22/- each (including premium of Rs. 12/- each) on June 22, 2010. The Company had further allotted 1,50,000 equity shares to Satin Employees Welfare Trust @ Rs. 25/- each (including premium of Rs. 15/- each) on April 21, 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. As against 4,25,000 Equity Shares issued to Satin Employees Welfare Trust under Satin ESOP 2009, the Company



granted 1,50,000 Options to two employees of the company as per the terms of Satin ESOP 2009 on January 12, 2010. These options are vested and exercised as per terms set out under ESOP 2009. Further, the Company has also granted 98,300 Options out of remaining 2,75,000 Equity Shares to various employees as per the terms of Satin ESOP 2009 on December 02, 2013. Out of 98,300 shares granted, 29,090 options were vested and 25,824 were exercised on December 02, 2014 and 29,100 options were vested and 22,633 were exercised on December 03, 2015. The exercised shares are in lock in period of one year from the date of transfer of shares from Satin Employees Welfare Trust to employees.

**DISCLOSURE UNDER SECTION 62 OF THE COMPANIES ACT, 2013, RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND THE SEBI (EMPLOYEE STOCK OPTIONS SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES 1999, FOR THE YEAR ENDED MARCH 31, 2016**

A. The Board of Directors of your Company has approved an Employees' Stock Option Scheme during the Year 2009 and 2010 in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Regulations") with the objective of strengthening employee bonds with the Company and creating a sense of ownership. Your Board felt it appropriate to extend ESOPs to permanent employees in the management staff, including Managing Director and Whole-time Director(s) in order to motivate and retain the best talent. Further, during the year the Company has not amended the scheme as per the new regulations i.e. SEBI (Share Based Employee Benefit) regulations, 2014.

**Annexure**

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

1. The Company had 'nil' share-based payment arrangements during the year ended March 31, 2016.
2. The estimated fair value of each stock option granted in the general employee stock option plan is Rs.73.79. This was calculated by applying Black Scholes pricing model. The model inputs were as follows:

Inputs	Satin ESOP 2009		
	First Grant	Second Grant	Third Grant
Share Price at grant Date	N.A	N.A	N.A.
Exercise price	20	20	20
Expected Volatility	-	-	-
Expected Dividends	-	-	-
Contractual Life	1.08	2.08	3.09
Risk Free Interest Rate	8.59%	8.48%	8.44%

3. The estimated fair value of each share granted in the executive stock plan is Rs. 73.79.
4. Other information regarding employee share-based payment plans is as below:

Inputs	Year ended March 31, 2016	Year ended March 31, 2015
Expense arising from employee share-based payment plans	3,780,469.00	Nil
Expense arising from share and stock option plans	Nil	Nil
Closing balance of liability for cash stock appreciation plan	Nil	Nil
Expense arising from increase in fair value of liability for cash stock appreciation plan	Nil	Nil

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Diluted EPS is Rs. 19.97.

**Effects of Share Options on Diluted Earnings per Share  
(Accounting year April 01, 2015 to March 31, 2016)**

Net profit for the year ended March 31, 2016	<b>Rs. 573,521,264.37</b>
Weighted average number of equity shares outstanding during the year ended March 31, 2016	<b>28,275,712 Shares</b>
Average fair value of one equity share during the year ended March 31, 2016	<b>73.79</b>
Weighted average number of shares under option during the year ended March 31, 2016	<b>447,417 Shares</b>
Exercise price for shares under option during the year ended March 31, 2016	<b>20.00</b>

**Computation of earnings per share**

Inputs	Earnings	Shares	Earnings Per Share
Net profit for the year ended March 31, 2016 (Rs.)	<b>573,521,264.37</b>	-	-
Weighted average number of shares outstanding during year ended March 31, 2016	-	<b>28,275,712</b>	-
<b>Basic earnings per share (Rs.)</b>	-	-	<b>20.28</b>
Number of shares under option	-	<b>447,417</b>	-
Number of shares that would have been issued at fair value:	-	<b>(29,126)</b>	-
<b>Diluted earnings per share (Rs.)</b>	<b>573,521,264.37</b>	<b>287,23,129</b>	<b>*19.97</b>

\*Average fair value of one equity shares for the year ended March 31, 2016: Rs.73.79

**C. Details related to ESOS**

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

Sl. No.	Particular	Satin ESOP 2009 (Remarks)	Satin ESOP I 2010 (Remarks)	Satin ESOP II 2010 (Remarks)
a)	Date of shareholders' approval	June 01, 2009	March 26, 2010	December 15, 2010
b)	Total number of options approved under ESOS	4,25,000	1,00,000	1,50,000
c)	Vesting requirements	-	-	-
d)	Exercise price or 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)
e)	Maximum term of options granted	3 Years	3 Years	3 Years
f)	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
g)	Variation in terms of options	Not Applicable	Not Applicable	Not Applicable

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

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

Particulars	Satin ESOP 2009 (Remarks)	Satin ESOP I 2010 (Remarks)	Satin ESOP II 2010 (Remarks)
Number of options outstanding at the beginning of the period	2,49,176	1,00,000	1,50,000
Number of options granted during the year	0	0	0
Number of options forfeited/lapsed during the year	6,467	0	0
Number of options vested during the year	29,100	0	0
Number of options exercised during the year	22,633	0	0
Number of shares arising as a result of exercise of options	22,633	0	0
Money realized by exercise of options (INR/Rs.), if scheme is implemented directly by the company	Rs. 4,52,660/-	0	0
Loan repaid by the Trust during the year from exercise price received (INR/Rs.)	Rs. 4,52,660/-	0	0
Number of options outstanding at the end of the year	2,26,543	0	0
Number of options exercisable at the end of the year	29,100	0	0

(iv) Weighted-average exercise prices :

- when the exercise price is equal/exceeds to market price.
- when the exercise price is less than market price- Rs. 20.00.

Weighted-average fair values

- when the exercise price is equal/exceeds to market price.
- when the exercise price is less than market price- Rs. 73.79.

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

(a) Senior managerial personnel

Details of Shares vested to Senior Managerial Personnel during this financial year				
Sl. No.	Name of Employee	Designation	Number of Option granted during the year	Exercise Price
1	Shri Shirish Chandra Panda	Head Internal Audit	3,167	Rs. 20/-
2	Shri Ajay Kumar	Vice President - HR	2,067	Rs. 20/-
<b>Total</b>			<b>5,234</b>	<b>N.A.</b>

- (b) There is no employee has received a grant in any one year of option amounting to 5% or more of option granted during that year;
  - (c) There is no Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.
- (vi) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Necessary disclosures/details pursuant to SEBI (Share Based Employee Benefit) regulations, 2014 has been placed on the website and weblink of the same is [www.satincare.com](http://www.satincare.com).

## POLICIES

### **Vigil Mechanism/Whistle Blower Policy:**

The Company has established a vigil mechanism policy vide incorporating and adopting a Whistle Blower Policy for directors & employees pursuant to the requirement under Section 177(9) of Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board & its Powers) Rules, 2014 and Clause 49 of Listing Agreement in its Board Meeting dated February 09, 2015. The aforesaid policy is revised on February 10, 2016 in view of enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy empowers the blower to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The detailed vigil mechanism is communicated to all the directors and employees and is also disclosed on the website of the Company [www.satincare.com](http://www.satincare.com).

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

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company, to have diversified Board, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of Section 178 of the Companies Act, 2013 and the listing agreement as amended from time to time and Rules/Regulations/Guidelines /Notifications issued by Securities and Exchange Board of India (SEBI) from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management which includes within it a policy for having a Diversified Board and Familiarization programme for Independent Director has been formulated and approved by the Board of Directors vide its meeting dated February 09, 2015. The aforesaid policy is revised on February 10, 2016 in view of enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of Director, diversification of the Board, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company. The Company shall periodically conduct familiarization programme for the independent directors, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarisation programmes is disclosed on the Company's website i.e. [www.satincare.com](http://www.satincare.com).

### **Corporate Social Responsibility Policy:**

Your Company has recognized importance of "Corporate Social Responsibility" (hereinafter referred to as 'CSR') therefore it has vide resolution passed in its Board Meeting dated May 26, 2014 has constituted the Corporate Social Responsibility Committee. Corporate Social Responsibility Committee in its meeting dated February 09, 2015 has framed Corporate Social Responsibility Policy (hereinafter referred to as 'Policy') pursuant to the requirement of Section 135(1) & (3) of the Companies Act, 2013 along with The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. In the aforesaid backdrop, policy on Corporate Social Responsibility of the Company is broadly framed taking into account the welfare measures for the community at large, so as to ensure the poorer section of the society deriving the maximum benefits. It also aims to contribution to the society at large by way of social and cultural development, healthcare, imparting education, training and social awareness especially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.

With a vision of transforming the lives of people from socially weaker and economically disadvantaged sections of society, the Company is committed to 'building possibilities' to enable them to improve by supporting them through programs in the domains of education, healthcare and environment. As a part of its commitment to Corporate Social Responsibility, during the year, your Company initiated projects for health improvement by contributing to eligible trust and other agencies.

During the year under review, your Company has spent Rs. 51.00 Lacs on CSR projects/programs. Your Company is in compliance with the statutory requirements in this regard.

### **Risk Management Policy:**

The Company has framed a policy as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to evaluate and monitor company risks and develop comprehensive strategy to mitigate various type of risks and take corrective actions in order to prevent adverse events. The risks involved are Financial Risks, Operational Risks and External Risks. The Internal Audit Team directly reports to the Audit Committee of the Company. Significant audit observations and follow up actions thereon are also reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.



## **Related Party Transaction Policy:**

Related Party Transaction Policy is adopted by the Board of Directors of the Company vide its meeting dated February 09, 2015 pursuant to the compliances under the provisions of the Section 188 of the Companies Act, 2013 read with Rule 15 of The Companies (Meetings of Board and its Powers), Rules, 2014 and Clause 49(VII) of the Equity Listing Agreement. The aforesaid policy is revised on February 10, 2016 in view of enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective behind framing the policy is to ensure that Related Party Transactions are managed and disclosed in accordance with the strict legal and accounting requirements to which the Company is subject.

All Related Party Transactions shall require approval of Audit Committee and said Committee will review and may amend this policy from time to time. The policy on Related Party Transaction is posted on the website of the Company i.e. [www.satincreditcare.com](http://www.satincreditcare.com).

## **Sexual harassment policy for women under The Sexual Harassment of Women at workplace (prevention prohibition and Redressal) Act, 2013:**

Your company is committed to ensure fair and safe environment for its executives, staff and workers. In compliance of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has adopted Sexual Harassment Policy approved vide Board of Directors meeting held on February 09, 2015 which ensure a free and fair enquiry process with clear timelines. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Resources and liquidity**

In over 25 years of operation, Satin has developed partnerships with over 50 public sector banks, private sector banks, foreign banks and other domestic and overseas financial institutions. During the year, the Company has been availing various credit facilities from Banks, domestic and international lenders and from institutions for its microfinance operation which is the main activity of the Company. The Company has raised debt funds through Term Loan listed/unlisted Non-Convertible Debenture, Commercial Papers and Working Capital Facilities and also raised funds through securitization/assignment transactions. Total borrowings of the Company as at March 31, 2016 was Rs. 2,748.32 Crore including subordinate debt of Rs 162.22 Crore.

The Board of Directors of the Company vide its approval through circulation on June 03, 2015, allotted 32,30,000 (Thirty Two Lacs Thirty Thousand) Equity Shares of face value of Rs.10/- (Rupees Ten only) each fully paid-up for cash at an issue price of Rs. 130/- (Rupees One Hundred and Thirty only) including premium of Rs.120/- (Rupees One Hundred and Twenty only) and 28,70,000 (Twenty Eight Lacs Seventy Thousand) Fully Convertible Warrants each convertible into, or exchangeable for, one Equity Share of face value of Rs.10/- (Rupees Ten only) each at a price (including the Equity Warrant subscription price and the Equity Warrant exercise price) of Rs.130/- each (Rupees One Hundred and Thirty only). Further, out of entire consideration payable towards Equity Warrants i.e. Rs. 37,31,00,000/- (Rupees Thirty Seven Crore Thirty One Lakhs Only), the Company has received Rs. 9,32,75,000/- (Rupees Nine Crore Thirty Two Lakhs Seventy Five Thousand Only) i.e. 25% of issue price before allotment of Equity Warrants. Further, to fuel the growth for the Company, the warrant holders had exercised option to convert all the warrants issued to them and infused balance amount Rs. 27,98,25,000/- (Rupees Twenty Seven Crore Ninety Eight Lakhs Twenty Five Thousand Only) i.e. 75% of issue price. These warrants were converted on February 10, 2016 and March 21, 2016.

Credit Analysis and Research Limited (CARE) has reaffirmed the Long Term Facilities Rating of SCNL of CARE BBB+ aggregating Rs.1600 Crores.

The Company generally maintain enough liquidity in the system so as to meet requirement of funds for scheduled disbursements and repayments to lenders for about 30-45 days. The Company has strong Asset Liability Maturity profile wherein the Company has positive gap in all time buckets.

In view of the overall positive environment in the Microfinance Industry in India and better regulatory clarity, the overall liquidity and funding to NBFC-MFI 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.

### **Industry Scenario**

The Industry has matured with stronger institutions, the credit bureaus are functional, the investors and lenders are back in business, there is greater focus of the government on financial inclusion with launch of Micro Units Developments and Refinance Agency (Mudra), greater regulatory clarity, Reserve Bank of India (RBI) considering giving new licence for Small and Payment banks etc. In view of the above, there are better days ahead for Indian Microfinance industry. Microfinance



institutions have never had it so good in the past six years, at least in terms of receiving funds. Banks have opened their purse strings to MFIs more than ever with the sector showing steady traction backed by a strong regulatory framework. The Reserve Bank of India on April 02, 2014 granted in-principle approvals to two institutions to start new universal banks in India. Commercial papers (CPs) are unsecured money market instruments and help corporate borrowers diversify their sources of short-term funds. CPs are cheaper than bank loans. The Reserve Bank of India has eased micro finance lending norm of maximum 4 per cent variance in interest rates for small loans offered to clients living below double poverty line. Limit of the loan amount, for which the tenure of the loan shall not be less than 24 months, has been raised to Rs. 30,000.00 from the present limit of Rs. 15,000.00. The RBI allowed NBFCs to issue Masala Bond, rupee denominated overseas bonds to overseas investors and significantly relaxed a number of restrictions. ECB limit has been increased up to USD 100 million from USD 10 million or equivalent under automatic route for micro finance activities. The Reserve Bank of India, on August 19, 2015 granted “in-principle” approval to 11 entities to set up 'Payments Banks' and on September 16, 2015 to 10 applicants to set up “Small Finance Banks”. There were several developments at the national level that have been geared towards making rapid strides towards more inclusive and strategic financial access. Moreover, alongside increasing schemes and policies to target more segments of the “ultra-poor”, there have also been initiatives towards directed development programmes for the microfinance industry. The budget for the year 2016-17 had several announcements and proposals by the central government which has positive impact and would be contributory factor for Microfinance sector in long run.

## Business Review

The Company has done well during the financial year 2015-16 as compared to last year and it's peers in the industry. First time, the Company has raised floating rate Tier-II Capital (Term Loan). Micro Units Developments and Refinance Agency (MUDRA) Bank has sanctioned it's first loan of Rs. 35.00 Crores to the Company. The Company has started cashless disbursement in Gujarat. The Company has introduced loan product for solar lamp where the existing clients of SCNL can avail a product from the nearby branches. Satin has disbursed Rs. 14.03 Crores against 2,01,875 loans, for solar lamps as on March 31, 2016 in the state of Haryana, Bihar and Uttar Pradesh.

The Company has received scoring 8 out of 10 in Microfinance Code of Conduct Compliance Assessment (COCA) from “ICRA Management Consulting Services Limited” on July 17, 2015. The Company has also received “Special Jury Award” 2015 for serving MSME's from **Chamber of Indian Micro Small & Medium Enterprises (CIMSME)** and “India Iconic name in microfinance” Award- 2015 from International Institute for Business Analysis (IIBA). The equity share of the Company got the listing approval from The Calcutta Stock Exchange Limited (CSE) on May 19, 2015, National Stock Exchange of India Limited (NSE) on August 26, 2015 and BSE Limited (BSE) on October 20, 2015.

The Company has an experienced and stable management team and Board of Directors. The Company is hopeful of performing well during the current year.

## Opportunities

Financial sector development provides small enterprises and households with market access leading to their inclusion in the regional and ultimately the national economy. The Reserve Bank of India (RBI) has recently increased the limit of eligible borrowers to whom NBFC-MFI can lend and further liberalized some norms which is good for the growth of the industry and for the borrowers. This has improved the support and confidence of all stakeholders for the microfinance sector. The Company is operating in Northern and Central India where the reach of other MFIs is comparatively less 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 many years.

## Challenges

While the regulatory environment has improved the stakeholder's confidence still continue to be exposed to inherent risks in business model. Given that the microfinance borrowers belong to low income segment, customers are more prone to default. Client retention and acquisition are also concern for microfinance industry. Moreover, with MFI operations concentrated in specific geographies, geographic concentration risks persist, these risks include natural disasters, social unrests, or political upheavals. As the Company target to tap the opportunities by entering into new geographical areas, the Company encounter with some key challenges with respect to meeting its expansion plans. Considering changes in state laws and with new partners in industry, opening of new branches and split of existing branches is challenging task before the management. Further, as industry is looking for more partners in coming time, talent acquisition and retention is also one of the major challenges. Training and development for employees and security risk are other potential challenge for the management. The Company is also on verge of shifting its technology base to improved system. The Reserve Bank of India has issued a series of circulars, directions and notifications to give the required regulatory clarity. Also the MFI industry has collectively worked to bring back the stakeholders' confidence by working responsibly. The Company has a strong and experienced Board having multiple personalities having experience in different areas. The Company's senior management team has expertise in their respective field and the Company has 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 which helped the Company to achieve the performance better than its peers. The fluctuation in the foreign currency and tough competition in the international financial market will continue to be a challenge but your Company foresees better turnover and increased demand of its quality services.

## **Outlook**

The overall outlook for the Microfinance Industry has improved during the financial year 2015-16. The Reserve Bank of India has issued a number of circulars and provided the required regulatory clarity. A major outcome of the guidelines was the involvement of credit bureaus to record and monitor the creditworthiness of borrowers. More and more use of Aadhaar as KYC by the industry. There is greater emphasis today on credit score prior to disbursement of loans, and subsequent data sharing with credit bureaus. The credit bureau checks enable MFIs to assess the extent of leverage of prospective customers, and their repayment track record. Additionally, the Microfinance Institutions Network (MFIN) has prescribed a code of conduct that provides guidelines for MFI operations, and greater uniformity in their functioning.

With various schemes launched by Government for financial inclusion there is greater opportunities in microfinance sectors in the years to come.

## **Risk & Concerns**

The Company is exposed to financial, operational and political risks. Because an MFI's loan portfolio is its most valuable asset, the financial risks i.e. credit, market, and liquidity are of greatest concern. To prepare for these risks, Company usually hold in reserve certain percent of assets in cash and in short-term assets. The Company maintain reserves and provisions in its financials for meeting expected or unexpected future contingencies. The Company follows a conservative financial approach by following prudent business and risk management practices.

## **Adequacy of internal controls**

The Company has proper and adequate internal controls systems to ensure that all activities are monitored and controlled against any unauthorised use or disposition of assets, misappropriation of funds and to ensure that all the transactions are authorised, recorded, reported and monitored correctly. For the purpose of correctness and accuracy the process of job rotation is followed in different departments. The Company has adequate working infrastructure having computerization in all its operations including accounts and Management Information System.

Company's Internal Audit department has an annual audit plan based on the risk profile of business activities of the organization. The Company has established an Audit Committee to review and strengthen the adequacy of internal control. The Audit Committee also meet the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal control and systems followed by the Company. The Management acted upon the observations and suggestions of the Audit Committee. The Internal Auditors of the Company conduct audit of various departments based on an annual audit plan covering key area of operations and reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them.

## **Human Resource Development**

The Company has young, capable, experienced and dedicated manpower and various professionals support from in house and external sources with expertise in different areas leading the growth of Company towards better operational and financial position. The number of employees as at March 31, 2016 stood at 3,864 (Previous Year 1788).

## **DEPOSITS**

The Reserve Bank of India in exercise of its powers under The Reserve Bank of India Act, 1934, has granted NBFC-MFI (Serial No. B-14.01394) status to the Company and the Company has no public deposit. The Board of Directors of the Company has passed a resolution that the Company will not accept public deposit during 2016-17.

## **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. Further, your Company has Capital Adequacy Ratio of 16.82% as on March 31, 2016. The Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) – Directions, 2011 (“NBFC-MFI Directions”) were issued in December 2011 by the Reserve Bank of India (RBI) pursuant to the Reserve Bank of India Act, 1934 (“RBI Act”). The Company satisfies these conditions and was reclassified as a Non-Banking Financial Company - Micro Finance Institution (“NBFCMFI”) on November 6, 2013. As a result, the Company is required to comply with the NBFC-MFI Directions. These Directions include guidelines on qualifying assets



criteria, asset classification and provisioning, pricing of credit, capital adequacy, multiple lending, over-borrowing, compliances and fair practices. The Company generally complies all conditions and directions issued by RBI from time to time.

## CORPORATE GOVERNANCE

As required under Regulation 17 to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Equity Listing Agreements executed 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 Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report.

## PARTICULARS OF EMPLOYEES

In terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5, Sub-Rule (1), (2) & (3) of Companies (Appointment & Remuneration) Rules, 2014, the necessary disclosures are annexed as **Annexure-IV** with this report.

## LISTING WITH STOCK EXCHANGES

The equity shares of the Company were Listed on Delhi Stock Exchange Limited, Ludhiana Stock Exchange Limited and Jaipur Stock Exchange Limited. The Securities and Exchange Board of India (SEBI) vide its order no.(s) WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014 has derecognised Delhi Stock Exchange Limited and vide Order no.(s) WTM/RKA/MRD/166/2014 dated December 30,2014 has issued and exit order for Ludhiana Stock Exchange Limited. Further, vide SEBI Order no.(s) WTM/RKA/MRD/20/2015 dated March 23, 2015, SEBI has issued exit order for Jaipur Stock Exchange Limited. The company has applied for listing into The Calcutta Stock Exchange Limited (CSE), BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and out of three stock exchanges, the Calcutta Stock Exchange has vide its letter dated May 18, 2015 granted listing permission for 25,851,361 equity shares w.e.f. May 19, 2015 for 32,30,000 equity shares on July 14, 2015. National Stock Exchange of India Limited has granted listing cum trading approval vide its Circular Ref. no. 847/2015 dated August 24, 2015 for 29,081,361 Equity Shares of the Company with effect from August 26, 2015. Further, BSE Limited has accorded approval for listing cum trading for 29,081,361 Equity Shares of the Company vide its letter Ref. DCS/DL/AU/TP/706/2015-16 dated October 16, 2015 with effect from October 20, 2015. The Non-Convertible Debentures issued by the Company are listed on BSE Limited. Further, pursuant to conversion of 28,70,000 warrants, the Board of Directors of the Company has allotted 14,70,000 equity shares to promoter entities and 14,00,000 equity shares to SBI FMO Emerging Asia Financial Services Pte. Ltd. on February 10, 2016 and on March 21, 2016 respectively. The Company has applied for listing of 28,70,000 equity shares of the Company with all Stock Exchanges where the shares of the Company are listed and these shares shall be listed in due course of time.

Your Company has no dues pending with the above said Stock Exchanges.

## EXTRACT OF ANNUAL RETURN

In terms of requirement made under Section 92 and Section 134(3)(a) of the Companies Act, 2013 read with applicable rules of The Companies (Accounts) Rules, 2014, extract of annual return forms part of this Directors' Report and annexed as **Annexure-V**.

## OTHER INFORMATION

Information pursuant to section 134 of the Companies Act, 2013 read with Rule 8(3) (a) & (b) of the Companies (Accounts) Rules, 2014 being not applicable and hence not being disclosed.

**Further Information pursuant to Rule 8(3) (c) of the above said rule is mentioned below:**

FOREIGN EXCHANGE TRANSACTIONS			
Sl. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>I</b>	Expenditure/Remittances (Outward) in Foreign Exchange		
	Travelling Expenses	4,932,852.80	2,955,554.00
	Fees and Subscription	566,249.00	895,778.00
	Professional Fee	8,684,241.00	30,997,352.00
	Interest Payment - External Commercial Borrowing	33,246,237.00	6,981,343.00
	Sitting Fees	30,000.00	20,000.00
	Business Promotion	505,420.00	-
	<b>Total</b>	<b>47,964,999.8</b>	<b>41,850,027</b>



<b>II</b>	Earning/Remittances (Inward) in Foreign Exchange		
	Share Application Money/Share Capital Received	414,700,000.00	284,374,970.00
	External Commercial Borrowing Received	-	633,900,000.00
	Reimbursement of Expenditure	-	404,147.00
	<b>Total</b>	<b>414,700,000.00</b>	<b>918,679,117.00</b>

## ACKNOWLEDGEMENTS

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

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

**Place: Delhi**  
**Date: May 30, 2016**

**H P Singh**  
**Chairman cum Managing Director**  
**DIN:00333754**

## DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR ON CODE OF CONDUCT UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2016.

**Place: Delhi**  
**Date: May 30, 2016**

**H P Singh**  
**Chairman cum Managing Director**  
**DIN:00333754**

## CERTIFICATION BY CHAIRMAN CUM MANAGING DIRECTOR (CMD) AND CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD

- A) We, have reviewed the year to date financial statements/results for the year ended March 31, 2016 and to the best of our knowledge and belief:
- (1) These statements/results for the year ended March 31, 2016 do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - (2) These statements/results for the year ended March 31, 2016 together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2016 which are fraudulent, illegal or violative of the Company's Code of Conduct for all members of Board of Directors and senior management of the Company.

**Place: Delhi**  
**Date: May 30, 2016**

**H P Singh**  
**Chairman cum Managing Director**  
**DIN:00333754**

**Jugal Kataria**  
**Chief Financial Officer**



## ANNEXURES TO THE BOARD'S REPORT

### Annexure-I

**Form No. AOC-2**  
**(Pursuant to clause (h) of Sub-section (3) of Section 134 of the**  
**Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered during the year ended March 31, 2016, which were not at arm's length basis.

#### Detail of material contracts or arrangements or transactions at arm's length basis

Name of the Related Party	Nature of Contract	Date of Approval by Board	Nature of Relationship	Duration of Contract	Silent Terms	Amount paid as advance, if any
Taraashna Services Private Ltd.	Service Agreement	November 12, 2013	Influence of Key Managerial Personnel & Relatives	March 31, 2017	As specified in Services agreement	Nil
Niryas Food Products Pvt. Ltd	Rent Agreement	November 04, 2015	Influence of Key Managerial Personnel & Relatives	October 31, 2016	As specified in Rent agreement	Nil

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

**Place: Delhi**  
**Date: May 30, 2016**

**H P Singh**  
**Chairman cum Managing Director**  
**DIN: 00333754**



**FORM NO.: MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

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

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

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

Based on our verification of the Satin Creditcare Network Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) Regulations, 2009;
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Employees' Provident Funds & Misc. Provisions Act, 1952;
- vii. Employees' State Insurance Act, 1948 ;
- viii. Maternity Benefit Act, 1961;
- ix. Minimum Wages Act, 1948;
- x. Payment of Bonus Act, 1965
- xi. Payment of Gratuity Act, 1972
- xii. Delhi Shops and Establishments Act, 1954
- xiii. RBI Act, 1934 relating to NBFC's

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



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

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

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

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

**Shesdev Behera**  
**Company Secretary in practice**  
**CP.no. 5980**  
**M. No. 17536**

**Date:** May 19, 2016  
**Place:** New Delhi

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

#### **Annexure-A of Secretarial Audit Report**

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

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

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

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

**Shesdev Behera**  
**Company Secretary in practice**  
**CP.no. 5980**  
**M. No. 17536**

**Date:** May 19, 2016  
**Place:** New Delhi



**THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN  
THE BOARD'S REPORT**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

**(A) A brief outline of the company's CSR policy:**

The Corporate Social Responsibility of Satin Creditcare Network Limited (SCNL) is broadly framed taking into account the following measures:

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

**Areas as to be covered & strategies and scope of CSR:**

The primary beneficiaries of CSR should be poor and needy section of the society living in different parts of the country. Further, SCNL aims to contribute to empowerment of women for education/health & self-employment and also towards the Craftsmen/Artisans/Sculptors and uplift the standard of living by enhancing financial/technical/additions of know-how to strengthen their skill and assist through providing the market for their products which will be secondary beneficiaries.

In compliance with Schedule VII of The Companies Act, 2013, following activities (Hereinafter, "CSR Activities") are included by SCNL in its Corporate Social Responsibility Policies:

- eradicating extreme hunger and poverty;
- promotion of education;
- promoting gender equality and empowering women;
- reducing child mortality and improving maternal health;
- combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- ensuring environmental sustainability;
- employment enhancing vocational skills;
- social business projects;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- such other matters as may be prescribed by government or any other authority or by virtue of any laws (as amended from time to time).

**Implementation:**

- a) The investment in CSR should be project based.
- b) Project activities identified under CSR are to be implemented by specialized agencies. Specialized agencies could be made to work singly or in tandem with other agencies.
- c) Such specialized agencies would include:
  - Community based organization whether formal or informal.
  - Elected local bodies such as Panchayats
  - Voluntary Agencies (Non Government Organisations)
  - Institutes/Academic Organizations
  - Trusts, Mission etc.
  - Self-help groups
  - Government, Semi Government and autonomous Organizations.
  - Mahila Mondals/Samitis and the like
  - Professional Consultancy Organization etc.
  - Any other organization/agency as notified by government or under any law.

CSR activities in any State may be preferably done through the reputed NGOs or Co-operative Society or other agencies of local/State/Central Government authorities or any agency as prescribed in applicable laws.

**(B) Overview of the CSR projects undertaken in FY 2015-16:**

Organization	Brief profile of the organizations	Project undertaken	Project Overview
Maharaja Agrasen Hospital Charitable Trust (MAHCT)	Maharaja Agrasen Hospital (MAHCT) is a charitable trust established for running a Hospital under the name of Maharaja Agrasen Hospital through which it is providing the medical aid to every deserving human being as in-patient as well as out-patient. MAHCT came into being in the Year 1988 as a Society Registered under the Societies Act 1860 in terms of Registration Certificate given by The Registrar of Societies dated August 11, 1980 bearing Registration No. S-11107 of 1980. The main objects for which the society was registered was to carry out the charitable activities as defined U/s 2(15) of the IT Act 1961 which consists mainly of to establish hospitals and give medical services on charitable basis to public at large without any restriction of caste, creed and religion.	Establishing Maharaja Agrasen Medical University at Jajjhar District of Haryana.	The project will undertake Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute, Maharajac Agrasen Management Institute. <b>The estimated project cost is around 100 Cr. The medical college will have a separate section for economic weaker section category patient where patient will be treated free of cost including the medicines and diets. This section will run through CSR funds.</b>

**2. The Composition of the CSR Committee.**

Name of Member	Designation	Category
Mr. H P Singh	Chairman	Non Independent Director
Mr. Kasper Svarrer	Member	Non Independent Director
Mr. Rakesh Sachdeva	Member	Independent Director
Mrs. Sangeeta Khorana	Member	Independent Director

3. Average net profit of the company for last three financial years: **“Rs. 25.14 Crore”**
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **“Rs. 0.50 Crore”**
5. Details of CSR spent during the financial year.
  - a. Total amount to be spent for the financial year; **“Rs. 0.51 Crore”**
  - b. Amount unspent, if any; **NIL** (Entire fund disbursed to project implementation partner)
  - c. Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified	Sector in which the Project Is covered	Projects or programs 1) Local area or 2) Specify the State and projects or programs was undertaken	Amount outlay (budget) Project or Program wise (Rs.)	Amount spent on the projects or the programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency (Rs.)
1	Establishing Maharaja Agrasen Medical University at Jajjhar District of Haryana.	Health	The project will undertake Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute, Maharajac Agrasen Management Institute <b>Project implementation area:</b> Jajjhar District of Haryana.	<b>50,28,218/-</b> (Fifty Lacs Twenty Eight Thousand Two Hundred Eighteen Only). Entire fund disbursed to project implementation partner.	51,00,000/-	51,00,000/-	Amount spent by implementing agency

**Details of implementing agency are as follows:**

**Name of Trust:**

Maharaja Agrasen Charitable Trust

**Address of Trust:**

Maharaja Agrasen Charitable Trust  
Maharaja Agrasen Hospital, Punjabi Bagh, New Delhi-110026

**Contact Person:**

CARitu Bhatia

**Contact Info:**

011-40777777

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

*Company has disbursed entire CSR fund of FY 2015-16 to its project implementing partners. The allotted CSR fund will be utilised by both the organization step by step.*

7. Our CSR responsibilities:

We hereby affirm that the CSR policy, as approved by the Board of Directors, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

**Place: Delhi**

**Date: May 30, 2016**

**H P Singh**  
**Chairman cum Managing Director &**  
**Chairman-Corporate Social Responsibility Committee**  
**DIN: 00333754**



## Annexure-IV

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

Sl. No.	Name of Director(s)	Annual Remuneration (In Rs.) for F/y 2015-16	Median Annual Remuneration of Employees for the Financial Year 2015-16 (In Rs.)	Ratio of remuneration of each director to the median remuneration of the employees for Financial year
1	Mr. H P Singh	1,50,49,990.00	3,78,000.00	39:1

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

Sl. No.	Name of Director(s) Chief Financial Officer, Company Secretary	Annual Remuneration during financial year 2014-15 (In Rs.)	Annual Remuneration during financial year 2015-16 (In Rs.)	Percentage increase in remuneration since last financial year
1	Mr. H P Singh, Chairman cum Managing Director	61,76,000.00	1,50,49,990.00	143.68%
2	Mr. Jugal Kataria, Chief Financial Officer	40,20,480.00	51,30,400.00	27.60%
3	Choudhary Runveer Krishanan, Company Secretary & Compliance Officer	9,00,000.00	10,30,000.00	14.44%

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

Median Annual Remuneration (In Rs.) of employees for the F/Y 2014-15	Median Annual Remuneration (In Rs.) of employees for the F/Y 2015-16	Percentage increase in Median Annual remuneration (In Rs.) of employees
3,48,000.00	3,78,000.00	8.62%

(iv) Percentage increase in Median Annual remuneration of employees is 8.62%.

(v) Number of permanent employees on the rolls of the Company: 3,864

(vi) The explanation on the relationship between average increase in remuneration and Company performance: Steady and continuous contribution towards achievement of laid targets with desired standards besides continuous efforts towards self-development.

(vii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(viii) (a) The Market Capitalization of the Company as at the closing of the current financial year stood Rs. 1,045.54 Crores

(b) Price Earnings Ratio of the Company: Price Earnings Ratio as on March 31, 2016 is 16.14.

(c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer: The closing share price of the Company at BSE Limited on March 31, 2016 being Rs. 277 per equity share of face value of Rs.10 each has grown 27.7 times since the last public offer by the Company, which was made in the year 1996.

- (ix) During the financial year ended on March 31, 2016, one employee (Mr. Sanjay Mahajan) of the Company received remuneration in excess of the highest paid director.
- (x) The comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Key Managerial Personnel	Annual Remuneration during financial year 2015-16 (In Rs.)	Profit After Tax for financial year(In Rs.) 2015-16	Comparison of remuneration of KMP against the performance of Company in terms of PAT with remarks
Mr. H P Singh	1,50,49,990	57,94,05,151.37	2.60%
Mr. Jugal Kataria	51,30,400	57,94,05,151.37	0.89%
Choudhary Runveer Krishanan	10,30,000	57,94,05,151.37	0.18%

- (xi) **Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:** The total remuneration of Key Managerial Personnel increased by 91% from Rs. 1.11 crore in 2014-15 to Rs. 2.12 crore in 2015-16 whereas the Profit after Tax increased by approx. 83% from Rs. 31.71 crore in 2014-15 to Rs. 57.94 crore in 2015-16.
- (xii) **Details of employees as required under Section 197(12) of Companies Act, 2013 read with rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:** One employee Mr. Sanjay Mahajan (Chief Information Officer) who is receiving remuneration Rs. 6,47,436.00 per month during financial year 2015-2016.
- (xiii) The Board hereby affirm and declare that the remuneration being paid to the employees(s), director(s), key managerial personnel(s) is as per the Nomination & Remuneration policy for directors, key managerial personnel (KMP) & senior management and other employees approved by the Board.

## FORM NO.: MGT-9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2016

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

## I. REGISTRATION &amp; OTHER DETAILS:

1.	Corporate Identification Number (CIN)	L65991DL1990PLC041796
2.	Registration Date	October 16, 1990
3.	Name of the Company	Satin Creditcare Network Limited
4.	Category/Sub-category of the Company	Public Limited Company/Limited by Shares
5.	Address of the Registered office & contact details	5 <sup>th</sup> Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033 Phone: 011-47545000, Fax: 011-27672727
6.	Address of the Corporate office & contact details	909-914 ABC, 9 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001 Phone: 011-47545000 Fax: 011-27672727
7.	Whether listed company	Listed Company
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<p><b>a) Equity Shares &amp; Preference Shares</b></p> <p>Link Intime India Pvt. Ltd 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110028 Phone: +91 11 4141 0592 / 93 / 94</p> <p><b>b) Non-Convertible Debentures:</b></p> <p>Karvy Computershare Pvt. Ltd. 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034 Phone: +91 040 44655041</p>

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Non-Banking Financial activities/Microfinance activities	64990	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
-----Not applicable-----					

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

##### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01st April, 2015]				No. of Shares held at the end of the year [As on 31st March, 2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	16,28,258	-	16,28,258	6.30	16,28,258	-	16,28,258	5.09	(1.21)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	70,26,470	-	70,26,470	27.18	99,36,470	-	99,36,470	31.10	3.92
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>86,54,728</b>	<b>-</b>	<b>86,54,728</b>	<b>33.48</b>	<b>11,54,728</b>	<b>-</b>	<b>1,15,64,728</b>	<b>36.19</b>	<b>2.71</b>
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>86,54,728</b>	<b>-</b>	<b>86,54,728</b>	<b>33.48</b>	<b>11,54,728</b>	<b>-</b>	<b>1,15,64,728</b>	<b>36.19</b>	<b>2.71</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-

e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	0
g) FIIs	-	-	-	-	-	-	-	-	-	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	0
i) Others (specify)	-	-	-	-	27,643	-	27,643	0.09	0.09	
<b>Sub-total (B)(1)</b>	-	-	-	-	27,643	-	27,643	0.09	0.09	
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
i) Indian	28,56,788	64,503	29,21,291	11.30	26,27,155	14,800	26,41,955	8.27	(3.03)	
ii) Overseas	1,24,56,632	-	1,24,56,632	48.19	1,56,64,6632	-	1,56,64,6632	48.97	0.78	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,56,990	3,52,133	6,09,123	2.36	6,45,665	3,08,824	9,54,489	2.99	0.61	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,09,400	3,49,100	6,58,500	2.55	1,83,681	1,13,800	2,97,481	0.93	(1.61)	
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-
d- i) Trust	4,99,176	-	4,99,176	1.93	4,82,043	-	4,82,043	1.51	(0.42)	
d- ii) Non Resident Indian	40,000	4,700	44,700	0.17	2,66,168	4,700	2,70,868	0.85	0.68	
d- iii) Hindu Undivided Family	-	-	-	-	19,298	-	19,298	0.06	0.06	
d- iv) Directors & their Relatives	7,211	-	7,211	0.03	7211	-	7211	0.02	(0.01)	
<b>Sub Total (B)(2)</b>	<b>1,64,26,197</b>	<b>7,70,436</b>	<b>1,71,96,633</b>	<b>66.52</b>	<b>19467966</b>	<b>442124</b>	<b>19910090</b>	<b>62.31</b>	<b>(4.21)</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,64,26,197</b>	<b>7,70,436</b>	<b>1,71,96,633</b>	<b>66.52</b>	<b>19467966</b>	<b>442124</b>	<b>19910090</b>	<b>62.31</b>	<b>(4.21)</b>	
<b>Total (A)+(B)</b>	<b>2,50,80,925</b>	<b>7,70,436</b>	<b>2,58,51,361</b>	<b>100.00</b>	<b>31509237</b>	<b>442124</b>	<b>31951361</b>	<b>100.00</b>	<b>-</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2,50,80,925</b>	<b>7,70,436</b>	<b>2,58,51,361</b>	<b>100.00</b>	<b>31509237</b>	<b>442124</b>	<b>31951361</b>	<b>100.00</b>	<b>-</b>	

ii) **Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Parishek Finance Private Limited	21,50,880	8.32	0	2150880	6.73	0	(1.59)
2	Parinita Investments Private Limited	10,65,320	4.12	0	1550320	4.85	0	0.73
3	Niryas Food Products Private Limited (Previously known as Tyagi Associates Private Limited)	9,83,420	3.80	0	1468420	4.60	0	0.79
4	Satin ( India) Limited	9,63,410	3.73	0	1448410	4.53	0	0.81
5	Taco Consultants Private Limited	7,57,660	2.93	0	1242660	3.89		0.96
6	UV Associates Private Limited	6,10,820	2.36	0	1095820	3.43	0	1.07
7	Satin Media Solutions Limited	4,94,960	1.91	0	979960	3.07	0	1.15
8	H P Singh	4,15,123	1.61	0	415123	1.30	1.30	(0.31)
9	Kamal Inder Kaur*	3,59,891	1.39	0	-	-		(1.61)
10	Satvinder Singh	2,57,011	0.99	0	257011	0.80	0.80	(0.19)
11	Krishan Kumar Sharma	2,15,400	0.83	0	215400	0.67	0.67	(0.16)
12	Anureet H P Singh	1,96,611	0.76	0	196611	0.62	0.62	(0.15)
13	Neeti Singh	1,37,711	0.53	0	137711	0.43	0.43	(0.10)
14	Harbans Singh	46,511	0.18	0	406402	1.27	0.62	1.09

\*Kamal Inder Kaur expired on May 25, 2015.

(iii) Change in Promoters' Shareholding:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	Parishek Finance Pvt. Ltd.	2150880	7.39			2150880	7.39
	<b>At the end of the year</b>					<b>2150880</b>	<b>6.73*</b>
2	Parinita Investments Pvt Ltd.	1065320	3.66			1065320	3.66
	Allotment of Equity Shares			June 03, 2015	240000	1305320	4.48
	Allotment of Equity Shares on conversion of Warrants			Feb. 10, 2016	245000	1550320	5.07
	<b>At the end of the year</b>					<b>1550320</b>	<b>4.85*</b>
3	Niryas Food Products Private Limited	983420	3.38			983420	3.38
	Allotment of Equity Shares			June 03, 2015	240000	1223420	4.20
	Allotment of Equity Shares on conversion of Warrants			Feb. 10, 2016	245000	1468420	4.80
	<b>At the end of the year</b>					<b>1468420</b>	<b>4.60*</b>
4	Satin ( India) Ltd	963410	3.31			963410	3.31
	Allotment of Equity Shares			June 03, 2015	240000	1203410	4.13
	Allotment of Equity Shares on conversion of Warrants			Feb. 10, 2016	245000	1448410	4.74
	<b>At the end of the year</b>					<b>1448410</b>	<b>4.53*</b>
5	Taco Consultants Private Limited	757660	2.60			757660	2.60
	Allotment of Equity Shares			June 03, 2015	240000	997660	3.43
	Allotment of Equity Shares on conversion of Warrants			Feb. 10, 2016	245000	1242660	4.06
	<b>At the end of the year</b>					<b>1242660</b>	<b>3.89*</b>
6	UV Associates Private Limited	610820	2.10			610820	2.10
	Allotment of Equity Shares			June 03, 2015	240000	850820	2.92
	Allotment of Equity Shares on conversion of Warrants			Feb. 10, 2016	245000	1095820	3.58
	<b>At the end of the year</b>					<b>1095820</b>	<b>3.42*</b>
7	Satin Media Solutions Ltd.	494960	1.70			494960	1.7020
	Allotment of Equity Shares			June 03, 2015	240000	734960	2.52
	Allotment of Equity Shares on conversion of Warrants			Feb. 10, 2016	245000	979960	3.20
	<b>At the end of the year</b>					<b>979960</b>	<b>3.07*</b>
8	H P Singh	415123	1.61			415123	1.61
	<b>At the end of the year</b>					<b>415123</b>	<b>1.30*</b>
9	Harbans Singh	46511	0.18			46511	0.18
	Transfer			Dec. 31, 2015	359891	406402	1.39
	<b>At the end of the year</b>					<b>406402</b>	<b>1.09*</b>
10	Satvinder Singh	257011	0.99			257011	0.99
	<b>At the end of the year</b>					<b>257011</b>	<b>0.80*</b>
11	Krishan Kumar Sharma	215400	0.83			215400	0.83
	<b>At the end of the year</b>					<b>215400</b>	<b>0.67*</b>
12	Anureet H P Singh	196611	0.76			196611	0.76
	<b>At the end of the year</b>					<b>196611</b>	<b>0.43*</b>
13	Necti Singh	137711	0.53			137711	0.53
	<b>At the end of the year</b>					<b>137711</b>	<b>0.43</b>
14	Kamal Inder Kaur	359891	1.39			359891	1.39
	Transfer			Jan. 01, 2016	(359891)	0	0.00
	<b>At the end of the year</b>					<b>0</b>	<b>0.00</b>

\*Note: Change in percentage shareholding is due to allotment of Equity Shares to M/s Promoter groups and SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd on June 03, 2016 and Conversion of Warrants into Equity Shares on February 10, 2016 and March 21, 2016.

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors and Promoters):

Name of Shareholder	For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the Year (01st April, 2015 to 31st March, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
ShoreCap II Limited	At the beginning of the year	39,08,188	15.12	39,08,188	15.12
	Date wise Increase/ Decrease in Shareholding during the year	NIL	NIL	39,08,188	15.12
	<b>At the end of the year</b>			<b>39,08,188</b>	<b>12.23*</b>
MV Mauritius Limited	At the beginning of the year	34,95,520	13.52	34,95,520	13.52
	Date wise Increase/ Decrease in Shareholding during the year	NIL	NIL	34,95,520	13.52
	<b>At the end of the year</b>			<b>34,95,520</b>	<b>10.94*</b>
NMI Fund III KS	At the beginning of the year	26,57,710	10.28	26,57,710	10.28
	Date wise Increase/ Decrease in Shareholding during the year	NIL	NIL	26,57,710	10.28
	<b>At the end of the year</b>			<b>26,57,710</b>	<b>08.31*</b>
Danish Microfinance Partners K/S	At the beginning of the year	23,95,214	9.27	23,95,214	9.27
	Date wise Increase/ Decrease in Shareholding during the year	NIL	NIL	23,95,214	9.27
	<b>At the end of the year</b>			<b>23,95,214</b>	<b>7.46</b>
SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd	At the beginning of the year	NIL	NIL	NIL	NIL
	Allotment of Equity Shares on June 03, 2015	17,90,000	6.15	17,90,000	6.15
	Allotment of Shares on March 21, 2016	14,00,000	4.38	31,90,000	9.98
	<b>At the end of the year</b>			<b>31,90,000</b>	<b>9.98*</b>
Linkage Securities Private Limited	At the beginning of the year	7,90,000	3.06	7,90,000	3.06
	Increase in shareholding due to transfer of shares on October 09, 2015	80,000	0.27 <sup>#</sup>	8,70,000	2.99
	Decrease in shareholding due to transfer of shares on November 10, 2015	(10,000)	0.03 <sup>#</sup>	8,60,000	2.95
	Decrease in shareholding due to transfer of shares on November 27, 2015	(10,000)	0.03 <sup>#</sup>	8,50,000	2.92
	Decrease in shareholding due to transfer of shares on December 04, 2015	(80,000)	0.27 <sup>#</sup>	7,70,000	2.64
	Decrease in shareholding due to transfer of shares on December 11, 2015	(80,000)	0.27 <sup>#</sup>	6,90,000	2.37
	Decrease in shareholding due to transfer of shares on December 18, 2015	(50,000)	0.17 <sup>#</sup>	6,40,000	2.20
	Decrease in shareholding due to transfer of shares on January 08, 2016	(76,400)	0.26 <sup>#</sup>	5,63,600	1.93
	Decrease in shareholding due to transfer of shares on January 22, 2016	(20,000)	0.06 <sup>#</sup>	5,43,600	1.86
	Decrease in shareholding due to transfer of shares on February 05, 2016	(10,000)	0.03 <sup>#</sup>	5,33,600	1.83
	Increase in shareholding due to transfer of shares on March 31, 2016	20,000	0.06 <sup>#</sup>	5,53,600	1.73
	<b>At the end of the year</b>			<b>5,53,600</b>	<b>1.73*</b>

Bhawani Finvest Private Limited	At the beginning of the year	7,50,000	2.90	7,50,000	2.90
	Increase in shareholding due to transfer of shares on July 10, 2015	14,800	0.05#	7,64,800	2.62
	Increase in shareholding due to transfer of shares on July 31, 2015	68,800	0.23#	8,33,600	2.86
	<b>At the end of the year</b>			<b>8,33,600</b>	<b>2.60*</b>
Rajsonia Consultancy Services Private Limited	At the beginning of the year	7,16,803	2.77	7,16,803	2.77
	Increase in shareholding due to transfer of shares on July 31, 2015	85,500	0.29	8,02,303	2.75
	Decrease in shareholding due to transfer of shares on January 08, 2016	(22,275)	0.07	7,80,028	2.68
	Decrease in shareholding due to transfer of shares on January 15, 2016	(34,360)	0.11	7,45,668	2.56
	Increase in shareholding due to transfer of shares on January 22, 2016	17,300	0.05	7,62,968	2.62
	Decrease in shareholding due to transfer of shares on January 29, 2016	(12,823)	0.04	7,50,145	2.57
	Decrease in shareholding due to transfer of shares on February 05, 2016	(13,000)	0.04	7,37,145	2.53
	Decrease in shareholding due to transfer of shares on February 12, 2016	(14,400)	0.04	7,22,745	2.36
	<b>At the end of the year</b>			<b>7,22,745</b>	<b>2.26*</b>
Satin Employees Welfare Trust	At the beginning of the year	4,99,176	1.93	4,99,176	1.93
	Decrease in Shareholding during the year due to transfer of shares on Feb.19, 2016	(22,633)	0.07	4,76,543	1.55
	<b>At the end of the year</b>			<b>4,76,543</b>	<b>1.49*</b>
Megh Securities Private Limited	At the beginning of the year	3,30,150	1.28	3,30,150	1.28
	Increase in Shareholding due to transfer of Shares on July 31, 2015	31,200	0.10	3,61,350	1.24
	Decrease in Shareholding during the year due to transfer of Shares on Jan. 15, 2016	(20,000)	0.06	3,41,350	1.17
	Increase in Shareholding due to transfer of Shares on January 22, 2016	20,000	0.06	3,61,350	1.24
	<b>At the end of the year</b>			<b>3,61,350</b>	<b>1.13*</b>

\*Note: Change in percentage shareholding is due to allotment of Equity Shares to M/s Promoter groups and SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd on June 03, 2016 and Conversion of Warrants into Equity Shares on February 10, 2016 and March 21, 2016.

#Note: Percentage calculated on paid up capital of the Company outstanding on the date of transaction

\*Note: Percentage calculated on paid up capital of the Company outstanding at the end of financial year.

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

Name of Directors and Key Managerial Personnel	Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Shri H P Singh Chairman Cum Managing Director	At the beginning of the year	4,15,123	1.61	4,15,123	1.61
	Date wise Increase / Decrease in Promoters Shareholding during the year	NIL	NIL	4,15,123	1.61
	<b>At the end of the year</b>			<b>4,15,123</b>	<b>1.29*</b>
Shri Satvinder Singh Director	At the beginning of the year	2,57,011	0.99	2,57,011	0.99
	Date wise Increase / Decrease in Promoters Shareholding during the year	NIL	NIL	2,57,011	0.99
	<b>At the end of the year</b>			<b>2,57,011</b>	<b>0.80*</b>
Shri Rakesh Sachdeva Non- Executive Director	At the beginning of the year	7,211	0.03	7,211	0.03
	Date wise Increase / Decrease in Promoters Shareholding during the year	NIL	NIL	7,211	0.03
	<b>At the end of the year</b>			<b>7,211</b>	<b>0.02*</b>
Shri Jugal Kataria Chief Financial Officer	At the beginning of the year	1,00,000	0.39	1,00,000	0.39
	Date wise Increase / Decrease in Promoters Shareholding during the year	NIL	NIL	1,00,000	0.39
	<b>At the end of the year</b>	1,00,000		<b>1,00,000</b>	<b>0.31*</b>

\*Note: Change in percentage shareholding is due to allotment of Equity Shares to M/s Promoter groups and SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd on June 03, 2016 and Conversion of Warrants into Equity Shares on February 10, 2016 and March 21, 2016.

**Note:** Except above, no other directors and/or KMPs owns any shareholding in the Company.

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year April 01, 2015</b>				
I) Principal Amount	15,34,32,31,853	90,90,67,800	-	16,25,22,99,653
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10,30,69,137	1,13,97,246	-	11,44,66,383
<b>Total (i+ii+iii)</b>	<b>15,44,63,00,990</b>	<b>92,04,65,046</b>	-	<b>16,36,67,66,036</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	19,20,42,00,000	1,51,99,46,000	-	20,72,41,46,000
* Reduction	9,96,34,00,187	6,04,13,227	-	10,02,38,13,414
<b>Net Change</b>	<b>9,24,07,99,813</b>	<b>1,45,95,32,773</b>	-	<b>10,70,03,32,586</b>
<b>Indebtedness at the end of the financial year March 31, 2016</b>				
i) Principal Amount	24,58,40,31,666	2,36,86,00,573	-	26,95,26,32,239
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15,18,07,404	1,34,82,641	-	16,52,90,045
<b>Total (i+ii+iii)</b>	<b>24,73,58,39,070</b>	<b>2,38,20,83,214</b>	-	<b>27,11,79,22,284</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. H P Singh (Chairman cum Managing Director)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,67,100.00	84,67,100.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	55,66,840.00	55,66,840.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Provident Fund	10,16,050.00	10,16,050.00
	<b>Total (A)</b>	<b>150,49,990.00</b>	<b>150,49,990.00</b>
	Ceiling as per the Act	Approx. 3.49 Crores (Being 11% of Net Profit calculated as per Section 198 of the Companies Act, 2013)	

### B. Remuneration to other directors

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
1	<b>Independent Directors</b>								
		<b>Rakesh Sachdeva</b>	<b>Sujan Singh Chawla</b>	<b>Sundeep Kumar Mehta</b>	<b>Sangeeta Khorana</b>	<b>Goh Colin</b>	<b>Sanjay Kumar Bhatia</b>	<b>Anil Kumar Kalra</b>	
	Sitting Fee (Board meetings)	1,00,000	10,000	1,00,000	20,000	30,000	40,000	20,000	3,20,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>	<b>20,000</b>	<b>30,000</b>	<b>40,000</b>	<b>20,000</b>	<b>3,20,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Satvinder Singh</b>							
	Fee for attending board committee meetings	40,000							40,000
	Commission	Nil							
	Others, please specify	Nil							
	<b>Total (2)</b>	<b>40,000</b>							<b>40,000</b>
	<b>Total (B)=(1+2)</b>								<b>3,60,000</b>
Total Managerial Remuneration								<b>154,09,990</b>	
Overall Ceiling as per the Act								Approx. 3.49 Crores (Being 11% of Net Profit calculated as per Section 198 of the Companies Act, 2013)	

**C. Remuneration to Key Managerial Personnel Other than Managing Director:****(Amount in Rs.)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Choudhary Runveer Krishanan, Company Secretary & Compliance Officer	Jugal Kataria, Chief Financial Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,15,000	51,11,200	61,26,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,000	19,200	34,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>10,30,000</b>	<b>51,30,400</b>	<b>61,60,400</b>

**VII. Penalties / Punishment/ Compounding of Offences: No penalties, punishments & compounding of offences were imposed on the Company during Financial Year 2015-16:**

There were no material penalties/punishment/compounding of offences for the year ending March 31, 2016.

# Corporate Governance Report

## COMPANY'S PHILOSOPHY AND PRACTICE ON CORPORATE GOVERNANCE

Company's Philosophy of Corporate Governance is always aimed at value creation, keeping interest of all stakeholders protected in most inclusive way. The philosophy aims to develop the desired framework and institutionalize the spirit it entails. It has always been the Company's endeavour to excel through better Corporate Governance and fair & transparent practices. Your Company has an active, experienced and a well-informed Board. The Board of Director (the Board) along with its Committees undertakes its fiduciary duties towards all its stakeholders with the Corporate Governance mechanism in place. The Board of Directors (the Board) along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company. This principal of inclusion is always reflected in financial inclusion practices of your Company.

During the year, there was a huge change in Corporate Governance practices in India mostly attributable to changes in Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. Being a Non-Banking Microfinance listed Company, SCNL is committed to ensure corporate governance standards according to SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 (as amended from time to time) and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 (as amended from time to time) issued by Reserve Bank of India vide Notification No. DNBR. 019/CGM (CDS)-2015 dated April 10, 2015. The Company believes that good Corporate Governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for its stakeholders. Your Company is committed to transparency in all its dealings, conducts business with integrity and fairness and places high emphasis on business ethics.

## BOARD OF DIRECTORS

### a) Composition

The Board of Directors of the Company is the body which exercises executive powers and through which Company acts. They play the primary role as the trustees to safeguard and enhance stakeholders' value through its effective decisions and supervision.

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 as amended from time to time and other related applicable laws, if any and also meet the criteria for appointment as formulated by Nomination and Remuneration Committee and as approved by the Board. As on March 31, 2016, the Board of Directors of the Company comprises of 14 (Fourteen) directors out of which 7 (Seven) are independent and 7 (Seven) non-independent directors (which includes 5 (Five) Nominee directors and 2 (Two) Promoter directors). As on the aforesaid date, the Company has 13 (Thirteen) non-executive directors and 1 (One) executive director. Composition of the Board and category of directors are as follows:

Sl. No	Name	DIN	Category	Designation
1	Mr. H P Singh	00333754	Promoter & Executive Director	Chairman cum Managing Director
2	Mr. Satvinder Singh	00332521	Promoter & Non-Executive Director	Director
3	Mr. Davis Frederick Golding	00440024	Non-Executive and Non-Independent Director	Nominee Director (Representing ShoreCap II Limited)
4	Mr. Kasper Svarrer	07252475	Non-Executive and Non-Independent Director	Nominee Director (Representing Danish Microfinance Partners K/S)
5	Mr. Richard B. Butler	06574786	Non-Executive and Non-Independent Director	Nominee Director (Representing MV Mauritius Limited)
6	Mr. Arthur Sletteberg	07123647	Non-Executive and Non-Independent Director	Nominee Director (Representing NMI Fund III KS)
7	Mr. Suramya Gupta	06816354	Non-Executive and Non-Independent Director	Nominee Director (Representing SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd)
8	Mr. Rakesh Sachdeva	00333715	Non-Executive and Independent Director	Director

9	Mr. Sujan Singh Chawla	00333619	Non-Executive and Independent Director	Director
10	Mr. Sundeep Kumar Mehta	00840544	Non-Executive and Independent Director	Director
11	Mrs. Sangeeta Khorana	06674198	Non-Executive and Independent Director	Director
12	Mr. Goh Colin	06963178	Non-Executive and Independent Director	Director
13	Mr. Sanjay Bhatia	07033027	Non-Executive and Independent Director	Director
14	Mr. Anil Kumar Kalra	07361739	Non-Executive and Independent Director	Additional Director

Mr. Arthur Sletteberg (DIN: 07123647) was appointed by the Board vide its meeting dated May 25, 2015 as Non-Executive and Non-Independent Director (Nominee Director for NMI Fund III KS) of the Company in place of Mr. Ole Peder Sandsbraaten who had resigned as such. Mr. Kasper Svarrer (DIN: 07252475) was appointed by the Board vide its meeting dated August 12, 2015 as a Non-Executive and Non-Independent Director (Nominee Director for Danish Microfinance Partners K/S) of the Company in place of Mrs. Deepa A. Hingorani who had resigned as such. Mr. Suramya Gupta (DIN: 06816354) was appointed by the Board vide its meeting dated August 12, 2015 as a Non-Executive and Non-Independent Director (Nominee Director for SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd.) of the Company. Mr. Anil Kumar Kalra (DIN: 07361739) was appointed by the Board vide circular resolution dated December 08, 2015 as a Non-Executive and Independent Director (Additional Director) of the Company.

The appointment of Mr. Anil Kumar Kalra is valid till the Conclusion of this 26<sup>th</sup> Annual General Meeting of the Company. However, he being eligible for the appointment as a director had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013. The Board of Directors have recommended the appointment of Mr. Anil Kumar Kalra as Independent Director of the Company in the 26<sup>th</sup> Annual General Meeting to hold office for a period of five years from December 08, 2015 or till such earlier date as permissible under applicable laws. His brief profile is enclosed in the Annexure attached to Notice calling Annual General Meeting.

The dates for the board meetings are fixed after taking into account the convenience of all the directors and due notice is given to them. Detailed agenda and notes thereon are sent to all the directors seven days in advance from the date of Board Meeting. All the information required for decision making are incorporated in the agenda. The Chairman cum Managing Director appraise the Board on the overall performance of the Company at every Board Meeting. The Board reviews performance of the Company and sets the strategy for future. The Board takes on record the actions taken by the Company on all its decisions periodically.

b) As on March 31, 2016, 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		Attendance at the last Annual General Meeting	No. of Directorships in other Companies*1	No. of Membership(s) / Chairmanship(s) of the Board Committees*2
	Held	Attended			
Mr. H P Singh	4	4	Yes	2	Nil
Mr. Satvinder Singh	4	3	Yes	1	2
Mr. Davis Frederick Golding	4	4	No	Nil	Nil
Mr. Kasper Svarrer*3	4	3	No	Nil	Nil
Mr. Richard B. Butler	4	3	No	Nil	Nil
Mr. Arthur Sletteberg*4	4	4	No	Nil	Nil
Mr. Rakesh Sachdeva	4	3	Yes	1	1
Mr. Sujan Singh Chawla	4	1	No	Nil	Nil
Mr. Sundeep Kumar Mehta	4	4	No	Nil	2
Mrs. Sangeeta Khorana	4	2	No	Nil	Nil
Mr. Goh Colin	4	3	No	Nil	Nil
Mr. Sanjay Kumar Bhatia	4	3	No	Nil	1
Mr. Suramya Gupta*5	4	2	No	1	Nil
Mr. Anil Kumar Kalra*6	4	1	No	Nil	Nil

\*1 The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 (Companies Registered under Section 8 of the Companies Act, 2013) and Private Limited Companies.

\*2 In accordance with Regulation 26 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 Memberships / Chairmanships of only the Audit Committees, Stakeholders Relationship Committee in all Public Limited Companies (including Satin Creditcare Network Limited) have been considered.

\*3 Mr. Kasper Svarrer was appointed on August 12, 2015.

\*4 Mr. Arthur Sletteberg was appointed on May 25, 2015.

\*5 Mr. Suramya Gupta was appointed on August 12, 2015.

\*6 Mr. Anil Kumar Kalra was appointed on December 08, 2015.

**c) 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 May 25, 2015, August 12, 2015, November 04, 2015 and February 10, 2016.

**d) Disclosure of relationship between directors inter-se**

Mr. H P Singh, Chairman cum Managing Director of the Company, is related with Mr. Satvinder Singh. Mr. Satvinder Singh is brother of Mr. H P Singh.

e) Except Mr. Satvinder Singh, Promoter & Non-Executive Director and Mr. Rakesh Sachdeva, Non-Executive & Independent Director who are holding 2,57,011 & 7,211 equity shares respectively, none of the Non-Executive Directors of the Company are holding any equity shares of the Company.

f) Web link of the model familiarisation programme imparted to the Independent directors is [http://www.satincreditcare.com/uploads/1460637748\\_q1\\_attachment\\_Director%20Familiarisation\\_for%20review.pdf](http://www.satincreditcare.com/uploads/1460637748_q1_attachment_Director%20Familiarisation_for%20review.pdf)

**g) Information on Directors Re-appointment/Appointment**

A brief resume of the Director(s) proposed for the appointment/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 are furnished below:

**Re-appointments:**

**1. Mr. Davis Frederick Golding (DIN: 00440024)**

**Mr. Davis Frederick Golding**, aged 57 years, represents ShoreCap II Limited (Hereinafter "ShoreCap") on the Board of Satin. Working with ShoreCap, an international investment company which invests in and supports development financial institutions serving micro and small enterprises in developing economies, Mr. Golding holds the responsibility of initiating acquisition leads, performing on-site due diligence, recommending approval or decline of opportunities, structuring investments, and serving on the Board of Directors of investee institutions. Prior to joining ShoreCap International, he was EVP and Chief Operating Officer of ShoreBank Pacific, a community development bank dedicated to sustainable development including environmental integrity, serving the US states of Washington and Oregon. Previously, he worked as Director, International Mergers and Acquisitions/Corporate Development for Textron Financial Corporation. Mr. Golding also served as President and CEO of a Hong Kong based merchant banking operation. He has over 30 years of experience in international finance, banking and mergers and acquisitions. He holds a B.A. in Business Administration from Duke University, Durham, North Carolina.

**Appointments:**

**1. Mr. Anil Kumar Kalra (DIN: 07361739)**

**Mr. Anil Kumar Kalra**, aged 61 years, a qualified professional having 31 years of experience in Banking and 5 years as CEO/SVP in leading Non-Banking Financial companies (Hereinafter "NBFC") offering financial services in London and India and served in the area of Banking, Financial Services, Investment Banking and Infrastructure Financing. He worked as senior vice president in the leading NBFC engaged in providing financial services including Asset financing, Debt Syndication, Corporate Advisory, Merchant Banking etc. to Corporates besides support to sister companies in the Group



focussed on Infrastructure Projects financing. He was the chief executive officer in Financial Services Company, London, UK. He was associated with various well known Banks/Financial Institutions in India and London including Public Sector Banks. He has done 'Master in Business Administration' with specialisation in Finance from Faculty of Management Studies (FMS), Delhi University and B.Com (H) from Shree Ram College of Commerce, Delhi University.

### **Meeting of Independent Directors**

In compliance with Schedule IV of the Companies Act, 2013 during the financial year 2015-16, the Independent directors of the Company met on November 04, 2015. All independent Directors were present in the meeting and they reviewed and discussed matters as required under Companies Act, 2013.

### **Training and Familiarisation for Independent Directors**

The Company has adopted a structured orientation of Independent Directors at the time of their joining so as to familiarise them with the Company- its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The terms and conditions for the appointment of Independent directors on the Board have been disseminated on the website of the Company with the link <http://www.satincare.com/corporate-governance.php>. A new Director is welcomed to the Board of Directors of the Company by sharing various informations of the Company for his/her reference such as brief introduction to the Company and profile of Board of Directors of the Company, details of various Committees of the Board, Code of Conduct for all Members of Board of Directors and Senior Management, Code for Independent Directors, Code of Conduct for prevention of Insider Trading, Corporate Presentations, various policies adopted by the Board, etc. The Company through its Managing Director/Senior Managerial Personnel makes presentations regularly to the Board and, the business strategies, operations review, quarterly and annual results, review of Internal Audit Report and Action Taken Report, Statutory Compliances, Risk Management, etc. This enables the Directors to get a deeper insight into the operations and functioning of the Company. Heads of Departments of Company are required to give presentation in Board Meeting to familiarise the Board with their activities and allied matters.

### **BOARD DIVERSITY**

The Nomination and Remuneration Committee has devised policy on Board Diversity in line with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and recommended to the Board of Directors which was subsequently approved by Board of Directors vide its meeting held on February 10, 2016. The said policy has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The prime and utmost objective of this policy is to set a diversely qualified Board for the Company to function smoothly, variedly and to work on every aspect of the business agenda(s). Diversity in Board is needed for better growth and profitability.

### **CODE OF CONDUCT**

The Company has adopted the revised Code of Conduct ('the Code') as per Regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 applicable to all its Board members and senior management personnel. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. Copy of code of conduct is available on the website of the Company [www.satincare.com](http://www.satincare.com).

A declaration signed by the Company's Chairman cum Managing Director is published in this Report.

### **ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and applicable Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. The Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 1956/Companies Act, 2013 and in terms of other applicable laws, if any. He is also designated as Compliance Officer of the Company.

## AUDIT COMMITTEE

The audit committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The audit committee comprised of the following directors for the year ended March 31, 2016:

- |    |                         |   |          |
|----|-------------------------|---|----------|
| 1. | Mr. Rakesh Sachdeva     | - | Chairman |
| 2. | Mr. Sundeep Kumar Mehta | - | Member   |
| 3. | Mr. Satvinder Singh     | - | Member   |

The aforesaid composition of the Audit Committee is also disseminated on the website of the Company with the link <http://www.satincare.com/corporate-governance.php>.

Mr. Rakesh Sachdeva and Mr. Sundeep Kumar Mehta are independent directors. The Chairman of Audit Committee Mr. Rakesh Sachdeva is a qualified Chartered Accountant and have expertise in the field of finance, accounting and audit areas. The composition of Audit Committee is in line with requirements of the Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Statutory Auditor, Internal Auditor, Chief Financial Officer, Head- Audit and Risk Management and Chief Operating Officer of the Company are the invitees to the meetings of the committee held in the financial year 2015-16. The Company Secretary acts as the secretary to the Audit Committee. The Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on July 08, 2015.

During the financial year 2015-16, audit committee met four (4) times. The meetings were held on May 19, 2015, August 10, 2015, November 02, 2015 and February 08, 2016.

### Detail of attendance of each member of the Audit Committee are as follows

Name of Director	No. of meetings held during the year	Meetings attended
Mr. Rakesh Sachdeva (Independent Director)	4	4
Mr. Satvinder Singh (Non-Independent Director)	4	3
Mr. Sundeep Kumar Mehta (Independent Director)	4	4

The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committee under Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as well as Section 177 of the Companies Act, 2013. The terms of reference as approved by Board of Directors of the Company vide its meeting dated February 10, 2016 for the Audit Committee are as follows:

- (1) Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to: (a) matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transaction; (g) modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee comprises of following directors as on March 31, 2016:

- |    |                         |   |          |
|----|-------------------------|---|----------|
| 1. | Mr. Rakesh Sachdeva     | - | Chairman |
| 2. | Mr. Sundeep Kumar Mehta | - | Member   |
| 3. | Mr. Satvinder Singh     | - | Member   |

The aforesaid composition of the Risk Management Committee is also disseminated on the website of the Company with the link <http://www.satincare.com/corporate-governance.php>



During the financial year 2015-16, Risk Management Committee met four (4) times. The meetings were held on May 19, 2015, August 10, 2015, November 02, 2015 and February 08, 2016.

**Detail of attendance of each member of the Risk Management Committee are as follows:**

Name of Director	No. of meetings held during the year	Meetings attended
Mr. Rakesh Sachdeva (Independent Director)	4	4
Mr. Satvinder Singh (Non-Independent Director)	4	3
Mr. Sundeep Kumar Mehta (Independent Director)	4	4

The terms of reference of the Risk Management Committee are wide enough to cover the matters specified for Risk Management Committee under as stated under Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015;

- (1) Recommend to the board and then formally announce, implement and maintain a sound system of risk oversight, management and internal control which:
  - Identifies, assesses, manages and monitors risk; and
  - Allows investors and other stakeholders to be informed of material changes to the company's risk profile.
- (2) Recommend to the board and then formally announce clear standards of ethical behaviour required of the senior management as well as the staff.
- (3) In discharging its responsibility, the committee is to develop and seek board approval for a range of specific duties that it is to carry out. Such duties will vary depending on the company's circumstances, the committee's responsibilities and, in particular, the role of the board and other committee, such as internal audit, operations, finance etc.

**Specific Deliverables:**

The Committee's deliverables are based on 2 broad categories – risk management and governance.

- Consistent with its risk management responsibility, risk management deliverables are intended to detail the functions and processes which are considered necessary to ensure that the Board can be satisfied that the Company's risks are being effectively managed.
- Governance deliverables are intended to ensure that the Committee also considers ethical and broader stakeholder values in its assessment and management of risks and internal procedures.
- The Committee can consider other matters relating to risk management that it considers desirable. In addition, the Committee will examine any other matters referred to it by the Board.

**Risk Management deliverables:**

- Assessment of the Company's risk profile and key areas of risk in particular.
- Recommending to the Board and adopting risk assessment and rating procedures.
- Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- Assessing and recommending to the Board acceptable levels of risk.
- Development and implementation of a risk management framework and internal control system.
- Initiating and monitoring special investigations into areas of corporate risk and break-downs in internal control.
- Ensuring that matters effecting the risk management or internal control systems of the Company, whether or not forming part of the Committee's duties, are adequately addressed. For example the Committee should be assessing whether other committees are adequately addressing the relevant areas of risk that fall within the ambit of the responsibilities of those respective committees.

### **Governance related deliverables:**

- (1) Reviewing and recommending to the Board, the changes w.r.t:
  - The structure and responsibilities of the Board;
  - The proper relationship between the Board and management; and
  - The responsibilities of management.
- (2) Monitoring legal and regulatory compliance.
- (3) Reviewing and recommending to the Board, changes to the Company's Code of Conduct and other policies designed to guide the Company's senior management and other employees as to:
  - Compliance with legal and other obligations to legitimate stakeholders such as shareholders and employees;
  - The ethical standards and practices necessary to maintain confidence in the Company's integrity;
  - The behaviour expected of them and the Company's corporate culture generally.
- (4) Monitoring compliance with Company Policies and investigating allegations of breaches of those policies.
- (5) Reviewing and recommending to the Board, policies to avoid conflicts of interest between the Company and its employees.

Further, Board vide its meeting dated February 10, 2016 has approved the Comprehensive Risk Management framework as required to be maintained under Regulation 17(9) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company tries to manage risk effectively creating a systematic approach that applies across product lines and activities and considers the aggregate impact or probability of risks. This makes the organization less likely to be surprised by unexpected losses (down-side risk) and more likely to build market credibility and capitalize on new opportunities (up-side risk).

### **NOMINATION AND REMUNERATION COMMITTEE**

As on March 31, 2016, the Nomination and Remuneration Committee consists of following members and Company Secretary acts as secretary to Nomination and Remuneration Committee:

- |    |                            |   |          |
|----|----------------------------|---|----------|
| 1. | Mr. Sandeep Kumar Mehta    | - | Chairman |
| 2. | Mr. H P Singh              | - | Member   |
| 3. | Mr. Rakesh Sachdeva        | - | Member   |
| 4. | Mr. Davis Fredrick Golding | - | Member   |
| 5. | Mrs. Sangeeta Khorana      | - | Member   |

The aforesaid composition of the Nomination & Remuneration Committee is also disseminated on the website of the Company with the link <http://www.satincare.com/corporate-governance.php>.

During the financial year 2015-16, Nomination and Remuneration Committee met four (4) times. The meeting was held on May 25, 2015, August 12, 2015, November 04, 2015 and February 10, 2016.

### **Detail of attendance of each member of the Nomination and Remuneration Committee are as follows:**

Name of Director	No. of meetings held during the year	Meetings attended
Mr. H P Singh (Non-Independent)	4	4
Mr. Davis Fredrick Golding (Non-Independent)	4	4
Mr. Sundeep Kumar Mehta (Independent)	4	4
Mr. Rakesh Sachdeva (Independent)	4	3
Mrs. Sangeeta Khorana (Independent)	4	2

The terms of references of Nomination and Remuneration Committee pursuant to Regulation 19(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as approved by the Board of Directors vide its meeting dated February 10, 2016 are as follows:

- (1) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- (2) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- (3) Ensure and determine that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors and size of the Board and its diversity;
- (4) Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability and ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and other employees of the company and reviewing its effectiveness;
- (5) Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines;
- (6) Decide/approve details of fixed components and performance linked incentives (if any) along with the performance criteria;
- (7) Identifying and recommending Directors who are to be put forward for retirement by rotation;
- (8) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- (9) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their Service contract;
- (10) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- (11) Recommend any necessary changes to the Board;
- (12) Considering any other matters as may be requested by the Board; and to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- (13) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- (14) Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- (15) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- (16) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- (17) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- (18) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- (19) To devise a policy on Board diversity;
- (20) To develop a succession plan for the Board and to regularly review the plan;
- (21) Formulation of criteria for evaluation of Independent Director and the Board;
- (22) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- (23) To implement and monitor policies and processes regarding principles of corporate governance.

**POLICY LAID DOWN BY THE NOMINATION & REMUNERATION COMMITTEE FOR REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT & OTHER EMPLOYEES AND THE CRITERIA FORMULATED BY THE COMMITTEE FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR**

Pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Clause 49 of the Equity Listing Agreement the Board of Directors of the Company has formulated and approved the Policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP) & Senior Management and other Employees vide its meeting dated February 09, 2015. Further, Securities and Exchange Board of India on September



02, 2015 has come up with an altogether new regulation named as Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 repealing the than existing Equity Listing Agreement. Therefore the Board vide its meeting dated February 10, 2016 has approved the revised policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP) & Senior Management and other Employees (Version 2-10.02.2016). The policy has been uploaded in the website of the Company at <http://www.satincare.com>, and the same is annexed to the report as **Annexure-1**.

## REMUNERATION PAID TO DIRECTORS

The disclosure in respect of remuneration paid/payable to Whole Time Director of the Company for the financial year 2015-2016 is given below:

Particulars	Mr. H P Singh, Chairman cum Managing Director (Rs.)
Salary	84,67,100.00
Provident Fund	10,16,050.00
Gratuity	-
Leave Encashment	-
Approximate value of perquisites	55,66,840
Total	1,50,49,990.00
Present period of agreement	October 01, 2015 to September 30, 2020

Non-Executive Directors (other than directors appointed by virtue of Investment agreement and nominated by Investor) are paid only sitting fee. However the Board of Directors vide circulation dated January 12, 2016 has revised the structure for sitting fee which is as follows:

Type of Meeting	Sitting Fees
Board Meeting	Rs. 20,000/- (Rupees Twenty Thousand) per meeting
Audit Committee/Risk Management Committee Meeting	Rs. 20,000/- (Rupees Twenty Thousand) per meeting
Other Statutory Committee Meeting	Rs. 10,000/- (Rupees Ten Thousand) per meeting

Detail of payments made to Non-Executive Directors towards sitting fees during the financial year 2015-2016 is as under:

Sl. No.	Name of Non-Executive Directors (Other than Investor's nominees)	Sitting Fees		Total (Amount in Rs.)
		Board Meeting	Committee Meeting	
1	Mr. Rakesh Sachdeva	40,000	60,000	1,00,000
2	Mr. Sundeep Kumar Mehta	50,000	50,000	1,00,000
3	Mr. Satvinder Singh	40,000	-	40,000
4	Mr. Sujan Singh Chawla	10,000	-	10,000
5	Mrs. Sangeeta Khorana	20,000	-	20,000
6	Mr. Goh Colin	30,000	-	30,000
7	Mr. Sanjay Kumar Bhatia	40,000	-	40,000
8	Mr. Anil Kumar Kalra	20,000	-	20,000
<b>Total</b>				<b>3,60,000</b>

There was no pecuniary relationship or transactions of the non-executive Directors vis-a-vis the company during the Financial Year ended March 31, 2016 other than those disclosed in the annual accounts.

### **DETAILS OF SHAREHOLDING OF DIRECTORS AS ON MARCH 31, 2016**

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

Sl. No	Name of Director along with designation	Category	Shareholding
1.	Mr. H P Singh, Chairman cum Managing Director	Promoter and Executive Director	4,15,123
2.	Mr. Satvinder Singh, Director	Promoter, Non-Executive and Non-Independent Director	2,57,011
3.	Mr. Davis Frederick Golding, Director	Non-Executive and Non-Independent Director	Nil
4.	Mr. Kasper Svarrer, Director	Non-Executive and Non-Independent Director	Nil
5.	Mr. Suramya Gupta, Director	Non-Executive and Non-Independent Director	Nil
6.	Mr. Richard Benjamin Butler, Director	Non-Executive and Non-Independent Director	Nil
7.	Mr. Arthur Sletteberg, Director	Non-Executive and Non-Independent Director	Nil
8.	Mr. Sujan Singh Chawla, Director	Non-Executive and Independent Director	Nil
9.	Mr. Rakesh Sachdeva, Director	Non-Executive and Independent Director	7,211
10.	Mr. Sundeep Kumar Mehta, Director	Non-Executive and Independent Director	Nil
11.	Mrs. Sangeeta Khorana, Director	Non-Executive and Independent Director	Nil
12.	Mr. Goh Colin, Director	Non-Executive and Independent Director	Nil
13.	Mr. Sanjay Kumar Bhatia, Director	Non-Executive and Independent Director	Nil
14.	Mr. Anil Kumar Kalra, Additional Director	Non-Executive and Independent Director	Nil

### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee is comprises of following directors as on March 31, 2016:

1. Mr. Sundeep Kumar Mehta - Chairman
2. Mr. Satvinder Singh - Member
3. Mr. Sanjay Kumar Bhatia - Member

The aforesaid composition of the Stakeholders Relationship Committee is also disseminated on the website of the Company with the link <http://www.satincare.com/corporate-governance.php>. The Committee shall consider and resolve the grievances like share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, etc. The Stakeholders Relationship Committee shall also consider and resolve the grievances of security holders of the Company. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The Company Secretary of the Company is secretary to the Stakeholders' Relationship Committee.

No shareholders/Investors' complaints were received during the year ended March 31, 2016. The grievances relating to Stakeholders/Investors' may also be forwarded to the Company Secretary and Compliance officer of the Company at [investors@satincare.com](mailto:investors@satincare.com).

### **Complaints received and redressed during the year 2015-16 under SCORE**

There were no complaints received from the Shareholder / Investor during the financial year ended March 31, 2016.



The Board has designated Choudhary Runveer Krishanan as the Company Secretary & Compliance Officer. The SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 03, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

### **BORROWING COMMITTEE**

The Company has a Borrowing Committee with the following members:

1. Mr. HP Singh - Chairman
2. Mr. Satvinder Singh - Member

The Committee met 23 (Twenty three) times during the financial year 2015-16. These meetings were held on May 05, 2015, May 08, 2015, May 25, 2015, May 28, 2015, June 13, 2015, June 24, 2015, June 30, 2015, July 07, 2015, July 13, 2015, July 15, 2015, July 27, 2015, July 31, 2015, August 03, 2015, August 10, 2015, August 28, 2015, September 16, 2015, September 18, 2015, September 24, 2015, September 25, 2015, September 30, 2015, October 05, 2015, October 26, 2015 and October 30, 2015 and attended by all the members of the Committee.

### **BANKING OPERATIONS COMMITTEE**

The Company has a Banking Operations Committee with the following members:

1. Mr. HP Singh - Chairman
2. Mr. Satvinder Singh - Member

The Committee met 8 (Eight) times during the financial year 2015-16. These meetings were held on April 24, 2015, April 29, 2015, May 29, 2015, June 30, 2015, August 03, 2015, September 09, 2015, September 23, 2015 and October 30, 2015 and attended by all the members of the Committee.

The chairman informed that SCNL being a listed Company is managing and complying with both the statutory and non-statutory (need based) Committees. Both Borrowing Committee and Banking Operation Committee are need based and non-mandatory required Committees for the Company. It became sometimes difficult task to manage these non-mandatory Committees while managing its ongoing transactions. Therefore Board of Directors vide its meeting dated November 04, 2015 has dissolved the then existing Borrowing Committee and Banking Operation Committee and constituted Working Committee in the same meeting.

### **WORKING COMMITTEE**

Board of Directors in its meeting held on November 04, 2015 constituted Working Committee with the following members:

1. Mr. HP Singh - Chairman
2. Mr. Satvinder Singh - Member

During the financial year 2015-16 working committee met 30 times. These meetings were held on November 14, 2015, November 21, 2015, November 23, 2015, November 24, 2015, November 28, 2015, November 30, 2015, December 7, 2015, December 9, 2015, December 14, 2015, December 18, 2015, December 22, 2015, December 30, 2015, January 14, 2016, January 21, 2016, January 28, 2016, January 29, 2016, February 5, 2016, February 11, 2016, February 15, 2016, February 17, 2016, February 20, 2016, February 23, 2016, February 26, 2016, March 9, 2016, March 14, 2016, March 18, 2016, March 21, 2016, March 28, 2016, March 29, 2016 and March 30, 2016 and attended by all the members of the Committee. Further, Board vide its meeting dated February 10, 2016 has revised the scope and functions of Working Committee.

### **SHARE TRANSFER COMMITTEE**

The Company has a Share Transfer Committee with the following members:

1. Mr. HP Singh - Chairman
2. Mr. Satvinder Singh - Member
3. Mr. Rakesh Sachdeva - Member



In view of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors in its meeting held on November 04, 2015 dissolved Share Transfer Committee and power of transfer/transmission/transposition of securities is delegated to Compliance Officer of the Company. Share Transfer Committee met Six (6) times during the financial year 2015-16 before dissolution. These meeting were held on July 06, 2015, July 31, 2015, September 07, 2015, September 22, 2015, October 05, 2015 and October 10, 2015 and attended by all the members.

Name of Director	No. of meetings held during the year	Meetings attended
Mr. H P Singh, Director (Non-Independent Director)	6	6
Mr. Satvinder Singh, Director (Non-Independent Director)	6	6
Mr. Rakesh Sachdeva Director (Independent Director)	6	6

### COMPENSATION COMMITTEE

The Company has a Compensation Committee with the following members:

1. Mr. Rakesh Sachdeva - Chairman
2. Mr. Sundeep Kumar Mehta - Member
3. Mrs. Sangeeta Khorana - Member

The Compensation committee consider and decide about the options/shares to be granted to employees under various SCNL ESOP Schemes. The Compensation Committee has not met during financial year 2015-16 as there was no agenda.

The aforesaid composition of the Compensation Committee is also disseminated on the website of the Company with the link <http://www.satincare.com/corporate-governance.php>

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with Section 135 of Companies Act, 2013 and the rules made thereunder the Board has constituted a CSR Committee in its meeting held on May 26, 2014. Due to resignation of Mrs. Deepa A. Hingorani w.e.f. August 12, 2015 from the Board of Directors and appointment of Mr. Kasper Svarrer w.e.f. August 12, 2015 on the Board the CSR Committee was reconstituted on August 12, 2015 with the following members.

1. Mr. H P Singh - Chairman
2. Mr. Rakesh Sachdeva - Member
3. Mrs. Sangeeta Khorana - Member
4. Mr. Kasper Svarrer - Member

The aforesaid composition of the Stakeholders' Relationship Committee is also disseminated on the website of the Company with the link <http://www.satincare.com/corporate-governance.php>

During the financial year 2015-16, Corporate Social Responsibility Committee met Two (2) times. These meeting were held on May 25, 2015 and February 10, 2016.

**Detail of attendance of each member of the Corporate Social Responsibility Committee are as follows:**

Name of Director	No. of meetings held during the year	Meetings attended
Mr. H P Singh (Non-Independent Director)	2	2
Mr. Rakesh Sachdeva (Independent Director)	2	1
Mrs. Sangeeta Khorana (Independent Director)	2	1
Mr. Kasper Svarrer (Non-Independent Director)	2	1

The Corporate Social Responsibility (CSR) Committee and Board of Directors of the Company vide their meeting dated February 09, 2015 has approved CSR policy, which indicates the activities to be undertaken by the Company as specified under schedule VII of Companies Act, 2013. The Company has adopted CSR as a strategic tool for overall welfare of the society. For Company, CSR means not only investment of funds for social activity but also integration of business processes with social processes.

In the aforesaid backdrop, policy on Corporate Social Responsibility of the Company is broadly framed taking into account the following measures:

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

## DISCLOSURES

### WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Clause 49 of the Equity Listing Agreement, Satin Creditcare Network Ltd. vide its Board meeting dated February 09, 2015 had adopted Whistle Blower Policy/Vigil Mechanism applicable for Directors and employees to provide for adequate safeguard against victimization of such persons and make provisions for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. Further, Securities and Exchange Board of India on September 02, 2015 has come up with new regulation named as Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 repealing the than existing Equity Listing Agreement. Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Company vide Board meeting dated February 10, 2016 had adopted revised Whistle Blower Policy/Vigil Mechanism (version 2-10.02.2016) applicable for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Whistle Blower Policy/Vigil Mechanism is also placed on website of the Company, i.e. [www.satincreditcare.com](http://www.satincreditcare.com).

### RELATED PARTY TRANSACTION

There have been no materially significant related party transactions with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding related party transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy. The policy has been uploaded in the website of the Company at <http://www.satincreditcare.com>.

There were no instances of material non-compliances with stock exchange(s), SEBI or RBI regulations nor any penalties or strictures have been imposed on the Company by the stock exchange(s), SEBI or RBI or any statutory authority on any matter related to Capital market during the last three years.

The Company is complying with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, however it has not adopted any of the non-mandatory requirements stipulated under the said enactment.

### ANNUAL GENERAL MEETINGS, EXTRAORDINARY GENERAL MEETING AND POSTAL BALLOT

The details of the Annual General Meeting held in the last three years are as follows:



## Annual General Meetings:

Year	Location	Date	Time	Whether any Special Resolution passed
2012-2013	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near JhatikraMorh, Brijwasan Road, New Delhi - 110 043	September 30, 2013	10.00 A.M.	Yes
2013-2014	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near JhatikraMorh, Brijwasan Road, New Delhi - 110 043	September 05, 2014	10.00 A.M.	No
2014-2015	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near JhatikraMorh, Brijwasan Road, New Delhi - 110 043	July 08, 2015	10.00 A.M.	Yes

## Postal Ballot:

The Company sought approval of the members, through Postal Ballot as per Section 110 of the Companies Act, 2013 ("Act"), read together with the Companies (Management and Administration) Rules, 2014 as detailed hereunder:

Sl. No	Date of Declaration of Postal Ballot Result	Description of the resolutions	Votes cast in favour of the resolution		Votes cast against resolution	
			No. of votes	% to total valid votes	No. of votes	% to total valid votes
1	September 22, 2015	Amendments in the Articles of Association of the company under Section 14 of the Companies Act, 2013	1,96,13,719	100	0	0
2	March 22, 2016	Amendments in the Articles of Association of the company under Section 14 of the Companies Act, 2013	1,58,82,827	100	0	0

Mr. Rajiv Bhatia Practicing Chartered Accountants (Membership No.: 089018) was appointed as the Scrutinizer for the aforesaid postal ballot exercise.

## Procedure for Postal Ballot:

In compliance with Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with Rules 20 & 22 of the Companies (Management & Administration) Rules, 2014, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of National Securities Depository Limited (NSDL)/Link Intime India Pvt. Ltd., its Registrar and Share Transfer Agent, for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or e-voting. The Company dispatches the Postal Ballot Notices and Forms along with postage pre-paid business reply envelopes to its members whose names appear on the Register of Members/list of Beneficiaries as on the cut-off date. The Postal Ballot Notice is sent to Members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agent (in case of physical shareholding). The Company also publishes notice in the newspapers mentioning the requirements as mandated under the act and applicable rules. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The scrutinizer submits his report to the Chairman cum Managing Director, after the completion of scrutiny, and the results of the voting by postal ballot are then announced by the Chairman cum Managing Director as the case may be. The Results along with the Report of the Scrutinizer are hosted on the Company's website [www.satincare.com](http://www.satincare.com) besides being communicated to the Stock Exchanges, Registrar and NSDL. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

## **E-VOTING**

The Company had provided e-voting facility to the members of the Company for the Annual General Meeting held on July 08, 2015. Company has also provided e-voting facility for the two Postal Ballot events starting from August 20, 2015 to September 18, 2015 and February 18, 2016 to March 18, 2016 respectively for the alternation of Articles of Association.

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, 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 of this Annual General Meeting. The instruction(s) for e-voting is provided in the Notice of the Annual General Meeting.

### **Special Resolutions proposed to be conducted through Postal Ballot:**

The Board of Directors vide its meeting dated April 25, 2016 has approved the following matters:

1. Issuance of 2,50,00,000 Rated, Non-Convertible, Redeemable, Cumulative Preference Shares (“NCRCPs”);
2. Increase in maximum number of Directors of the Company from existing Fifteen to Twenty.

The aforesaid resolutions require shareholders' approval to be effective and hence proposed to be passed through Postal ballot. Postal Ballot e-voting was started on April 30, 2016 and the final result will be declared on June 03, 2016.

## **SHAREHOLDERS' COMMUNICATION**

The Board recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company has its website ([www.satincare.com](http://www.satincare.com)) that contains required information for the shareholders.

### **Means of Communication**

**Quarterly results and other relevant information:** The Company's quarterly results are normally published in “Business Standard”/“Economic Times” and are also displayed along with other relevant information viz., notices, shareholder communications, policies, director's profile, annual report, other official news etc. on its corporate website i.e. [www.satincare.com](http://www.satincare.com).

**News releases, presentations, among others:** Official news releases and official media releases are sent to Stock Exchanges.

**Website:** The Company's website ([www.satincare.com](http://www.satincare.com)) contains a separate dedicated section 'Investor Zone' where shareholders' information is available.

## **GENERAL SHAREHOLDER INFORMATION:**

### **a) Ensuing Annual General Meeting:**

Date and time:	July 30, 2016 at 10.00 AM
Venue:	“Shri Ram Centre-Auditorium”, 4-Safdar Hasmi Marg, Mandi House, New Delhi-110001

### **b) Financial Year: April 01, 2016 to March 31, 2017**

### **c) Dividend payment date:**

Directors are of the opinion of retaining the profits for the year within the Company, hence have not recommended any dividend on equity shares for the year ended March 31, 2016. However the following dividends have been paid during the financial year 2015-16 on 12% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares

Sl. No.	Name of the Security	Type of Dividend	Period of Dividend	Date of declaration	Amount of dividend
1	12% Cumulative, Rated, Non Participative, Non-Convertible & Compulsorily Redeemable Preference Shares	Final Dividend	April 01, 2014 to March 31, 2015	July 08, 2015	74,04000/- (Rupees Seventy Four Lacs Four Thousand only)
2	12% Cumulative, Rated, Non Participative, Non-Convertible & Compulsorily Redeemable Preference Shares	Interim Dividend	April 01, 2015 to November 27, 2015	November 24, 2015	48,88,669.00/- (Rupees Forty Eight Lacs Eighty Eight Thousand Six Hundred Sixty Nine only)

**d) Listing of Shares:**

<p><b>Equity Shares Listed on Stock Exchanges :</b> The Equity Shares of the Company are listed on following Stock Exchanges:</p> <ul style="list-style-type: none"> <li>• <b>*The Calcutta Stock Exchange Limited</b> 7, Lyons Range, Kolkata 700001</li> <li>• <b>^National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai-400051</li> <li>• <b>#BSE Ltd</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400023</li> </ul> <p>*The Calcutta Stock Exchange Limited vide its letter dated May 18, 2015, granted the listing/trading permission effective from May 19, 2015.  ^National Stock Exchange of India Limited vide its letter dated August 24, 2015, granted the listing/trading permission effective from August 26, 2015.  #BSE Limited vide its letter dated October 16, 2015, granted the listing/trading permission effective from October 20, 2015</p> <p><b>Annual Listing Fee:</b> The Annual Listing fees for upto the financial year 2015-16 has already been duly paid to all the Stock Exchanges where Shares and Debentures of the Company are listed.</p>
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<b>(e) Demat ISIN Number in NSDL &amp; CDSL:</b>				
For Equity Shares -		INE 836B01017		
For Non- Convertible Debentures (NCD)	Sl. No.	ISIN	No. of Debentures	Amount
	1	INE836B07048	75	18,75,00,000
	2	INE836B07055	250	25,00,00,000
	3	INE836B07071	72	18,00,00,000
	4	INE836B07097	200	50,00,00,000
	5	INE836B07105	89	8,90,00,000
	6	INE836B07113	200	20,00,00,000
	7	INE836B07121	150	15,00,00,000
	8	INE836B07139	515	51,50,00,000
	9	INE836B07147	140	14,00,00,000
	10	INE836B07162	20	2,00,00,000
	11	INE836B07170	270	27,00,00,000
	12	INE836B07188	300	30,00,00,000
	13	INE836B07196	500	50,00,00,000
	14	INE836B07204	4644	46,44,00,000
	15	INE836B08012	84	21,00,00,000
	16	INE836B08020	150	15,00,00,000
	17	INE836B08038	130	13,00,00,000
	18	INE836B08046	250	25,00,00,000
	19	INE836B08053	2628	26,28,00,000
	20	INE836B08061	250	25,00,00,000
21	INE836B07212	125	12,50,00,000	

**Note:** The face value was taken at the date of issuance of non-convertible debentures.

f) Stock Market price data (In Rs.):

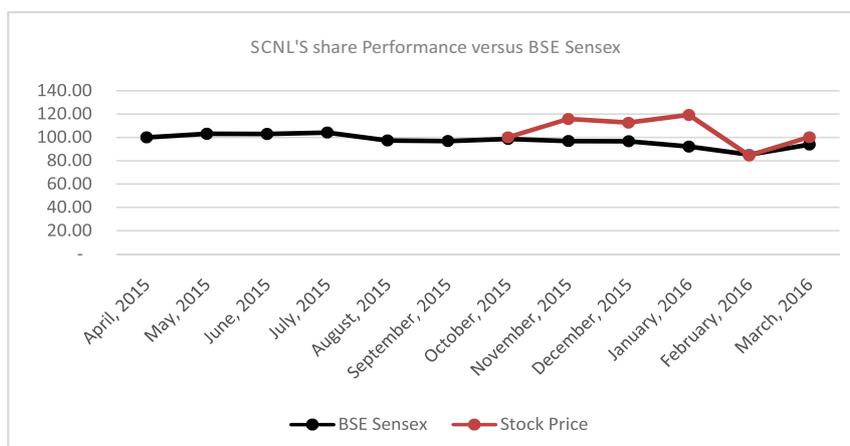
Month	BSE Limited		The Calcutta Stock Exchange Ltd.*		National Stock Exchange of India Ltd.	
	High	Low	High	Low	High	Low
April, 2015	NA	NA	NA	NA	NA	NA
May, 2015	NA	NA	NA	NA	NA	NA
June, 2015	NA	NA	NA	NA	NA	NA
July, 2015	NA	NA	NA	NA	NA	NA
August, 2015	NA	NA	NA	NA	102.35	88.50
September, 2015	NA	NA	NA	NA	232.50	107.45
October, 2015	456.25	300.10	NA	NA	432.70	225.55
November, 2015	393.80	302.10	NA	NA	390.90	301.00
December, 2015	489.70	346.10	NA	NA	488.00	345.00
January, 2016	435.80	325.00	NA	NA	436.50	316.00
February, 2016	412.70	264.00	NA	NA	412.95	245.00
March, 2016	333.00	277.00	NA	NA	333.00	278.00

\*Equity Shares are not traded on The Calcutta Stock Exchange Limited.

g) Performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty etc.

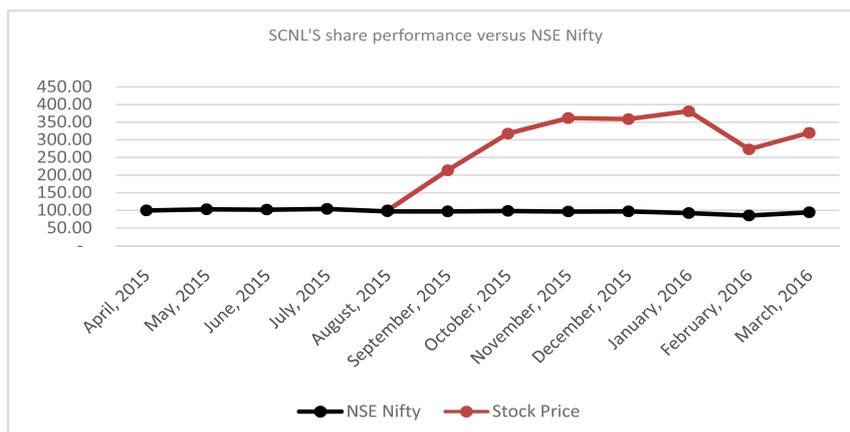
**Performance in comparison to BSE Sensex**

(Closing value of Satin's share price v/s BSE Sensex on the last trading day of the month) Base is considered to be 100 as at April 01, 2015



**Performance in comparison to NSE Nifty**

(Closing value of Satin's share price v/s NSE Nifty on the last trading day of the month) Base is considered to be 100 as at April 01, 2015



h) No security was suspended from trading during the financial year 2015-16.

i) Registrar and Share Transfer Agents:

Sl. No	Name of Security	Registrar and Transfer Agents
1	Equity Shares (Share Transfer and communication and change of address.)	<b>Link Intime India Pvt. Ltd.</b> 44, Community Centre, 2 <sup>nd</sup> floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028
2	Non-Convertible Debentures	<b>Karvy Computershare Pvt. Ltd.</b> 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034

j) Share transfer system:

All matters connected with share/Non-Convertible debenture transfer, transmission, dividend/interest payment is handled by the Registrar and Transfer agent. Transfers are processed within 15 days of lodgement.

k) Shareholding Pattern as on March 31, 2016:

(Category)	(%)
<b>Promoters</b>	36.19%
<b>Financial Institution/Bank/Mutual fund</b>	00.00%
<b>NRI/OCBs</b>	00.00%
<b>Bodies Corporate</b>	
Domestic	08.27%
Foreign	48.97%
<b>Others</b>	06.57%
<b>Total</b>	<b>100.00%</b>

**Distribution of Shareholding as on March 31, 2016**

Sl. No.	SHAREHOLDING OF SHARES			SHAREHOLDER	PERCENTAGE OF TOTAL (%)	TOTAL SHARES	PERCENTAGE OF TOTAL (%)
1	1	To	500	2323	81.70	323643	1.01
2	501	To	1000	237	8.35	192111	0.60
3	1001	To	2000	122	4.28	183558	0.57
4	2001	To	3000	49	1.72	125060	0.39
5	3001	To	4000	24	0.84	85411	0.27
6	4001	To	5000	17	0.59	77057	0.24
7	5001	To	10000	27	0.94	196110	0.62
8	10001	And	Above	45	1.58	30768411	96.30
<b>Total</b>				2844	<b>100.00</b>	<b>31951361</b>	<b>100.00</b>

- l) Dematerialization of Shares\*:** 89.63% of the Equity Shares have been dematerialized upto March 31, 2016. Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f April 28, 2001 as per notification issued by the Securities and Exchange Board of India.

\* The Company has allotted 14,70,000 and 14,00,000 equity shares on private placement basis on February 10, 2016 and March 21, 2016 respectively in dematerialised form pursuant to conversion of equivalent no of Warrants 28,70,000 equity Shares. These shares will be dematerialised on receipt of listing approval from all the exchanges.

- m)** The Company has not subscribed in any of the Global depository receipts or American depository receipt or warrants or any convertible instruments.
- n)** There is no commodity price risk or foreign exchange risk and hedging activities involved or applicable.
- o)** Company is into the business of Non-Banking Finance Company (Micro Finance Industry), hence no plant is required as such.

**p) Address for correspondence:**

- **Corporate Office:** 909-914ABC, 9<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001, India
- **Registered Office:** 5<sup>th</sup> Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033, India

**q) Transfer of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF):**

No amount of unclaimed dividend is due for transfer to Investor Education and Protection Fund.

**r) Request to Investors:**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their Dps.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credit being obtained by unauthorized persons.

**s) Reconciliation of Share Capital Audit:**

A quarterly audit was conducted by a practising Chartered Accountant, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit.

**t) Information to Shareholders:**

A brief resume of the directors appointed/reappointed together with the nature of their experience and details of the other directorships held by them is annexed to the Notice convening the Annual General Meeting.

**u) Any query on Annual Report :**

Satin Creditcare Network Ltd.  
5<sup>th</sup> Floor, Kundan Bhawan,  
Azadpur Commercial Complex, Delhi -110033



**v) Compliance Certificate by Auditor:**

The Company has obtained a certificate from M/s A. K. Gangaher & Co., Chartered Accountants, Statutory Auditor of the Company regarding the compliance of conditions of corporate governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The said Compliance certificate is annexed with Directors' Report.

**w) CEO/CFO certification:**

The requisite certification from the Chairman cum Managing Director and Chief Financial Officer for the Financial Year 2015-16 required to be given under Regulation 33 (2) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 was placed before the Board of Directors of the company at its meeting held on May 30, 2016 the same is annexed to the report as **Annexure-2**.

**x) Declaration by Chairman cum Managing Director under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended March 31, 2016.

**Date: May 30, 2016**

**Place: New Delhi**

**H P Singh**  
**(Chairman cum Managing Director)**  
**DIN: 00333754**

# Annexures To Corporate Governance Report

## Annexure-1

### **POLICY ON NOMINATION & REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) & SENIOR MANAGEMENT AND OTHER EMPLOYEES (Version 2-10.02.2016):**

#### **Introduction :**

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Pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Clause 49 of the Equity Listing Agreement, Satin Creditcare Network Ltd. vide its Board meeting dated February 09, 2015 had adopted policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) & Senior Management and other employees to formulate the criteria for determining qualifications, positive attributes and independence of Director and recommend to the Board of directors a policy relating to, the remuneration of Directors, Key Managerial Personnel and other employees.

Further, Securities and Exchange Board of India on September 02, 2015 has come up with an altogether new regulation named as Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 repealing the than existing Equity Listing Agreement.

In light of above, the Company has formulated the revised policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) & Senior Management and other employees.

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay justifiable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of Section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time and Rules/Regulations/Guidelines/Notifications issued by Securities and Exchange Board of India (SEBI) from time to time, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been re-formulated by the Committee and approved by the Board of Directors. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

#### **Applicability:**

The Policy shall be applicable to:

- (a) **Directors** (Executive and Non-Executive);
- (b) **Key Managerial Personnel (KMP)**, which means all personnel as defined under Section 2 (51) of the Companies Act, 2013 or as defined under any other applicable laws as amended from time to time;
- (c) **Senior Management**, which means personnel of the Company who are members of its core management team excluding Board of Directors. This would also include all members of management one level below the executive directors including all functional heads, for the purpose of Regulation 16(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- (d) **Other Employees** of the Company.

#### **Effective date for Implementation of the policy:**

The policy has been re-formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on February 10, 2016. This policy shall be effective from Financial Year 2015-16 and onwards.

#### **Nomination and Remuneration Committee:**

In terms of Section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee. The Chairperson of the Nomination & Remuneration Committee shall be an Independent Director. The Committee will meet at such intervals as deems fit to carry out the objectives set out in the Policy. The Chairperson of the Nomination & Remuneration Committee may be present at the annual general meeting, to answer the shareholder's queries, however, it shall be up to the chairperson to decide who shall answer the queries.



## **Secretary:**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **Objectives and Functions of the Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

- (1) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance
- (2) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- (3) Ensure and determine that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors and size of the Board and its diversity;
- (4) Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability and ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and other employees of the company and reviewing its effectiveness;
- (5) Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines
- (6) Decide / approve details of fixed components and performance linked incentives (if any) along with the performance criteria;
- (7) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- (8) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- (9) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their Service contract;
- (10) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- (11) Recommend any necessary changes to the Board;
- (12) Considering any other matters as may be requested by the Board; and to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- (13) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- (14) Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- (15) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (16) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- (17) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- (18) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- (19) To devise a policy on Board diversity
- (20) To develop a succession plan for the Board and to regularly review the plan;
- (21) Formulation of criteria for evaluation of Independent Director and the Board
- (22) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- (23) To implement and monitor policies and processes regarding principles of corporate governance.

## **Policy for appointment and removal of Director, KMP and Senior Management:**

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
  3. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his/her appointment.
  4. The Company should ensure that the person so appointed as Director/Independent Director/KMP/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.
  5. The Director/Independent Director/KMP/Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.
- **Personal Specification for Directors:** The Company shall ensure that selection criteria for inducting any person on Board of the Company as approved by Board in its meeting held on August 09, 2013. The following additional specification shall be required:

1. **Qualification** : Degree holder in relevant disciplines (e.g. management, accountancy, legal)
2. **Experience** : Experience of management in a diverse organisation  
Experience in accounting and finance, administration, corporate and strategic planning or fund management  
Demonstrable ability to work effectively with a Board of Directors
3. **Skills** : Excellent interpersonal, communication and representational skills  
Demonstrable leadership skills  
Extensive team building and management skills  
Strong influencing and negotiating skills  
Having continuous professional development to refresh knowledge and skills
4. **Abilities and Attributes** : Commitment to high standards of ethics, personal integrity and probity  
Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace
5. **Political inclinations and opinions.**

➤ **Policy for Board Diversity**

**PREAMBLE**

The requirement for Board Diversity Policy came under Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 which is enumerated as under;

Part D of Schedule II: The role of the committee shall, inter-alia, include the following:

- Devising a policy on Board diversity;

To build a balanced structure of Board in terms of experience, education, gender, competency and approach to ensure that neither the office (Board) should not be influenced by gender biasness nor give an impression of relativity which may influence the chair and in terms of applicable provisions of the Companies Act, 2013, if any, there should be an optimum combination of directors on the Board.

The Board Diversity Policy (the “Policy”) aims to set out the approach to achieve diversity on the Board of Directors (the “Board”) of the Company.

Building a Board of diverse and inclusive culture is integral to the success of Satin Creditcare Network Limited (hereinafter referred to as “Company”). Ethnicity, age, Education, Competency and gender diversity are areas of strategic focus to the composition of our Board.

### **NEED & OBJECTIVE OF THE POLICY**

Diversity in Board is needed for better Growth, profitability and to have a say for the Company on Social Platform. The prime and utmost objective of this policy is to set a diversely qualified Board for the Company to function smoothly, variedly and to work on every aspect of the business agenda(s).

The Company has a huge client/customer base from various states of India and draws on employee expertise from a wide range of professional disciplines linked primarily to the management demands, it is recognised that a Board composed of appropriately qualified people with a broad range of experience relevant to the business and important to the effective corporate governance and sustained commercial success of the Company. The Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

### **SELECTION OF MEMBERS OF BOARD**

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination and Remuneration Committee shall identify persons who are eligible and qualified to become Directors in accordance with the criteria as per policy of nomination & remuneration committee of the Board of Director & shall recommend the same to the Board for their consideration and shall carry out evaluation of every director's performance. The aforesaid committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and shall ensure and determine that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors and size of the Board and its diversity.

### **OBSERVANCE AND REPORTING**

- A. It is sole responsibility of The Nomination and Remuneration Committee (among other things) to:
- Assess the present composition of the Board in light of the aight diverse skill factors.
  - Ensure that in terms of Sub section 1 of section 149 of Companies Act 2013, one woman director must be appointed on the Board of every Listed Company and every other public Company having paid up capital of Rs. One Hundred Crores or more or turnover of Rs. Three Hundred Crore and more.
  - To prepare a requisition required for having a proper blend of directors in terms of diverse skills i.e. in terms of gender, age, cultural, educational background, ethnicity, professional experience etc.
  - Making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to maintain an appropriate mix of diversity in terms of gender, age, cultural, educational background, ethnicity, professional experience etc. on the Board; and
  - Reviewing and reporting to the Board in relation to Board Diversity.
- B. The Nomination and Remuneration Committee will report to the Board on:
- The programme undertaken by this Committee pertaining to have a proper blend of Board of Director in terms of its diverse skills and to achieve the objectives.
  - Progress in achieving the Objectives and to make recommendations to the Board on the same.
- C. The Nomination and Remuneration Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the Policy.

#### **➤ Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Regulation 16 of the Securities and



Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended from time to time) and Companies Act, 2013.

➤ **Familiarization programme for Independent Director [FPID]:**

In pursuance to consider framework to ensure that Independent Directors are inducted through suitable familiarization process covering their roles, responsibility and liability, the Satin Creditcare Network Limited (hereinafter referred to as “Company”) has adopted a structural approach towards Orientation & Training Programme for Independent Director(s) to get informed about nature of industry in which the Company operates, business model of the Company etc..

Further, Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, require every listed Company to have such a familiarization/induction programme and specifies as under;

- a) *The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes;*
- b) *The details of such familiarization programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report;*

The programme will be based on the following modules and will be restructured as and when necessary. Familiarization programme will be conducted upon appointment of every Independent Director, during the year.

Particulars	Modules required to be Inducted with Independent Director	Time specified for Inducting	Authority responsible for Induction
ORIENTATION PROGRAMME	Nature of Industry and overview of business (business model) as a whole in which the Company operates. I.e. the whole gamut of Industry in light of economic legislations & enactments.	Half Day	C.M.D/C.F.O.
	Financial Performance, Budgeting, Planning & control processes.	Half Day	C.F.O.
	Familiarisation on Statutory compliances including their roles, rights and responsibilities in the Company as a Board Member covering Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.	Half Day	CS
	Operations overview in light of different product portfolio and visit to various branch/operation offices.	One Day and more as required	C.O.O.
	Induction with and into various branches pertaining to the risk factors associated.		Head-Audit & Risk
	Overview of Human resources, MIS system (IT) and Social performance management including Corporate Social Responsibility	One Day	HODs of Functional Departments

**DISCLOSURE OF FPID:**

As and when familiarization programme is conducted, the same will be disclosed on the website of the Company. A web link of the disclosure shall also be given in the Annual Report of the Company.

➤ **Term/Tenure of Appointment:**

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time or for such other time period which is permissible under applicable laws.

**b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Companies Act 1956/2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

➤ **Removal & Retirement:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy for remuneration to Whole-time/Executive/Non-executive/Managing Director, KMP, Senior Management and other employees of the Company:**

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

**a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**c) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **Remuneration to Non- Executive/Independent Director:**

### **a) Remuneration/Commission:**

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013, Rules/Guidelines/Notifications as prescribed by Securities and Exchange Board of India from time to time.

### **b) Sitting Fees:**

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### **c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

### **d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

## **Performance evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company:**

The performance evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- ✓ Leadership & stewardship abilities
- ✓ contributing to clearly define corporate objectives & plans
- ✓ Communication of expectations & concerns clearly with subordinates
- ✓ Obtain adequate, relevant & timely information from external sources.
- ✓ review & approval achievement of strategic and operational plans, objectives, budgets
- ✓ regular monitoring of corporate results against projections
- ✓ identify, monitor & mitigate significant corporate risks
- ✓ assess policies, structures & procedures
- ✓ direct, monitor & evaluate KMPs, senior officials
- ✓ review management's succession plan
- ✓ effective meetings
- ✓ assuring appropriate board size, composition, independence, structure
- ✓ clearly defining roles & monitoring activities of committees
- ✓ review of corporation's ethical conduct

## **Review and Amendment:**

- i. The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.
- ii. The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

CEO/CFO CERTIFICATION

To,  
The Board of Directors  
Satin Creditcare Network Limited  
5<sup>th</sup> Floor, Kundan Bhawan,  
Azadpur Commercial Complex,  
Delhi-110033

**Sub: Certificate under Regulation 17(8) and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2016;**

We, the undersigned, certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2016 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design and operations of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during the year,
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement, and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Delhi  
Date: May 30, 2016

**HPSINGH**  
Chairman cum Managing Director  
DIN: 00333754

**JUGALKATARIA**  
Chief Financial Officer



**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR ENDED ON MARCH 31, 2016 UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**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 March 31, 2016, as stipulated in schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 March 31, 2016, 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 Stakeholders' Relationship 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: May 30, 2016**



**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR ENDING 31ST MARCH , 2016 UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

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

We have examined the compliance of Corporate Governance procedures by **Satin Creditcare Network Limited** for the year ended 31st March, 2016, as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the said Company, 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 under Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and sub paras (2) to (10) of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable provisions of the said Regulations have been complied with in all material respect by the Company.

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrar and Transfer agent of the company have certified as on 31st March , 2016, 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  
M.No. 083674  
Firm ICAI Registration No-004588N

**Place :** Delhi  
**Dated :** 30th May'2016



## 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 31st March 2016, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors 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 on the financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the company as at 31st March 2016, its profit, and its cash flows 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



B. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow statement comply with the accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, as applicable
- (e) On the basis of written representations received from the Directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March 2016, from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations on its financial positions in its financial statements – Refer Note 26(2) to the financial statements.
  - ii. The company does not have any material foreseeable losses in respect of outstanding long term contracts including derivative contracts as at 31st March 2016 -Refer Note 5B(2) to the financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

**Place :** Delhi

**Dated :** 30 th May, 2016

**SATIN CREDITCARE NETWORK LTD.**

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph B under 'Report on Other Legal and Regulatory Requirements of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management in a phased periodic manner in accordance with a regular program 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) According to information and explanations given to us, there are certain cases where the title deeds of immovable properties are not in the name of the company. The fixed assets acquired on amalgamation of Satin Intellicomm Limited with the company with the appointed date of 1.4.2006 and the effective date as on 3.12.2007 are still in the name of the erstwhile company, Satin Intellicomm Limited. The process of transfer of these assets in the name of the company is still under process.
- (ii) The Company's business does not deal with inventories and accordingly the requirements of clause 3(ii) of the Order are not applicable to the company and hence not commented upon.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other party covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable to the company.
- (iv) The Company has not granted any loans and provided any guarantees or security to the parties covered under section 185 of the Act. The company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year under section 73 to 76 or any other relevant provisions of Companies Act, 2013. The company is a registered 'Non Banking Financial Company-Micro Finance Institution.' (NBFC- MFI), with Reserve Bank of India.
- (vi) To the best of our knowledge and as explained, the Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the products/services rendered by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, 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 provident fund, employees' state insurance, income tax, service tax, value added tax, customs duty, excise duty and cess were in arrears as at 31.03.2016 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 value added tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute. However, according to information and explanation given to us, there is an income tax case pending in appeal for the year 2011 with the Commissioner of Income Tax (Appeals), New Delhi for an amount of Rs. 2.47 lacs (Previous Year Rs.2.47 lacs) against which the Company has already deposited the entire amount.
- (viii) Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to banks or to any financial institution, or debenture holders or government.

- (ix) In our opinion and according to the information and explanations given to us by the management , the Company has not raised any money by way of Public offer or further public offer ,and hence not commented upon. Further the monies raised by the company through debt instruments and term loans (both secured and unsecured) were prima facie applied by the company during the year for the purposes for which they were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid assets, payable on demand.
- (x) According to the information and explanations given to us by the management ,we have been informed that during the year there were two instances of misappropriation of cash by the employees of the company aggregating Rs.8,507,520/- ( Previous Year Rs.Nil) and out of which Rs.7,500,000/- has been recovered and is in the police custody pending final hearing of the case.The outstanding balance (net of recovery) aggregating Rs1,007,520/- has been written off. As informed, services of employees involved have been terminated and legal action has been initiated against these employees. Further we report that no material fraud by the company or on the company by the officers and employees of the company has been noticed or reported during the year.
- (xi) In our opinion and according to information and explanations given to us,the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act,2013
- (xii) In our opinion and according to information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) Based on our audit procedures and according to information and explanations given to us, transactions with related parties are in compliance with section 177 and 188 of the Act, where ever applicable. The details of such related party transactions have been disclosed in the notes to the financial statements as required by the applicable Accounting Standards.
- (xiv) Based on our audit procedures and according to information and explanations given to us, the company has made preferential allotment / private placement of shares during the year under review and it has complied with requirements of Section 42 of the Act. The amounts raised have been used for the purposes for which the funds were raised.
- (xv) Based on our audit procedures and according to information and explanations given to us, the company has not entered into non-cash transactions with directors or directors of its holding, subsidiary, or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act,2013 are not applicable to the company.
- (xvi) The company being a NBFC (MFI) is registered under section 45-IA of the Reserve Bank of India Act, 1934

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

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

**Place :** Delhi  
**Dated :** 30 th May,2016



**SATIN CREDITCARE NETWORK LTD.**

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph B(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Satin Creditcare Network Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

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

The Company management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013 ("the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by the Institute of Chartered Accountants of India and prescribed under section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place:** Delhi

**Dated:** 30 th May,2016

# Balance Sheet as at 31<sup>st</sup> March 2016

Particulars	Note No.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	314,982,680.00	313,756,350.00
(b) Reserves and Surplus	4	2,925,077,499.64	1,681,091,457.27
<b>Sub-Total Shareholders' Funds</b>		<b>3,240,060,179.64</b>	<b>1,994,847,807.27</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	13,334,957,392.96	8,117,045,933.05
(b) Long Term Provisions	6	28,859,376.00	14,046,318.00
<b>Sub-Total Non-Current Liabilities</b>		<b>13,363,816,768.96</b>	<b>8,131,092,251.05</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	1,447,101,029.96	323,614,032.01
(b) Other Current Liabilities	8	14,752,427,971.01	9,500,910,491.10
(c) Short Term Provisions	9	230,862,106.54	156,685,057.63
<b>Sub-Total Current Liabilities</b>		<b>16,430,391,107.51</b>	<b>9,981,209,580.74</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>33,034,268,056.11</b>	<b>20,107,149,639.06</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	118,542,129.89	55,097,751.37
(ii) Intangible Assets	11	22,223,435.40	5,522,659.40
(iii) Capital Work-In-Progress	12	72,134,893.00	83,579,278.00
(b) Non-Current Investments	13	550,591.33	550,591.33
(c) Deferred Tax Assets (Net)	14	87,480,984.83	53,329,587.78
(d) Long Term Loans & Advances	15	5,419,606,423.64	4,022,694,283.01
(e) Other Non - Current Assets	16	1,246,253,886.00	1,101,572,836.00
<b>Sub-Total Non-Current Assets</b>		<b>6,966,792,344.09</b>	<b>5,322,346,986.89</b>
<b>(2) Current Assets</b>			
(a) Trade Receivables	17	15,850,539.00	4,693,096.79
(b) Cash & Cash Equivalents	18	7,097,749,679.26	3,486,763,662.56
(c) Short Term Loans and Advances	19	17,575,603,852.87	10,751,225,397.83
(d) Other Current Assets	20	1,378,271,640.89	542,120,494.99
<b>Sub-Total Current Assets</b>		<b>26,067,475,712.02</b>	<b>14,784,802,652.17</b>
<b>TOTAL ASSETS</b>		<b>33,034,268,056.11</b>	<b>20,107,149,639.06</b>

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

As per our report of even date attached  
**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: 30th May,2016

**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 2016

Particulars	Note No.	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
<b>I. Income</b>			
1. Revenue From Operations	21	5,522,675,861.49	3,218,952,808.41
2. Other Income	22	62,536,706.33	22,604,103.36
<b>Total</b>		<b>5,585,212,567.82</b>	<b>3,241,556,911.77</b>
<b>II. Expenses</b>			
1. Finance Cost	23	2,898,579,763.08	1,774,895,687.91
2. Employee Benefit Expenses	24	883,771,921.98	391,982,040.64
3. Other Expenses	25	893,647,177.44	588,495,877.63
4. Depreciation & Amortisation Expenses	10,11 & 12	28,822,351.00	19,581,492.00
<b>Total</b>		<b>4,704,821,213.50</b>	<b>2,774,955,098.18</b>
<b>Profit Before Exceptional, Corporate Social Responsibility Expense, Extraordinary Items And Tax</b>		<b>880,391,354.32</b>	<b>466,601,813.59</b>
Exceptional Items		-	-
<b>Profit Before Extraordinary Items, Corporate Social Responsibility Expense And Tax</b>		<b>880,391,354.32</b>	<b>466,601,813.59</b>
Corporate Social Responsibility Expense		<b>5,100,000.00</b>	<b>2,064,260.00</b>
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>875,291,354.32</b>	<b>464,537,553.59</b>
Tax Expense:			
(1) Less : Current Tax		<b>330,037,600.00</b>	176,000,940.00
(2) Add/(Less) : Tax Related To Earlier Years		-	253,370.00
(3) Add/(Less) : Deferred Tax		<b>34,151,397.05</b>	28,369,289.14
<b>Profit After Tax For The Year From Continuing Operations</b>		<b>579,405,151.37</b>	<b>317,159,272.73</b>

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

Basic	20.28	12.17
Diluted	19.97	11.93

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

As per our report of even date attached  
**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:** 30th May, 2016

**Jugal Kataria**  
 (Chief Financial Officer)

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



## Cash Flow Statement for the year ended 31<sup>st</sup> March 2016

Particulars	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Finance Cost, Tax and Extra-Ordinary Items	3,773,871,117.40	2,239,433,241.50
<b>Adjustment for</b>		
Depreciation	28,822,351.00	19,581,492.00
<b>Operating Profit before Working Capital Changes</b>	<b>3,802,693,468.40</b>	2,259,014,733.50
(Increase)/Decrease in Long Term Loans & Advances	<b>(1,396,912,140.63)</b>	(1,689,799,450.96)
(Increase)/Decrease in Short Term Loans and Advances	<b>(6,824,378,455.04)</b>	(5,178,877,139.53)
(Increase)/Decrease in Other Non Current Assets	<b>(144,681,050.00)</b>	(381,377,140.40)
(Increase)/Decrease in Other Current Assets	<b>(3,694,591,711.72)</b>	(845,648,339.19)
Increase/(Decrease) in Long Term Provisions	14,813,058.00	11,442,812.00
Increase/(Decrease) in Short Term Provisions	74,177,048.91	76,666,177.80
Increase/(Decrease) in Other Current Liabilities	5,251,517,479.91	3,272,458,748.30
<b>Cash Generated from Operations</b>	<b>(2,917,362,302.17)</b>	(2,476,119,598.48)
Finance Cost	<b>(2,898,579,763.08)</b>	(1,774,895,687.91)
Tax Expense	<b>(330,037,600.00)</b>	(175,747,570.00)
<b>Net Cash from Operating Activities</b>	<b>(6,145,979,665.25)</b>	(4,426,762,856.39)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) (Net) of Fixed Assets	<b>(97,523,120.52)</b>	(44,343,014.87)
Sale/(Purchase) (Net) of Investments	-	-
<b>Net Cash used in Investing Activities</b>	<b>(97,523,120.52)</b>	(44,343,014.87)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from issue of Share Capital (Net)	665,807,221.00	233,286,443.48
Proceeds from Short Term Borrowings (Net)	1,123,486,997.95	150,707,568.45
Proceeds from Long Term Borrowings (Net)	5,217,911,459.91	4,828,892,822.98
<b>Net Cash used in Financing Activities</b>	<b>7,007,205,678.86</b>	5,212,886,834.91
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>763,702,893.09</b>	741,780,963.65
<b>Cash and Cash Equivalents as on 01.04.2015</b>	<b>1,919,920,140.19</b>	1,178,139,176.54
<b>Cash and Cash Equivalents as on 31.03.2016</b>	<b>2,683,623,033.28</b>	1,919,920,140.19

## Cash & Cash Equivalents Comprises Off

Particulars	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
<b>Cash and Cash Equivalents:</b>		
Cash on Hand	398,762,199.00	112,113,150.48
Balance with banks in current accounts	1,784,986,439.28	1,551,973,699.11
Term deposits for remaining maturity of 3 months or less	499,874,395.00	255,833,290.60
	<b>2,683,623,033.28</b>	1,919,920,140.19
<b>Other Bank Balances:</b>		
Term deposits for remaining maturity of more than 3 months and upto 1 year	4,414,126,645.98	1,566,843,522.37
<b>Other Non-Current Assets:</b>		
Long term deposits having remaining maturity of more than 1 year	1,246,253,886.00	1,101,572,836.00
<b>Total</b>	<b>8,344,003,565.26</b>	4,588,336,498.56

Refer Note No. 16 & 18

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

As per our report of even date attached  
**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:** 30th May, 2016

**Jugal Kataria**  
 (Chief Financial Officer)

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

# Notes to the Financial Statements

## 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”).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 133 of the Companies Act,2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provision of the Companies Act, 2013 as applicable 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 III to the Companies Act, 2013. 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. Changes in estimates are reflected in the financial statements in which changes are made and their effects disclosed in the notes to the financial statements.

### 3. TANGIBLE ASSETS

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

### 4. INTANGIBLE ASSETS

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated depreciation and impairments. Computer software cost are capitalized and amortised as prescribed in Schedule II of Companies Act 2013.

### 5. DEPRECIATION/AMORTISATION

Depreciation on tangible assets is provided on the Written-down method over the useful lives of assets estimated by the Management. Depreciation for assets purchased/sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a written-down basis, commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives of the fixed assets as follows and which is also the useful lives of the assets based on the Part C of the Schedule II of the Companies Act 2013:

Building	60 years
Plant & Machinery	5-15 years
Office Equipment	5 years
Computer Equipment	3-6 years
Furniture & Fixture	10 years
Vehicles	8-10 years

Depreciation and amortisation methods, useful lives and residual values are reviewed at each financial year end.



## 6. IMPAIRMENT

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate calculation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 7. 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.

## 8. CURRENT ASSETS

### A. TRADE RECEIVABLES:

Trade Receivables includes outstanding amounts pertaining to other services/activities undertaken by the Company.

### B. PORTFOLIO LOANS:

Portfolio Loans have been classified as short term and long term loans & advances according to their tenure.

### C. CASH & CASH EQUIVALENT :

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 assets 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 information.

## 9. 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, if any, arising on account of securitization and direct assignment of loan assets is recognized immediately at time of sale.
  - e. Any other Income is accounted for as and when accrued.



## 10. 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 instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

## 11. 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 in equal monthly instalment. 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 an unamortized identified borrowing cost is outstanding at the year end, it is classified under loans and advances as unamortized cost of borrowings.

## 12. 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. Monetary items (Payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each Balance Sheet date.

## 13. 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, 2013.

## 14. PROVISIONS AND CONTINGENT ASSETS/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.

## 15. EMPLOYEES RETIREMENT BENEFITS

Employee benefits includes provident fund, employee state insurance scheme, gratuity fund and compensated absences.

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

b) **Defined Contribution Plan**

Company's contribution paid / payable during the year to Provident Fund, Pension Fund and Employee State Insurance Scheme are recognized in the statement of Profit and Loss based on amount of contribution required to be made and when services are rendered by the employees.

c) **Defined Benefit Plan**

Liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, are determined by actuarial valuation on Projected Unit Credit Method made at the end of each Balance Sheet date, provision for liabilities pending remittance to the fund is carried in the Balance Sheet.

d) **Long term employee benefits**

Liability for compensated absences is provided based on actuarial valuation carried out at the end of the financial period using projected unit Credit Method and is not funded. Past services cost is recognized immediately to the extent that the benefits are already used and otherwise is amortized on straight line base over the average period unit the benefits become vested. The retirement benefits obligation recognized in the balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognized past service cost, as redeemed by the fair value of scheme assets.

Compensated absences which are not expected to occur within 12 months after the end of period in which the employee rendered the related services are recognized as a liability at the present value of the defined benefits obligation as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the statement of Profit and Loss as income or expense in the period in which they occur. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds.

## 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
- (ii) Excess/short provision of income tax relating to earlier years is disclosed separately in the accounts.
- (iii) Deferred Tax Assets and Liabilities reflect the impact of timing differences between tax profit and book profit and 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 sufficient future taxable income will be available against which these assets can be realized. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.

## 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 extra-ordinary/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. Further, the new guidelines by Securities and Exchange Board of India (SEBI) came into force i.e. SEBI (Share Based Employee Benefit) Regulations, 2014 (new regulation) according to which certain modification were required to be made in the trust deed formulated under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999). As a result of new Regulations coming into effect, the earlier SEBI (Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999) Guidelines have been repealed. With the evolution of new SEBI Law, the existing Employee Welfare Trust need was realigned, so as to abide by the requirements of the new Regulations floated by the Market Regulator. Measurement and disclosure of ESOS is done in accordance with new regulation, circulars/notifications issued by SEBI, from time to time and 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..

## 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.

Lease in which substantially all the risks and benefits incidental to ownership of leased assets are transferred to the Company are classified as finance lease. 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 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
3	<b>Share Capital Authorised</b>				
	4,00,00,000 ( Previous Year 4,00,00,000 ) Equity Shares of Rs. 10/- each		400,000,000.00		400,000,000.00
	9,00,00,000 (Previous Year 9,00,00,000) Preference Shares of Rs. 10/- each		900,000,000.00		900,000,000.00
			1,300,000,000.00		1,300,000,000.00
	<b>Issued</b>				
	3,19,97,861 ( Previous Year 2,91,27,861) Equity Shares of Rs. 10/- each		319,978,610.00		291,278,610.00
	Nil ( Previous Year 60,00,000) 12% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		-		60,000,000.00
			319,978,610.00		351,278,610.00
	<b>Subscribed</b>				
	3,19,97,861 ( Previous Year 2,58,97,861) Equity Shares of Rs. 10/- each		319,978,610.00		258,978,610.00
	Nil ( Previous Year 60,00,000) 12% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		-		60,000,000.00
			319,978,610.00		318,978,610.00
	<b>Paid-up</b>				
	<b>Equity Share Capital</b>				
3,19,51,361 ( Previous Year 2,58,51,361) Equity Shares of Rs. 10/- each		319,513,610.00		258,513,610.00	
Less:- Amount recoverable from Satin Employees Welfare Trust (Face value of 4,76,543 ( Previous Year 4,99,176) shares allotted to the Satin Employees Welfare Trust) Add: Forfeited shares (Amount originally paid on 46,500 equity shares)		(4,765,430.00)		(4,991,760.00)	
		314,748,180.00		253,521,850.00	
		234,500.00		234,500.00	
		314,982,680.00		313,756,350.00	
<b>B</b>	<b>Preference Shares Capital</b>				
	Nil ( Previous Year 60,00,000) 12% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		-		60,000,000.00
<b>a</b>	<b>Reconciliation of equity shares of the face value of Rs. 10/- each</b>				
	<b>Authorised</b>	<b>No.</b>	<b>Rs.</b>	<b>No.</b>	<b>Rs.</b>
	At the beginning of the accounting period	40,000,000	400,000,000.00	30,000,000	300,000,000.00
	Additions during the year	-	-	10,000,000	100,000,000.00
	At the end of the accounting period	40,000,000	400,000,000.00	40,000,000	400,000,000.00
	<b>Issued</b>				
	At the beginning of the accounting period	29,127,861	291,278,610.00	25,897,861	258,978,610.00
	Additions during the year	2,870,000	28,700,000.00	3,230,000	32,300,000.00
	At the end of the accounting period	31,997,861	319,978,610.00	29,127,861	291,278,610.00
	<b>Subscribed</b>				
	At the beginning of the accounting period	25,897,861	258,978,610.00	23,240,151	232,401,510.00
	Additions during the year	6,100,000	61,000,000.00	2,657,710	26,577,100.00
	At the end of the accounting period	31,997,861	319,978,610.00	25,897,861	258,978,610.00
	<b>Paid up</b>				
	At the beginning of the accounting period	25,851,361	258,513,610.00	23,193,651	231,936,510.00
	Additions during the year	6,100,000	61,000,000.00	2,657,710	26,577,100.00
	At the end of the accounting period	31,951,361	319,513,610.00	25,851,361	258,513,610.00
	<b>Shares issued to Satin Employees Welfare Trust</b>				
	At the beginning of the accounting period	499,176	4,991,760.00	525,000	5,250,000.00
	Additions during the year	-	-	-	-
	Alloted to Employees during the year	22,633	226,330.00	25,824	258,240.00
	At the end of the accounting period	476,543	4,765,430.00	499,176	4,991,760.00

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	90,000,000	900,000,000.00	100,000,000.00	1,000,000,000.00
	Additions/(Reclassification/Deletions) during the year	-	-	(100,00,000)	(100,000,000.00)
	At the end of the accounting period	90,000,000	900,000,000.00	90,000,000	900,000,000.00
	<b>Issued</b>				
	At the beginning of the accounting period	6,000,000	60,000,000.00	6,000,000	60,000,000.00
	Additions/(Deletions) during the year	(6,000,000)	(60,000,000.00)	-	-
	At the end of the accounting period	-	-	6,000,000	60,000,000.00
	<b>Subscribed</b>				
	At the beginning of the accounting period	6,000,000	60,000,000.00	6,000,000	60,000,000.00
	Additions/(Deletions) during the year	(6,000,000)	(60,000,000.00)	-	-
	At the end of the accounting period	-	-	6,000,000	60,000,000.00
	<b>Paid up</b>				
	At the beginning of the accounting period	6,000,000	60,000,000.00	6,000,000	60,000,000.00
	Additions/(Deletions) during the year	(6,000,000)	(60,000,000.00)	-	-
	At the end of the accounting period	-	-	6,000,000	60,000,000.00

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

S.No.	Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
		No. of shares	Percentage Holding	No. of shares	Percentage Holding
1	ShoreCap II Limited	3,908,188	12.23%	3,908,188	15.12%
2	MV Mauritius Limited	3,495,520	10.94%	3,495,520	13.52%
3	SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd	3,190,000	9.98%	-	-
4	NMI Fund III KS	2,657,710	8.32%	2,657,710	10.28%
5	Danish Microfinance Partners K/S	2,395,214	7.50%	2,395,214	9.27%
6	Parishek Finance Private Limited	2,150,880	6.73%	2,150,880	8.32%

### 1. Terms/rights attached to equity shares.

The Company has only one class of equity shares having par value of Rs.10/- per shares. Each holder of equity shares is entitled to one vote per share. Any dividend, if proposed by the Board of Directors is subject to the approval of shareholders.

- Satin Employees Welfare Trust has transferred 1,98,457 Equity Shares to various employees of the Company. At present, Satin Employees Welfare Trust holds 2,26,543 equity shares under Satin ESOP 2009 and 1,00,000 equity shares under Satin ESOP 2010 and 1,50,000 equity shares aggregating to 4,76,543 Equity Shares as on 31st March, 2016.

#### 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 27th November 2009. Out of which 1,50,000 Options were granted to 2 employees on 12th January 2010. The entire options are properly vested, and exercised by the employees and accordingly transferred to their DEMAT account. The Company has also granted 98,300 Options to 29 employees on 02nd December, 2013. Out of 98,300 Equity Shares, 25,824 Equity Shares were exercised and transferred to 25 Employees in Financial Year 2014-15 and 22,633 Equity Shares were exercised and transferred to 23 Employees in Financial Year 2015-16.

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

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

b) The Company has provided following share based options to its employees. During the financial year ended 31st March 2016, 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	248,300 out of 425,000	-	-
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	<p>1. First 50,000 options were vested on 12.01.2011 and exercised on the same day by employees (i.e. 1/3rd of total options granted subject to lock-in period of one year from the date of vesting of options)</p> <p>2. Second 50,000 options were vested on 12.01.2012 and exercised on the same day by employees (i.e. 1/3rd of total options granted subject to lock-in period of one year from the date of vesting of options)</p> <p>3. Third 50,000 options were vested on 12.01.2013 and exercised on the same day by employees (i.e. 1/3rd of total options granted subject to lock-in period of one year from the date of vesting of options)</p> <p>Now, above shares are free from Lock-in.</p> <p>The Company has granted 98,300 options on 02nd December, 2013 and out of 98,300 options, 25,824 options exercised on 02nd December, 2014 and 22,633 options exercised on 03rd, December, 2015.</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 Transfer of shares.	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 Transfer of shares.	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 Transfer of shares.

The details of ESOP 2009 are summarized below:

Particulars	As at 31.03.2016		As at 31.03.2015	
	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	249,176	20	275,000	20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	22,633	-	25,824	-
Expired/Lapsed during the year	6,467	-	3,266	-
Outstanding at the end of the year	226,543	20	249,176	20
Exercisable at the end of the year	29,110	20	58,210	20
Weighted average remaining contractual life (in years) of the option exercisable	0.67	-	1.18	-
Weighted average fair value of the options exercisable	-	20	-	20

The details of ESOP 2010 are summarized below:

Particulars	As at 31.03.2016		As at 31.03.2015	
	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	100,000	22	100,000	22
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercise during the year	-	-	-	-
Expired/ lapsed during the year	-	-	-	-
Outstanding at the end of the year	100,000	22	100,000	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 31.03.2016		As at 31.03.2015	
	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	150,000	25	150,000	25
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercise during the year	-	-	-	-
Expired/ lapsed during the year	-	-	-	-
Outstanding at the end of the year	150,000	25	150,000	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 2015-2016 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	29,110	0.67	20
ESOP 2009	20/- per option	197,433	Not Applicable	20
ESOP 2010	22/- per option	100,000	Not Applicable	22
ESOP II 2010	25/- per option	150,000	Not Applicable	25

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

- a. The Company had nil share-based payment arrangements during the year ended March 31, 2016.
- b. The estimated fair value of each stock option granted in the general employee stock option plan is Rs. 73.79. This was calculated by applying Black Scholes Model of valuation. The model inputs were as follows

Inputs	Satin ESOP 2009		
	First Grant	Second Grant	Third Grant
Share Price at grant Date	N.A	N.A	N.A.
Exercise price	20	20	20
Expected Volatility	-	-	-
Expected Dividends	-	-	-
Contractual Life	1.08	2.08	3.09
Risk Free Interest Rate	8.59%	8.48%	8.44%

- c. The estimated share value of each share granted in the executive stock plan is Rs.73.79.
- d. Other information regarding employee share-based payment plans is as below:

Particular	Year ended 31.03.2016	Year ended 31.03.2015
Expense arising from employee share-based payment plans	3,780,469.00	Nil
Expense arising from share and stock option plans	Nil	Nil
Closing balance of liability for cash stock appreciation plan	Nil	Nil
Expense arising from increase in fair value of liability for cash stock appreciation plan	Nil	Nil

- e. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Diluted EPS is Rs.19.97.

4. The Company has Rs. 10,480,860.00 (Previous year Rs. 10,933,520.00) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

5. During the year Company has allotted 3,230,000 Equity Shares of face value of Rs. 10/- each at an issue price of Rs.130/- including a premium of Rs.120/- each to the persons belonging to promoter and non-promoter group and 2,870,000 Fully Convertible Warrants were also allotted to the same persons at an issue price of Rs.130/- each convertible into or exchangeable for one Equity Shares of face value of Rs. 10/- each within 18 months from the date of Allotment i.e. June 3,2015.

6. Further, the person to whom the warrants were allotted on June 3, 2015 have exercised their option for exchange of warrants into Equity Share and accordingly the Company has allotted 1,470,000 Equity Shares pursuant to conversion of equivalent number of warrants to persons belonging to Promoters Group vide resolution passed by the Board of Directors in their Meeting held on February 10, 2016. Further, 1,400,000 Equity Shares were also allotted pursuant to conversion of equivalent number of Warrants vide resolution dated March 21, 2016 passed by the Working Committee of the Board of Directors.

The objective of preferential allotment of equity shares is to fund the growth and operations of the Company. A portion of the proceed of investment received from the concerned promoters was used to redeem 12% Cumulative, Rated, Non-participative, Non-Convertible, Compulsory, Redeemable 6,000,000 Preference Shares on November 27, 2015

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
4	<b>Reserves &amp; Surplus</b>				
	<b>Securities Premium Reserve</b>				
	At the beginning of the accounting period	1,084,895,989.00		87,69,51,317.00	
	Additions during the year	734,606,502.00		257,797,870.00	
	Less: Share / Debenture issue expenses	28,121,021.00		498,53,198.00	
		1,791,381,470.00		108,48,95,989.00	
	Less: Amount recoverable from Satin Employees Welfare Trust	5,715,430.00		59,41,760.00	
	At the end of the accounting period		1,785,666,040.00		107,89,54,229.00
	<b>General Reserves</b>				
	At the beginning of the accounting period	2,893,628.89		37,26,157.00	
	Additions / (Deductions) during the year	-		(832,528.11)	
	At the end of the accounting period		2,893,628.89		28,93,628.89
	<b>Stock Option Outstanding Account</b>				
	At the beginning of the accounting period	-		-	
	Additions / (Deductions) during the year	1,173,967.00		-	
	At the end of the accounting period		1,173,967.00		-
	<b>Capital Redemption Reserve</b>				
	At the beginning of the accounting period	-		-	
	Additions / (Deductions) during the year	27,700,000.00		-	
	At the end of the accounting period		27,700,000.00		-
	<b>Exchange Fluctuation Reserve</b>				
	At the beginning of the accounting period	7,992,000.00		-	
	Additions / (Deductions) during the year	(37,421,000.00)		7,992,000.00	
At the end of the accounting period		(29,429,000.00)		7,992,000.00	
<b>Statutory Reserve Fund</b>					
At the beginning of the accounting period	121,286,776.00		5,78,54,921.00		
Additions during the year	115,881,030.00		634,31,855.00		
At the end of the accounting period		237,167,806.00		12,12,86,776.00	
<b>Surplus in Statement of Profit &amp; Loss</b>					
At the beginning of the accounting period	469,964,823.38		22,51,48,686.06		
Additions during the year	579,405,151.37		31,71,59,272.73		
Less: Transfer to Statutory Reserve Fund	115,881,030.00		634,31,855.00		
Less: Dividend Paid -Preference Share Capital @12.34%	4,888,669.00		74,04,000.00		
Less: Dividend Distribution Tax	995,218.00		15,07,280.41		
Less: Capital Redemption Reserve	27,700,000.00		-		
At the end of the accounting period		899,905,057.75		46,99,64,823.38	
		2,925,077,499.64		1,68,10,91,457.27	

- During the year, there has been an addition of a sum of Rs. 732,000,000.00 (Previous year Rs. 257,797,870.00) on account of share premium on issue of 6,100,000 (Previous year Rs.2,657,710) equity shares of Rs. 10/-each and Rs.2,606,502.00 (Previous Year Rs.Nil) on account of Employee Stock Option Scheme.
- During the year, the Company utilized a sum of Rs. 28,121,021.00 (Previous year Rs.49,853,198.00) from Securities Premium Reserve towards writing off incidental expenditure pertaining to raising share capital and non-convertible debenture as per the provisions of Section 52 of the Companies Act, 2013.

3. The Company has Rs. 10,480,860.00 (Previous year Rs. 10,933,520.00) 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. 115,881,030.00 (Previous Year Rs. 63,431,855.00) towards Statutory Reserve Fund.
5. During the year the Company has redeemed 6,000,000, 12% Cumulative, Rated, Non Participative, Non-Convertible and compulsorily redeemable Preference shares out of proceeds of fresh issue of 3,230,000 equity shares of Rs.10/- each. and the balance of Rs. 27,700,000.00 out of the accumulated profits by creating a Capital Redemption Reserve of the same amount.

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
<b>5</b>	<b>Long term borrowings</b>				
<b>A</b>	<b>Secured Loans</b>				
	<b>(a) Non Convertible Debentures</b>				
	(i) 75 (Series-2) (Previous Year: Nil), 14.10% (Previous Year 14.25%) Secured, Listed, 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)	<b>187,500,000.00</b>		-	
	(ii) 250 (Previous Year: 250), 14.60% Secured, Listed, 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)	-		250,000,000.00	
	(iii) 72 (Previous Year: 72), 14.70% Secured, Listed, 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)	-		180,000,000.00	
	(iv) 200 (Previous Year: 200), 14.70% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on June 15, 2020 . The date of allotment is July 15, 2014.  (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>500,000,000.00</b>		500,000,000.00	
	(v) 89 (Previous Year: 89), 13.00% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on July 28, 2016. The date of allotment is July 30, 2014.  (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)	-		14,833,363.00	

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
	(vi) 200 (Previous Year: 200), 12.55% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on January 28, 2017. The date of allotment is July 31, 2014.  (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)	-		66,666,000.00	
	(vii) 150 (Previous Year: 150), 13.25% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on September 16, 2016. The date of allotment is September 16, 2014.  (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)	-		37,500,000.00	
	(viii) 515 (Previous Year: 515), 14.37% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on November 13, 2019. The date of allotment is September 26, 2014.  (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)	515,000,000.00		515,000,000.00	
	(ix) 140 (Previous Year: 140), 13.50% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on periodical basis & the final redemption on December 02, 2016. The date of allotment is December 02, 2014.  (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)	-		52,500,000.00	
	(x) 20 (Previous Year Nil), 14.50 % p.a. Secured, Senior Rated, Redeemable, Non- Convertible Debentures bearing a face value of Rs. 10,00,000/- each ("Debentures"), aggregating upto Rs. 2,00,00,000/- , redeemable on May 8, 2020. The date of allotment is May 08, 2015.  (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	20,000,000.00		-	
	(xi) 270 (Previous Year Nil), 13.75 % p.a. rated, listed, secured, redeemable, transferable, taxable non-convertible debentures each having a face value of Rs. 10,00,000/- up to the aggregate nominal value of Rs. 27,00,00,000/- , redeemable on July 30, 2019. The date of allotment is July 31, 2015  (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)	270,000,000.00		-	

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
	(xii) 300 (Previous Year Nil), 12.30% Secured Listed Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each for a total nominal value of Rs. 30,00,00,000/- (Rupees Thirty Crores), redeemable on August 26, 2017. The date of allotment is August 26, 2015  (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 110% of outstanding, present & future including all revenue therefrom)	62,500,200.00		-	
	(xiii) 500 (Previous Year Nil) ,14.65% p.a. rated, listed, secured, redeemable, transferable, taxable non-convertible debentures each having a face value of Rs. 10,00,000/- up to the aggregate nominal value of Rs. 50,00,00,000/- redeemable on September 24, 2018. The date of allotment is September 24, 2015  (The loan will be secured by a pledge on class a loan portfolio covering 100% of the loan amount to be hypothecated to security Trustee)	500,000,000.00		-	
	(xiv) 4,644 (Previous Year Nil) , 14% p.a. rated, listed, secured, senior, redeemable, non- convertible debentures bearing a face value of Rs.1,00,000/- each, aggregating upto rs. 46,44,00,000/- ,redeemable on january 13, 2019. the date of allotment is december 22, 2015.  (First ranking exclusive charge by way of hypothecation of receivables with 100% cover)	464,400,000.00		-	
	(xv) 125 (Previous Year Nil), @ 14.30 p.a. Secured, Rated, Redeemable, Listed Non-convertible Debentures of face value of Rs. 10,00,000/- each, aggregating up to Rs. 12,50,00,000 redeemable on March 28, 2019. The date of allotment is March 29, 2016.  (Payment obligations under the Transaction Documents rank at least pari passu with the claims of all of its other secured creditors, except for obligations mandatorily preferred by law applying to Companies generally)	125,000,000.00		-	
			2,644,400,200.00		1,616,499,363.00
	<b>(b) Term Loan From Banks</b>				
	For Working Capital	5,772,704,684.67		3,949,200,566.46	
	For Purchase of Fixed Assets	8,590,343.16		7,082,146.00	
			5,781,295,027.83		3,956,282,712.46
	<b>From Others</b>				
	For Working Capital	2,620,585,681.05		1,326,960,887.89	
	For Purchase of Fixed Assets	186,192.00		1,394,969.70	
			2,620,771,873.05		1,328,355,857.59
	<b>(c) External Commercial Borrowings</b>				
	For Working Capital		413,198,689.79		406,840,200.00

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
<b>B</b>	<b>Unsecured Loans</b>				
	<b>(a) Non Convertible Debentures</b>				
	(i) 84 (Previous Year: 84), 18.00% Unsecured, Listed, Redeemable Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on October 16, 2019. The date of allotment is July 15, 2014.	210,000,000.00		210,000,000.00	
	(ii) 150 (Previous Year: 150), 16.90% Unsecured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on September 20, 2020. The date of allotment is March 20, 2015.	150,000,000.00		150,000,000.00	
	(iii) 130 (Previous Year: 130), 17.75% Unsecured, Unlisted, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on December 18, 2020 . The date of allotment is March 31, 2015.	130,000,000.00		130,000,000.00	
	(iv) 250 (Previous Year Nil), SBI Base Rate + 6.15% i.e. 15.85%, Rated, Redeemable, Listed, Unsecured, Taxable, Non-Convertible Debentures of Rs. 10,00,000 each for a total nominal value of Rs. 250,000,000.00 redeemable on June 30, 2021. The date of allotment is June 30, 2015.	250,000,000.00		-	
	(v) 2,628 (Previous Year Nil), 14.15% p.a. Rated, Unsecured, Listed, Senior, Redeemable, Taxable, Transferable, Non-convertible Debentures of face value of Rs.100,000 /- (Rupees (One Lakh only) each, at par, aggregating up to Rs. 262,800,000/- redeemable on September 16, 2019. The date of allotment is October 05, 2015.	262,800,000.00		-	
	(vi) 250 (Previous Year Nil), 15.50% p.a. rated, unsecured, subordinated redeemable non-convertible debentures of face value of Rs. 10,00,000/- each, aggregating Rs. 250,000,000 - , redeemable on April 15, 2022. The date of allotment is December 30, 2015.	250,000,000.00		-	
	<b>(b) Term Loan From Others</b>		1,252,800,000.00		490,000,000.00
	For Working Capital		400,000,000.00		100,000,000.00
	<b>(c) External Commercial Borrowings</b>				
	For Working Capital		222,491,602.29		219,067,800.00
	<b>Total Long Term Borrowings</b>		<b>13,334,957,392.96</b>		<b>8,117,045,933.05</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 BSE Limited.
- During the financial year 2014-15, the Company has borrowed US Dollars 10 million comprising of 6.5 million US Dollars as Senior Debt and 3.5 million US Dollars as Subordinated Debt from World Business Capital Inc for the period of eight years for the purpose of working capital as the External Commercial Borrowings (ECB) under the automatic route of the Reserve Bank of India. The repayment of principle and interest of the ECB is hedged against the foreign currency fluctuations as the Company has contracted the risk fluctuation with a commercial bank at a predetermined rate to settle the foreign exchange liability. The details of ECB as on 31st March 2016 is as follows:

<b>Movement in Loan amount during the year</b>	<b>(Rs.in Lacs)</b>
<b>Outstanding as at 1st April 2015</b>	6,259.08
Amount Borrowed	-
Amount Repaid	-
Exchange (Gain)/Loss	374.21
<b>Outstanding as at 31st March 2016</b>	<b>6,633.29</b>

At the year end, the Company as per the fair accounting practice and financial prudence has created a foreign exchange fluctuation reserve to reflect the difference in value of outstanding loan at the Balance Sheet date. This foreign exchange fluctuation reserve will be finally settled at the time of full and final settlement of ECB loan by the Company. The interest payment on this ECB loan is accounted for at the predetermined rate and out of which the payment is made to the borrower by the commercial bank as per contract and the total amount is charged to the profit and loss account as a part of interest cost.

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

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
6	<b>Long-Term provisions</b>				
	Provision for Leave Encashment		<b>19,753,116.00</b>		10,938,607.00
	Provision for Gratuity		<b>9,106,260.00</b>		3,107,711.00
			<b>28,859,376.00</b>		<b>14,046,318.00</b>

1. The disclosures required under Accounting Standard 15 “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2015, 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>16,740,706.00</b>	8,418,205.00
Employer's Contribution to Superannuation Fund	<b>Nil</b>	Nil
Employer's Contribution to Pension Scheme	<b>22,205,419.00</b>	10,470,644.00

**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:

Details of provision for gratuity:

**(Amount in Rs.)**

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Defined benefit obligation	<b>33,724,059.00</b>	17,272,407.00
Fair value of plan assets	<b>(24,617,799.00)</b>	(14,164,696.00)
<b>Plan Liability</b>	<b>9,106,260.00</b>	3,107,711.00

Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Opening defined benefit obligation	17,272,407.00	14,164,696.00
Interest cost	1,339,910.00	1,064,347.00
Current service cost	12,077,039.00	5,145,368.00
Benefits paid	(623,043.00)	(1,038,448.00)
Actuarial (gains)/losses on obligation	3,657,746.00	(2,063,556.00)
<b>Closing defined benefit obligation</b>	<b>33,724,059.00</b>	<b>17,272,407.00</b>

Changes in the fair value of plan assets are as follows:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Opening fair value of plan assets	14,164,696.00	10,161,680.00
Expected Return	1,583,974.00	970,722.00
Contribution by employer	9,519,828.00	4,247,735.00
Benefits paid	(623,043.00)	(1,038,448.00)
Actuarial gains/(losses)	(27,656.00)	(176,993.00)
<b>Closing fair value of plan assets</b>	<b>24,617,799.00</b>	<b>14,164,696.00</b>

### C. Leave Encashment

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

	Current Year (Amount in Rs.)	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>10,938,607.00</b>	2,603,506.00
Current Service Cost	<b>12,034,716.00</b>	6,126,392.00
Interest Cost	<b>859,962.00</b>	192,283.00
Actuarial (gain)/loss	<b>(3,974,150.00)</b>	2,293,095.00
Benefits paid	<b>(106,019.00)</b>	(276,669.00)
Defined Benefit obligation at year end-long term	<b>19,753,116.00</b>	10,938,607.00
Defined Benefit obligation at year end-short term	<b>3,389,705.00</b>	1,326,057.00
<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>(106,019.00)</b>	(276,669.00)
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>23,142,821.00</b>	12,264,664.00
Amount recognized in Balance Sheet	<b>23,142,821.00</b>	12,264,664.00
<b>d. Expenses recognized during the year (Under the head "Payments to and Provisions for Employees)</b>		
Current Service Cost	<b>12,034,716.00</b>	6,126,392.00
Interest Cost	<b>859,962.00</b>	192,283.00
Expected return on plan assets	-	-
Actuarial (gain)/loss	<b>(3,974,150.00)</b>	2,293,095.00
Net Cost-long term liability	<b>8,920,528.00</b>	8,611,770.00
Net Cost-short term liability	<b>2,063,648.00</b>	549,636.00
<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>7.90%</b>	7.80%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	<b>3.00%</b>	5.00%

The estimates rate of escalation in salary considered in actuarial valuation takes 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.

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
7	<b>Short Term Borrowings</b>				
A	<b>Secured Loans</b>				
	<b>Term Loan</b>				
	<b>From Banks</b>				
	For Working Capital	445,000,000.00		186,250,000.00	
			445,000,000.00		186,250,000.00
B	<b>Overdraft Facility against Fixed Deposits</b>				
	From Banks		518,465,606.88		37,364,032.01
			963,465,606.88		223,614,032.01
C	<b>Unsecured Loans</b>				
	For Working Capital		-		100,000,000.00
	<b>Commercial Paper</b>				
	Commercial Paper	500,000,000.00		-	
	Less: Unamortised discount	16,364,576.92		-	
			483,635,423.08		-
	<b>Total Short Term Borrowings</b>		<b>1,447,101,029.96</b>		<b>323,614,032.01</b>

- During the financial year, the Company has issued Commercial Paper, face value of Rs. 500,000,000.00 at discounted value of Rs. 457,146,000.00 with maturity date August 18<sup>th</sup>, 2016. The discount on issue of commercial paper is amortised over the tenure of the instrument.
- For Term loan refer Note No.8(1).

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
8	<b>Other Current Liabilities</b>				
A	<b>Current Maturity of Non Convertible Debentures- Secured</b>				
	(i) 75 (Series-2) (Previous Year: 75), 14.25% Secured, Listed, Redeemable, Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on September 14, 2018 (if, rollover). 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)	-		187,500,000.00	
	(ii) 250 (Previous Year: 250), 14.60% Secured, Listed, 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)	250,000,000.00		-	
	(iii) 72 (Previous Year: 72), 14.70% Secured, Listed, 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)"	180,000,000.00		-	
	(iv) 124 (Previous Year: 124), 13.97% Secured, Listed, 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)	-		232,500,000.00	

(v)	89 (Previous Year: 89), 13.00% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on July 28, 2016. The date of allotment is July 30, 2014.  (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)	14,833,363.00		44,500,000.00	
(vi)	200 (Previous Year: 200), 12.55% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on January 28, 2017. The date of allotment is July 31, 2014.  (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)	66,666,000.00		80,000,400.00	
(vii)	150 (Previous Year: 150), 13.25% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on September 16, 2016. The date of allotment is September 16, 2014  (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)	37,500,000.00		75,000,000.00	
(viii)	140 (Previous Year: 140), 13.50% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 10,00,000/- each redeemable at par on periodical basis & the final redemption on December 02, 2016. The date of allotment is December 02, 2014  (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)	46,666,760.00		64,166,760.00	
(ix)	300 (Previous Year Nil), 12.30% Secured Listed Redeemable Non-Convertible Debentures of Rs. 10,00,000/- (Ten Lacs) each for a total nominal value of Rs. 30,00,00,000/- (Rupees Thirty Crores), redeemable on August 26, 2017. The date of allotment is August 17, 2015  (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)	150,000,000.00		-	
			745,666,123.00		683,667,160.00
<b>B</b>	<b>Current Maturity of long term borrowings-Secured from Banks</b>				
	For Working Capital	9,223,229,005.93		6,094,369,375.85	
	For Purchase of Fixed Assets	2,084,742.02		658,763.00	
<b>C</b>	<b>Current Maturity of long term borrowings-Secured from Others</b>		9,225,313,747.95		6,095,028,138.85
	For Working Capital	2,701,282,121.51		1,079,444,300.11	
	For Purchase of Fixed Assets	1,208,777.69		1,846,149.00	
<b>D</b>	<b>External Commercial Borrowings</b>		2,702,490,899.20		1,081,290,449.11
	For Working Capital		17,965,160.21		-
<b>E</b>	<b>External Commercial Borrowings-Unsecured Loan</b>				
	For Working Capital		9,673,547.71		-
<b>F</b>	<b>Expenses Payable</b>		103,506,577.64		48,992,358.50
<b>G</b>	<b>Payable Towards Assignment/Securitisation Transactions</b>		1,586,947,389.00		1,213,892,862.61
<b>H</b>	<b>Trade Payable</b>		130,774,764.00		89,535,717.00
<b>I</b>	<b>Security Deposit-Rent</b>		33,775.00		-
<b>J</b>	<b>Interest Strip Retained on Securitisation of Receivables</b>		5,536,671.00		131,358,548.00
<b>K</b>	<b>Interest accrued but not due on loans</b>		64,820,418.97		29,731,714.00
<b>L</b>	<b>Interest accrued but not due on Debentures</b>		100,551,750.00		84,761,672.00
<b>M</b>	<b>Statutory Liabilities Payable</b>		59,147,147.33		42,651,871.03
			<b>14,752,427,971.01</b>		<b>9,500,910,491.10</b>

1. The Company has availed term loans and overdraft facility from various banks and other institutions and has issued Non-Convertible Debentures for its lending operations as per details below:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Long Term Non-Convertible Debentures-Secured	2,644,400,200.00	1,616,499,363.00
Long Term from Banks - Secured	5,772,704,684.67	3,949,200,566.46
Long Term from Others - Secured	2,620,585,681.05	1,326,960,887.89
Long Term from Others - Secured (External Commercial Borrowings)	413,198,689.79	406,840,200.00
Long Term from Others - Unsecured (External Commercial Borrowings)	222,491,602.29	219,067,800.00
Long Term Non-Convertible Debentures-Unsecured	1,252,800,000.00	490,000,000.00
Long Term from Others - Unsecured	400,000,000.00	100,000,000.00
Short Term from Banks - Secured	445,000,000.00	186,250,000.00
Short Term from Others - Unsecured (Commercial Paper)	483,635,423.08	-
Short Term from Others - Unsecured	-	100,000,000.00
Current Maturity of Non-Convertible Debentures-Secured	745,666,123.00	683,667,160.00
Current Maturity of long term debts for lending from Banks - Secured	9,223,229,005.93	6,094,369,375.85
Current Maturity of long term debts for lending from Others - Secured	2,701,282,121.51	1,079,444,300.11
Current Maturity of long term debts for lending from Others - Secured (External Commercial Borrowings)	17,965,160.21	-
Current Maturity of long term debts for lending from Others - Unsecured (External Commercial Borrowings)	9,673,547.71	-
Overdraft Facility against Fixed Deposit from banks	518,465,606.88	37,364,032.01
<b>Total (A)</b>	<b>27,471,097,846.12</b>	<b>16,289,663,685.32</b>

Apart from the above, the following term loans have been availed for purchase of fixed assets from banks and others lenders.

(Amount in Rs.)

Particulars	Current Year	Previous Year
Long Term from Banks – Secured	8,590,343.16	7,082,146.00
Long Term from Others – Secured	186,192.00	1,394,969.70
Current Maturity of long term borrowings from Banks – Secured	2,084,742.02	658,763.00
Current Maturity of long term borrowings from Others – Secured	1,208,777.69	1,846,149.00
<b>Total (B)</b>	<b>12,070,054.87</b>	<b>10,982,027.70</b>
<b>Total (A+B)</b>	<b>27,483,167,900.99</b>	<b>16,300,645,713.02</b>

The above are repayable/redeemed on periodic instalments of principal and interest. The sanctioned tenure of the loans outstanding as at 31st March, 2016 varies from 6 months to 96 months. For the secured loans, the Company has offered security by way of hypothecation of portfolio loans 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. 133,995.96 Lacs (Previous Year Rs. 98,652.66 Lacs) have been guaranteed by two of the Directors of the Company in their personal capacity.

2. Statutory liabilities include amount payable towards Income Tax, Service Tax, Provident Fund, Professional Tax, 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 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
9	<b>Short - Term Provision</b>				
	Provision for Leave encashment		3,389,705.00		1,326,057.00
	Proposed dividend on preference shares		-		7,404,000.00
	Proposed dividend distribution tax on proposed dividend on preference shares		-		1,507,280.41
	Provision for Non Performing Assets and Contingent provisions against Standard Assets		227,472,401.54		146,447,720.22
		<b>230,862,106.54</b>		<b>156,685,057.63</b>	

1. For Provision for Leave Encashment refer Note No.6.
2. As per prudential norms prescribed by the Reserve Bank of India on income recognition and provisioning for Standard/Non-Performing Assets, a provision of Rs. 227,472,401.54 (Previous year Rs. 146,447,720.22) stood at 31st March 2016 towards provision for non-performing assets and contingent provision against standard assets. This includes an amount of Rs. 206,256,941.92(Previous year Rs. 144,329,067.41) as Contingent provision against standard assets as per notification no. BNBR.009/CGM(CDS)-2015 dated March 27th, 2015 issued by Reserve Bank of India. As per the said notification the same has been shown as "Provision for Non-Performing Assets and Contingent provisions against Standard Assets" under "Short-Term Provisions".
3. The Company has followed the following provisioning norms during the current and previous year:

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 instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

(Amount in Rs.)

Note No. 10  
Tangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As At	Addition/ Adj.	Sale / Adj.	As At	As At	For The Year	Adj./Written Back	As At	WDV On	WDV On
	01.04.2015			31.03.2016	01.04.2015	Year		31.03.2016	31.03.2016	31.03.2015
Buildings	30,951,057.28	40,012,171.00	-	70,963,228.28	9,906,159.28	2,294,673.00	-	12,200,832.28	58,762,396.00	21,044,898.00
Plant & Equipment	30,529,889.22	14,634,008.00	-	45,163,897.22	20,918,542.84	8,105,288.00	-	29,023,830.84	16,140,066.38	9,611,346.38
Office Equipment	11,309,974.59	6,684,014.00	11,000.00	17,982,988.59	6,947,434.15	3,143,455.00	7,442.00	10,083,447.15	7,899,541.44	4,362,540.44
Vehicles	10,392,818.00	5,203,074.00	467,614.00	15,128,278.00	4,713,990.10	2,910,535.00	416,561.52	7,207,963.58	7,920,314.42	5,678,827.90
Furniture & Fixtures	25,046,646.98	19,004,397.00	-	44,051,043.98	10,646,508.33	5,584,724.00	-	16,231,232.33	27,819,811.65	14,400,138.65
<b>Total</b>	<b>108,230,386.07</b>	<b>85,537,664.00</b>	<b>478,614.00</b>	<b>193,289,436.07</b>	<b>53,132,634.70</b>	<b>22,038,675.00</b>	<b>424,003.52</b>	<b>74,747,306.18</b>	<b>118,542,129.89</b>	<b>55,097,751.37</b>
Previous Year	88,238,326.69	21,289,772.38	1,297,713.00	108,230,386.07	35,681,929.77	17,363,379.00	(87,325.93)	53,132,634.70	55,097,751.37	

(Amount in Rs.)

Note No. 11  
Intangible Assets

Particulars	Gross Block				Amortization				Net Block	
	As At	Addition/ Adj.	Sale / Adj.	As At	As At	For The Year	Adj./Written Back	As At	WDV On	WDV On
	01.04.2015			31.03.2016	01.04.2015	Year		31.03.2016	31.03.2016	31.03.2015
Computer Software	9,540,183.00	23,484,452.00	-	33,024,635.00	4,017,523.60	6,783,676.00	-	10,801,199.60	22,223,435.40	5,522,659.40
<b>Total</b>	<b>9,540,183.00</b>	<b>23,484,452.00</b>	<b>-</b>	<b>33,024,635.00</b>	<b>4,017,523.60</b>	<b>6,783,676.00</b>	<b>-</b>	<b>10,801,199.60</b>	<b>22,223,435.40</b>	<b>5,522,659.40</b>
Previous Year	3,353,593.00	6,186,590.00	-	9,540,183.00	1,699,480.00	2,218,113.00	(99,930.60)	4,017,523.60	5,522,659.40	

(Amount in Rs.)

Note No. 12  
Capital Work-In-Progress

Particulars	Gross Block				Depreciation				Net Block	
	As At	Addition/ Adj.	Sale / Adj.	As At	As At	For The Year	Adj./Written Back	As At	WDV On	WDV On
	01.04.2015			31.03.2016	01.04.2015	Year		31.03.2016	31.03.2016	31.03.2015
Capital Work in Progress	83,579,278.00	28,567,786.00	40,012,171.00	72,134,893.00	-	-	-	-	72,134,893.00	83,579,278.00
<b>Total</b>	<b>83,579,278.00</b>	<b>28,567,786.00</b>	<b>40,012,171.00</b>	<b>72,134,893.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,134,893.00</b>	<b>83,579,278.00</b>
Previous Year	65,656,343.00	17,922,935.00	-	83,579,278.00	-	-	-	-	83,579,278.00	

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

Note No.	Particulars	Face Value	No. of Units/ Shares 31.03.2016	As at 31.03.2016 Rs.	No. of Units/ Shares 31.03.2015	As at 31.03.2015 Rs.
13	<b>Non Current Investments-Non Trade-At Cost</b>					
	<b>I Unquoted - Equity Shares</b>					
	Alpha Micro Finance Consultants Private Limited	10	50,000	500,000.00	50,000	500,000.00
	<b>Total (A)</b>			<b>500,000.00</b>		500,000.00
	<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>		50,591.33
	<b>Grand Total</b>			<b>550,591.33</b>		550,591.33
	Aggregate Cost of unquoted Investments			<b>550,591.33</b>		550,591.33

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

(Amount in Rs.)

Note No.	Particulars	As at 31.03.2015	(Liability)/Assets/ Movements/ during the year	As at 31.03.2016
14	<b>Deferred Tax Assets/(Liabilities)/Timing difference on account of</b>			
	Depreciation	(511,079.66)	(1,152,800.09)	<b>(1,663,879.75)</b>
	Provisions created but not claimed in Income Tax	53,840,667.44	35,304,197.14	<b>89,144,864.58</b>
	<b>Total Deferred Tax Assets</b>	<b>53,329,587.78</b>	<b>34,151,397.05</b>	<b>87,480,984.83</b>

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

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
15	<b>Long Term Loans &amp; Advances</b>				
	<b>Portfolio Loans</b>				
	Unsecured, considered good	5,336,170,928.69		3,963,555,412.97	
	Unsecured, considered doubtful	9,987,630.91		692,402.78	
			5,346,158,559.60		3,964,247,815.75
	Security Deposits - Unsecured		8,744,075.00		5,718,416.00
		64,703,789.04		52,728,051.26	
Unamortised cost of borrowings		5,419,606,423.64		4,022,694,283.01	

1. 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 Contracts Outstanding	
	Current Year	Previous Year
Standard Assets	22,704,809,234.63	14,640,534,716.64
Substandard Assets	42,430,919.25	4,237,305.62
Doubtful Assets	-	-
Loss Assets	-	-
<b>Total</b>	<b>22,747,240,153.88</b>	<b>14,644,772,022.26</b>
Provision for Non-Performing Assets and Contingent provisions against Standard Assets	227,472,401.54	146,447,720.22
<b>Net own assets</b>	<b>22,519,767,752.34</b>	<b>14,498,324,302.04</b>
Securitized/Assignment Portfolio	9,960,358,263.00	6,761,727,809.00

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

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
16	<b>Other Non-Current Assets</b> Long term deposits having remaining maturity of more than 1 year	1,246,253,886.00			1,101,572,836.00
		1,246,253,886.00			1,101,572,836.00

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

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
17	<b>Trade receivable</b> <b>a) Unsecured considered good</b> Outstanding for a period less than six months from the date they are due for payment <b>b) Others</b> Outstanding for a period more than six months from the date they are due for payment		15,850,539.00		4,693,096.79
			-		-
			15,850,539.00		4,693,096.79

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
18	<b>Cash &amp; Cash Equivalents:</b> <b>Cash on Hand</b> Balance with banks in current accounts Term deposits for remaining maturity of 3 months or less  <b>Other Bank Balances</b> Term deposits for remaining maturity of more than 3 months and upto 1 year		398,762,199.00		112,113,150.48
			1,784,986,439.28		1,551,973,699.11
			499,874,395.00		255,833,290.60
			4,414,126,645.98		1,566,843,522.37
			7,097,749,679.26		3,486,763,662.56

1. Total term deposits with banks and others amounting to Rs. 6,160,254,926.98 (Previous Year Rs. 2,924,249,648.97) includes long term deposits amounting Rs. 1,246,253,886.00 (Previous Year Rs. 1,101,572,836.00) as stated in Note No. 16. The amount under lien as security against term loan and overdraft facility availed, assets assigned and securitized, first loss default guarantee are as follows:-

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
Term Loan	1,916,153,314.98	1,472,750,835.00
Overdraft Facility	1,819,270,341.00	222,709,933.60
Asset Assigned/Securitized	803,165,180.00	506,178,650.00
First Loss Default Guarantee	11,666,091.00	3,150,000.00
<b>Total</b>	<b>4,550,254,926.98</b>	<b>2,204,789,418.60</b>

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
19	<b>Short Term Loans &amp; Advances - Unsecured Portfolio Loans</b> Unsecured, considered good Unsecured, considered doubtful  Staff Advance Unamortised share issue expenses Unamortised cost of borrowings	17,368,643,203.08		10,676,979,303.67	
		32,438,391.20		3,544,902.84	
			17,401,081,594.28		10,680,524,206.51
			88,451,083.31		14,092,073.26
			-		1,000,000.00
			86,071,175.28		55,609,118.06
			17,575,603,852.87		10,751,225,397.83

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

Note No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
20	<b>Other Current Assets</b>				
	Prepaid Expenses		19,278,112.00		7,069,988.00
	Interest accrued but not due		393,018,415.02		249,591,082.14
	Advances recoverable in cash or in kind or for value to be received		965,975,113.87		285,459,424.85
			<b>1,378,271,640.89</b>		<b>542,120,494.99</b>

- In the opinion of Management, the above current assets are good for recovery unless otherwise stated.
- The above advances recoverable in cash or in kind or for value to be received includes an amount of Rs.80,803,640.00 (Previous Year Rs. 49,237,315.00) which is recoverable from the insurance companies and which the company is hopeful of recovery in due course and hence no provision has been created in the books of accounts as on 31st March 2016.

Note No.	Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
21	<b>Revenue From Operations</b>				
	Interest Income	4,316,790,369.12		2,680,483,799.15	
	Excess Interest Spread on Securitization	850,486,458.72		311,606,553.50	
	Loan Processing Fee	352,373,630.00		225,258,066.00	
	Other operational income	3,025,403.65	<b>5,522,675,861.49</b>	1,604,389.76	<b>3,218,952,808.41</b>

Note No.	Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
22	<b>Other Income</b>				
	Fee Income	56,379,985.00		20,889,750.00	
	Other Income	6,156,721.33		1,714,353.36	
			<b>62,536,706.33</b>		<b>22,604,103.36</b>

- The amount of Rs. 27,038,007.00 (Previous Year 18,286,717.00) included in fees income are received from Taraashna Services Private Limited in pursuance of Service Agreement between the Company and Taraashna Services Private Limited executed on 20th December 2013 where Satin Creditcare Network Limited agrees to provide its expertise, knowledge, skill and guidance to Taraashna Services Private Limited to enable the later to undertake its business and operations in effective manner.

Note No.	Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
23	<b>Finance Cost</b>				
	Interest paid to Banks	1,524,205,287.49		1,094,233,616.96	
	Interest paid to Others	537,467,009.81		218,277,235.90	
	Interest paid on Debentures	536,582,486.28		286,482,276.48	
	Interest on Commercial Papers	26,489,423.09		-	
	Finance Charges	273,835,556.41	<b>2,898,579,763.08</b>	175,902,558.57	<b>1,774,895,687.91</b>

Note No.	Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
24	<b>Employee Benefit Expenses</b>				
	Salaries & Other Incentives	788,774,585.98		347,303,349.64	
	Stock Option Expenditure	3,780,469.00		-	
	Contribution to Provident & Other Funds	47,274,315.00		23,462,617.00	
	Gratuity	15,998,424.00		7,617,711.00	
	Employee Welfare Expenses	27,944,128.00	<b>883,771,921.98</b>	13,598,363.00	<b>391,982,040.64</b>

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

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
Salary	12,900,520.00	5,200,000.00
Contribution to Provident Fund, etc.	1,016,050.00	576,000.00
Leave Travels Allowance	1,133,420.00	400,000.00
<b>Total</b>	<b>15,049,990.00</b>	<b>6,176,000.00</b>

- Also refer Note No. 6.

Note No.	Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
<b>25</b>	<b>Other Expenses</b>				
	Annual Listing Fee	1,126,197.00		806,500.00	
	Conveyance & Travelling	121,328,069.06		87,669,644.00	
	Direct Operational Expenses	11,616,556.40		60,114,864.17	
	Printing & Stationary	127,044,014.00		76,549,618.00	
	Communication	30,229,358.28		20,225,705.81	
	Business Promotion	38,455,520.08		37,695,391.00	
	Legal & Professional Charges	107,218,560.00		45,939,547.00	
	Directors Sitting Fees	360,000.00		170,000.00	
	Insurance Charges	15,294,789.00		5,264,159.93	
	Office Expenses	104,922,070.25		85,323,251.00	
	Rent	49,822,256.00		23,943,245.00	
	Advertisement Expenses	2,195,295.00		540,700.00	
	Auditors' Remuneration	645,000.00		458,000.00	
	Subscription & Fee	6,015,915.00		5,131,200.00	
	Rates & Taxes	754,734.00		328,143.00	
	Repairs & Maintenance	13,809,345.00		9,885,913.00	
	Miscellaneous Expenses	54,848,774.75		31,335,620.62	
	Portfolio loans Written off	86,847,708.09		29,054,025.81	
	Insurance claims & Other write off	40,384,462.22		-	
	Provision for Standard/Non Performing Assets	80,861,242.83		68,011,561.89	
	(Profit)/Loss on Sale of Fixed Assets	(132,689.52)	893,647,177.44	48,787.40	588,495,877.63

1. Auditors' remuneration includes the following:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Audit Fees	350,000.00	275,000.00
Tax Audit Fees	100,000.00	60,000.00
Certification work	195,000.00	123,000.00
<b>Total</b>	<b>645,000.00</b>	<b>458,000.00</b>

2. In the opinion of the Management, amount receivable under portfolio loans are good for recovery unless otherwise stated. During the year, an amount of Rs 167,708,950.92 (Previous Year Rs. 97,065,587.70) has been written off /provided against the non-recoverable/doubtful portfolio loans. In the opinion of management, non-recoverable portfolio loans have been written off despite various recovery steps taken by the Company in the normal course of business.
3. Out of the total amount of Rs. 40,384,462.22 (Previous Year Rs.Nil) pertaining to insurance claims and other write off, an amount of Rs. 34,735,604.00 (Previous Year Rs.Nil) pertains to Insurance claims filed by the company with the insurance companies on account of death of the customer/spouse. The company is still following up these cases. Any amount recovered out of these claims would be accounted for as miscellaneous income in the following years. These claims are filed and followed up by the company on behalf of the customers and the amounts are pertaining to the outstanding dues and other expenses paid by the company to the customer on account of death of the customer or his/her spouse.
4. For Provision for Standard/Non-Performing Assets, refer Note No. 9(2).

#### Note No.26

1. Estimated amount of contract remaining to be executed on capital account and not provided for **Rs.709.38 Lacs** (Previous Year Rs.306.74 Lacs).
2. Contingent Liability: On

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Credit enhancements provided by the Company towards securitisation	4,939.77	5,061.79
Portfolio Loans of loan against property	2,536.13	-
Income Tax pending appeal (The Company has deposited Rs.2.50 Lacs with the income tax authorities pending disposal of appeal )	2.47	2.47
<b>Total</b>	<b>7,478.37</b>	<b>5,064.26</b>

3. The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. The Company operates in a single geographical segment i.e. domestic.
4. Related party disclosures in terms of Accounting Standard 18 issued by The Institute of Chartered Accountants of India and applicable regulations 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, 2016 # (Amount in Rs.)	Amount written off or written back # (Amount in Rs.)
Mr. H P Singh	Key Personnel	Remuneration	<b>15,049,990.00</b> ( 6,176,000.00 )	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Satvinder Singh	Non-Executive Director & Relative of Key Managerial Personnel	Sitting Fees	<b>40,000.00</b> (40,000.00)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Rakesh Sachdeva	Non-Executive Director	Sitting Fees	<b>100,000.00</b> (40,000.00)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Sundeep Kumar Mehta	Non-Executive Director	Sitting Fees	<b>100,000.00</b> (40,000.00)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mrs. Sangeeta Khorana	Non-Executive Director	Sitting Fees	<b>20,000.00</b> (30,000.00)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Goh Colin	Non-Executive Director	Sitting Fees	<b>30,000.00</b> (20,000.00)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Sanjay Kumar Bhatia	Non-Executive Director	Sitting Fees	<b>40,000.00</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Sujan Singh Chawla	Non-Executive Director	Sitting Fees	<b>10,000.00</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Anil Kumar Kalra	Non-Executive Director	Sitting Fees	<b>20,000.00</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Jugal Kataria	Chief Financial Officer	Remuneration	<b>5,130,400.00</b> (4,020,480.00)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
Mr. Choudhary Runveer Krishanan	Company Secretary & Compliance Officer	Remuneration	<b>1,030,000.00</b> (900,000.00)	<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>27,038,007.00</b> (18,286,717.00)	<b>2,738,181.00 Dr.</b> (2,216,914.00 Dr.)	<b>Nil</b> (Nil)
Niryas Food Products Pvt.Ltd.	Influence of Key Managerial Personnel & Relatives	Rent Received	<b>135,100.00</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
		Security Deposit	<b>33,775.00</b> (Nil)	<b>33,775.00</b> (Nil)	<b>Nil</b> (Nil)

# Figures in bracket pertain to previous year.

Note: As provisions for gratuity and leave benefits are made for the Company as a whole, the amounts pertaining to the key Management Personnel are not specifically identified and hence are not included above.

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Operating lease payments recognized during the year	49,822,256.00	23,943,245.00
Minimum lease obligations:		
-Not later than 1 year	46,687,517.00	27,862,400.00
-Later than 1 year but not later than 5 years	61,161,519.00	62,509,975.00
-Later than 5 years	3,712,226.00	12,698,040.00

## 6. Earnings Per Share:

In accordance with the Accounting Standard 20 of 'Earnings Per Share' as notified by the Companies (Accounting Standards) Rules, 2015:

(i) Calculation of Earnings Per Share:

Particulars	Current Year	Previous Year
Net Profit after tax available for appropriation (Rs.)	573,521,264.37	308,247,992.32
Weighted average number of Equity Share for computation of Basic Earning Per Share	28,275,712	25,319,080
Basic Earning Per Share (Rs.)	20.28	12.17
Weighted average number of Equity Share for computation of Basic Diluted Per Share	28,723,129	25,844,080
Diluted Earning Per Share (Rs.)	19.97	11.93

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

Particulars	Current Year	Previous Year
Basic Earning Per Share (Rs.)	20.28	12.17
Effect of Outstanding ESOS (Rs.)	(0.31)	(0.24)
Diluted Earning Per Share (Rs.)	19.97	11.93

(iii) Effects of Share Options on Diluted Earnings per Share :

### Computation of earnings per share

Particulars	Earnings	Shares	Earnings Per Share
Net profit for the year ended 2016 (Rs.)	573,521,264.37	-	-
Weighted average number of shares outstanding during year ended 2016	-	28,275,712	-
<b>Basic earnings per share (Rs.)</b>	-	-	<b>20.28</b>
Number of shares under option	-	447,417	-
Number of shares that would have been issued at fair value:	-	(29,126)	-
<b>Diluted earnings per share (Rs.)</b>	<b>573,521,264.37</b>	<b>287,23,129</b>	<b>* 19.97</b>

\*Average fair value of one equity shares for the year ended 2016- Rs.73.79

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

(Amount in Rs.)

Nature	Current Year	Previous Year
Share Application Money / Share Capital/Securities Premium Received	414,700,000.00	284,374,970.00
External Commercial Borrowing Received	-	633,900,000.00
Reimbursement of Expenditure	-	404,147.00
<b>Total</b>	<b>414,700,000.00</b>	<b>918,679,117.00</b>

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

(Amount in Rs.)

Nature	Current Year	Previous Year
Travelling expenses	4,932,852.80	2,955,554.00
Fees & Subscription	566,249.00	895,778.00
Professional Fee	8,684,241.00	30,997,352.00
Interest Payment - External Commercial Borrowing	33,246,237.00	6,981,343.00
Sitting Fees	30,000.00	20,000.00
Business Promotion	505,420.00	-
<b>Total</b>	<b>47,964,999.80</b>	<b>41,850,027.00</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 31st March, 2016 (Previous year Rs.Nil).

10. Additional disclosures as required by the Reserve Bank of India: -

(A) Disclosure as per circular no. RBI/2014-15/299 DNBR(PD) CC.No.002/03.10.001/2014-15,dated 10th November 2014 issued by RBI are as under:-

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

Particulars	Current Year	Previous Year
CRAR(%)	16.82	15.67
CRAR-Tier I (%)	11.30	9.60
CRAR-Tier II (%)	5.52	6.07
Amount of subordinated debt as Tier-II capital (Rs.in Crores)	162.22	80.91
Amount raised by issue of perpetual Debt Instruments	-	-

**(ii) Investment:-****(Rs.in Crores)**

Particulars		Current Year	Previous Year
1)	Value of Investments		
	i) Gross Value of Investments	0.06	0.06
	a) In India	0.06	0.06
	b) Outside India	-	-
	ii) Provisions of Depreciation	-	-
	a) In India	-	-
	b) Outside India	-	-
	iii) Net Value of Investments	0.06	0.06
	a) In India	0.06	0.06
	b) Outside India	-	-
2)	Movement of provisions held towards depreciation on investments	-	-
	i) Opening balance	-	-
	ii) Add: Provision made during the year	-	-
	iii) Less: Write-off/Write back of excess provision during the year	-	-
	iv) Closing balance	-	-

**(iii) Derivatives:-**

The Company has no transactions/exposure in derivatives in the current and the previous year.

**(iv) (a) Disclosures relating to Securitisation:-****(Rs.in Crores)**

S.No.	Particulars	Current Year	Previous Year
1	Number of SPVs sponsored by the NBFC for securitisation transaction	23	25
2	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	820.24	630.35
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	-	-
	On Balance Sheet exposures	-	-
	* First Loss	49.41	50.62
	* Others	-	-
4	Amount of exposures of securitisation transactions other than MRR	-	-
	Off Balance Sheet exposures	-	-
	i) Exposure to own securitisation	-	-
	* First Loss	-	-
	* Others	-	-
	ii) Exposure to third party securitisations	-	-
	* First Loss	-	-
	* Others	-	-
	On Balance Sheet exposures	-	-
	i) Exposure to own securitisation	-	-
	* First Loss	-	-
	* Others	-	-
	ii) Exposure to third party securitisation	-	-
	* First Loss	-	-
	* Others	-	-

**(b) Disclosure as per RBI circular no. DBOD.No.BP.BC.60/21.04.048/200506 dated February 1,2006.****(Rs.in Crores)**

Particulars	Current Year	Previous Year
i) Total number of loan assets securitized during the year	645,889	414,624
ii) Book value of loans assets securitized during the year	1,118.99	662.28
iii) Sale consideration received during the year	1,118.99	676.44
iv) Credit enhancement provided during the year	45.34	36.99
v) Un-amortised interest spread as at year end	0.44	13.14
vi) Interest spread recognised in the statement of Profit & Loss during the year (including amortization of unamortised interest spread)	72.79	24.28

(v) **Detail of Assignment Transactions undertaken:-**

(Rs.in Crores)

Particulars		Current Year	Previous Year
i)	Total number of loans assets assigned during the year	184,672	116,895
ii)	Book value of loans assets assigned during the year	297.05	158.80
iii)	Sale consideration received during the year	295.60	160.17
iv)	Interest spread recognised in the statement of Profit & Loss during the year (including amortization of unamortised interest spread)	12.26	6.88

(vi) **Details of financial asset sold to Securitisation / Reconstruction Company for asset reconstruction:-**

The Company has not sold financial assets to Securitisation / Reconstruction Companies for asset reconstruction in the current and previous year.

(vii) **Detail of non-performing financial asset purchased/sold:-**

The Company has not purchased/sold non-performing financial asset in the current and previous year.

(viii) **Asset Liability Management Maturity pattern of certain items of assets and liabilities:-**

(Rs.in Crores)

Particulars	1 days to 30/31 days (one month)	Over one month to two months	Over two months upto three months	Over three months upto six months	Over six months upto one year	Over one year to three year	Over three year to five year	Over five year	Total
<b>Liabilities</b>									
<b>Borrowings from Banks</b>	97.31 (40.49)	57.40 (45.79)	135.86 (77.02)	270.49 (159.37)	453.11 (309.15)	573.16 (391.63)	9.02 (3.34)	-	1,596.35 (1,026.79)
<b>Market Borrowings (other than banks)</b>	18.42 (14.99)	26.30 (11.10)	18.11 (21.17)	157.31 (63.65)	152.88 (74.81)	559.09 (307.74)	121.08 (42.20)	98.78 (67.62)	1,151.97 (603.28)
<b>Assets</b>									
<b>Advances</b>	269.07 (120.55)	177.74 (94.51)	164.58 (92.61)	490.37 (298.17)	1,255.34 (656.46)	670.01 (544.96)	5.72 (0.67)	0.54 (0.87)	3,033.37 (1808.80)
<b>Investments</b>	-	-	-	-	-	-	-	0.06 (0.06)	0.06 (0.06)

# Figures in bracket pertain to previous year.

(ix) **Exposures:-**

(a) **Exposure to Real State Sector:-Nil** (Previous Year Nil)

(b) **Exposure to Capital Market:-Nil** (Previous Year Nil)

(x) **Details of financing of parent Company product:-**

This disclosure is not applicable as the Company does not have any holding/parent Company.

(xi) **Registration obtained from other financial sector regulators:-**

The Company is registered with following other financial sector regulators:

(a) Ministry of Corporate Affairs

(b) Ministry of Finance (Financial Intelligence Unit)

**(xii) Disclosure of Penalties imposed by RBI & other regulators:-**

The RBI conducted the inspection of the Company during the financial year and the inspection report is pending to be received from RBI.No penalty has been imposed by RBI and other regulators.

**(xiii) Related party transactions:-**

Please refer Note No.26 (4)

**(xiv) Rating assigned by credit rating agencies and migration of ratings during the year-**

The Credit Analysis & Research Limited has upgraded the MFI grading from MFI 2+ to MFI 1 during the year.

The Credit Analysis & Research Limited has reaffirmed credit rating BBB+(Triple B plus) for long term bank facilities upto Rs.1,600.00 crores during the year. During the year, the Company's various instruments were rated, the details of these ratings are as under:-

S.No.	Particulars	Amount (Rs. in Lacs)	Credit Rating Agency	Credit Rating At Issue	Remarks
1	Non Convertible Debenture	200.00	ICRA Limited	BBB+	
2	Non Convertible Debenture	2,500.00	ICRA Limited	BBB+	
3	Non Convertible Debenture	3,000.00	ICRA Limited	ICRA A-(SO)	
4	Non Convertible Debenture	2,500.00	ICRA Limited	BBB+	
5	Non Convertible Debenture	2,628.00	Credit Analysis & Research Ltd	BBB+	
6	Non Convertible Debenture	5,000.00	Credit Analysis & Research Ltd	BBB+	
7	Non Convertible Debenture	4,644.00	Credit Analysis & Research Ltd	BBB+	
8	Non Convertible Debenture	1,250.00	Credit Analysis & Research Ltd	BBB+	
9	Non Convertible Debenture	1,250.00	Credit Analysis & Research Ltd	BBB+	
10	Non Convertible Debenture	2,700.00	India Ratings & Research	IND BBB+	
11	Securitisation	2,432.60	ICRA Limited	A-(SO)/BBB-(SO)	Upgraded to A+(SO)/BBB(SO)
12	Securitisation	7,645.28	ICRA Limited	A-(SO)/BBB(SO)/BBB-(SO)	
13	Securitisation	4,327.80	ICRA Limited	A-(SO)/BBB(SO)/BBB-(SO)	
14	Securitisation	4,963.38	ICRA Limited	A-(SO)/BBB(SO)	
15	Securitisation	5,087.08	ICRA Limited	A-(SO)/BBB(SO)	
16	Securitisation	5,364.09	ICRA Limited	A-(SO)/BBB(SO)	
17	Securitisation	3,234.81	ICRA Limited	A-(SO)	
18	Securitisation	4,444.15	ICRA Limited	A-(SO)/BB-(SO)	
19	Securitisation	10,942.45	ICRA Limited	A-(SO)/BBB(SO)	
20	Securitisation	5,454.17	ICRA Limited	BBB+(SO)/BBB(SO)	
21	Securitisation	6,432.57	ICRA Limited	A-(SO)	
22	Securitisation	4,092.16	ICRA Limited	BBB+(SO)/BB+(SO)	
23	Securitisation	12,029.48	ICRA Limited	A(SO)/BBB+(SO)/BBB(SO)	
24	Securitisation	4,983.25	ICRA Limited	A-(SO)	
25	Securitisation	5,666.32	ICRA Limited	A-(SO)	
26	Securitisation	5,222.79	ICRA Limited	BBB(SO)	
27	Securitisation	7,910.98	India Ratings & Research	A(SO)/BBB-(SO)	
28	Securitisation	5,233.14	India Ratings & Research	A-(SO)/BB-(SO)	
29	Securitisation	4,017.24	India Ratings & Research	A-(SO)/BB-(SO)	
30	Securitisation	2,415.55	India Ratings & Research	A-(SO)/BB-(SO)	
31	Commercial Paper	5,000.00	ICRA Limited	ICRA A1+(SO)	

**(xv) Remuneration of Directors:-****(Amount in Rs.)**

Particulars	Salary	Contribution to Provident Fund	Leave Travel Allowance	Sitting Fees
Mr. H P Singh	<b>12,900,520.00</b> (5,200,000.00)	<b>1,016,050.00</b> (576,000.00)	<b>1,133,420.00</b> (400,000.00)	Nil (Nil)
Mr. Satvinder Singh	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>40,000.00</b> (40,000.00)
Mr. Rakesh Sachdeva	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>100,000.00</b> (40,000.00)
Mr. Sundeep Kumar Mehta	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>100,000.00</b> (40,000.00)
Mrs. Sangeeta Khorana	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>20,000.00</b> (30,000.00)
Mr. Goh Colin	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>30,000.00</b> (20,000.00)
Mr. Sanjay Kumar Bhatia	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>40,000.00</b> (Nil)
Mr. Sujan Singh Chawla	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>10,000.00</b> (Nil)
Mr. Anil Kumar Kalra	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>20,000.00</b> (Nil)

# Figures in bracket pertain to previous year.

**(xvi) Additional Disclosures:-****(a) Provisions & Contingencies:-****(Rs.in Crores)**

Break up of 'Provisions and Contingencies shown under the head expenditure in profit & loss account		Current Year	Previous Year
Provision for depreciation on Investment		-	-
Provision towards NPA		2.12	0.21
Provision made towards income tax		33.00	17.60
Other provision and contingencies (with details)			
i)	Provision for leave encashment	2.31	1.23
ii)	Provision for gratuity	0.91	0.31
Provision for Standard Assets		20.63	14.43

**(b) Draw Down from Reserves:-**

There has been no draw down from reserve during the year ended 31st March 2016 (Previous Year Rs.832,528.11).

**(c) Concentration of Advances, Exposures and NPAs:-****(Rs.in Crores)**

Particulars	Current Year	Previous Year
<b>Concentration of advances</b>		
Total advance to twenty largest borrowers	<b>0.10</b>	0.10
% of Advance to twenty largest borrowers to total advances	<b>0.003%</b>	0.005%
<b>Concentration of exposures</b>		
Total exposure to twenty largest borrowers/customers	<b>0.10</b>	0.08
% of Exposure to twenty largest borrowers/customers to total exposure	<b>0.003%</b>	0.004%
<b>Concentration of NPAs</b>		
Total exposure to top four NPA account	<b>0.02</b>	0.02

(d) Sector-wise NPAs:-

Particulars		Current Year	Previous Year
S.No.	Sector	Percentage of NPAs to total advance to that sector	
1	Agriculture & Allied activities	0.07%	0.01%
2	MSME	0.08%	0.02%
3	Corporate borrowers	-	-
4	Services	0.02%	0.04%
5	Unsecured personal loans	-	-
6	Auto Loans	-	-
7	Other personal loans	-	-

(e) Movement of NPAs:-

(Rs.in Crores)

Particulars		Current Year	Previous Year
i)	Net NPAs to net advance	0.09	0.01
ii)	Movement of NPAs (Gross)		
a)	Opening balance	0.42	0.19
b)	Addition during the year	14.19	3.59
c)	Reductions/Write off during the year	9.13	3.36
d)	Closing balance	5.48	0.42
iii)	Movement of net NPAs		
a)	Opening balance	0.21	0.10
b)	Addition during the year	14.19	1.80
c)	Reductions/Write off during the year	11.66	1.69
d)	Closing balance	2.74	0.21
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening balance	0.21	0.09
b)	Addition during the year	7.10	1.79
c)	Write-off/Write back during the year	4.57	1.67
d)	Closing balance	2.74	0.21

**(f) Customer Complaints:-**

Particulars		Current Year	Previous Year
a)	Number of complaints pending at the beginning of the year	-	-
b)	Number of complaint received during the year	1589	828
c)	Number of complaint redressed during the year	1589	828
d)	Number of complaint pending at the end of the year	-	-

**(g) Instances of fraud:-**

Instance of fraud for the year ended 31st March,2016:

(Rs.in Lacs)

Nature of Fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Cash embezzlement	2 (Nil)	85.07 (Nil)	75.00 (Nil)	10.07 (Nil)

# Figures in bracket pertain to previous year.

**(B) Information on Net Interest Margin :-**

Particulars	Current Year	Previous Year
Average Interest (a)	23.81%	23.94%
Average effective cost of borrowing (b)	14.29%	15.01%
Net Interest margin (a-b)	9.52%	8.93%

(C) 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>			
<b>1</b>	<b>Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
	(a) Debentures : Secured	33,900.66	-
	: Unsecured	12,528.00	-
	(other than falling within the meaning of Public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	218,261.30	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	4836.35	-
	(g) Other Loans (specify nature) -		
	Public deposits	-	-
	Other unsecured loans	-	-
	Secured loans against assets of Company	120.70	-
<b>Assets side :</b>		<b>Amount outstanding</b>	
<b>2</b>	<b>Break-up of Loans and advances including bills receivables (other than those included in (4) below) :</b>		
	(a) Secured		-
	(b) Unsecured		235,015.93
<b>3</b>	<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		-
<b>4</b>	<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)		-
	Long Term Investments :		
	1. Quoted :		
	(I) Shares : (a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others (please specify)		-
	2. Unquoted :		
	(I) Shares : (a) Equity		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	<b>Borrower group-wise classification of assets financed as in (2) and (3) above:</b>			
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	-	225,197.67	225,197.67	
<b>Total</b>	-	<b>225,197.67</b>	<b>225,197.67</b>	
6	<b>Investor group-wise classification of all investments (current and long term) in shares and securities ( both quoted and unquoted):</b>			
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	
<b>Total</b>			<b>5.51</b>	
7	<b>Other information</b>			
Particulars			Amount	
(I) Gross Non-Performing Assets			424.31	
(a) Related parties			-	
(b) Other than related parties			424.31	
(II) Net Non-Performing Assets			212.16	
(a) Related parties			-	
(b) Other than related parties			212.16	
(III) Assets acquired in satisfaction of debt			-	

11. With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Company has undertaken activities as per the Corporate Social Responsibility (“CSR”) Policy. During the financial year 2015-16, the Company has incurred a sum of Rs. 5,100,000.00 (Previous Year 2,064,260.00) towards corporate social responsibilities in accordance with section 135 of the Companies Act 2013.

12. 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 attached

**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: 30th May,2016**

**Jugal Kataria**

(Chief Financial Officer)

**Choudhary Runveer Krishanan**

(Company Secretary & Compliance Officer)



# Women Self Help Group and Livelihood Project

## Creating self-sustainable way to get rid of poverty

A lot has been achieved in past 4 years with the drastic changes that have taken place on socio-economic development parameters on the ground as compared to conditions in the year 2012.

Till March 2016, 2,197 women self-help group has been promoted by SCNL with more than 25,000 financially excluded members. Out of these 2,151 WSHGs have been saving linked and 924 WSHGs have been credit linked with various Banks. These credit linked women self-help groups were sanctioned cash credit limit of Rs. 28 Crore. Out of which around 10 Crore was disbursed and utilised by these WSHG members. These WSHG members also have successfully mobilised around 4 Crore as savings in different Banks.

Since last two years apart from financial inclusion, SCNL is continuously focusing on capacity building and livelihood generation for the members and households who are associated with this program. Resulting in more than 11,000 members who have stream lined with direct income generating activities and also generating direct and indirect employment within the society.

While focusing on socio-economic development and creating self-sustainable development approach for these financially excluded families, during FY 2015-16, SCNL has conducted 35 Micro Enterprise Development Programme (MEDP), where 5 were under sponsorship program of NABARD and rest 30 were sponsored by SCNL. In these MEDP more than 1,900 WSHGs member have been trained in different trades of skills i.e. paper plate making, food processing, sewing & tailoring, making soft toys, artificial jewellery, handicraft items etc. SCNL also assisted more than 300 trained members to set up their own business and helped them become successful entrepreneurs.

SCNL also has conducted 690 WSHG financial inclusion and social awareness programs during FY 2015-16 where awareness was created on various issues like micro insurance, pension scheme of governments, various savings and investment schemes of government, child education, sanitation, malnutrition, reproductive health, water conservation, plantation, say no gender discrimination, family planning etc.

The impact of these various financial and social reforms is visible at ground level as well. Households of these WSHG members are more aware, responsive, self-dependent and have become responsible family member. This has enabled them to run their livelihood activities successfully and to take their own decisions. On social background, education is given priority and children now study in schools, child marriages are discouraged, people have adopted safe sanitation modes to keep themselves and their family members healthy and a lot other impacts has been noticed.

SCNL understands its responsibility towards the society and thus, has always and will always create awareness on different development aspects as well as assist these WSHG members to enhance their skills and livelihood opportunities. The mutual efforts of SCNL and WSHG members with the support of NABARD and Banks will help eliminate poverty from these project area and drive the society in self sustainable way.



# Client Success Story - WSHG

## Journey of a farm labour to a Brick field owner

*"SCNL WSHG program made my dream come true" Anju Devi*

Anju Devi aged 33 years is a member of Parvati Satin SHG, Kemha Plot, Sirmour in Rewa. Both Anju and her husband Rjesh Kol worked as low waged labours in a farm. Their family income was too low to manage and provide adequate food to their family. With her savings of two years Anju managed to buy 2 doe (baby goats) but unfortunately they both died the same year due to some illness which wasted her all efforts to break vicious circle of poverty.



In October 2012 SCNL introduced its WSHG program, Anju Devi joined this campaign and formed "Parvati Satin SHG" - a women self-help group. With her savings and through internal lending of Rs. 5,000 she bought a doe (female goat). Slowly saving corpus of SHG started to gain speed with help of internal lending to its members. By end of monsoon 2014, Anju Devi had 14 goats to earn her livelihood.

With the efforts of SCNL and Union Bank of India-Sirmour Branch, Rewa (MP) a loan amount of Rs. 90,000 was sanctioned to her SHG under CCL on 10th November 2014 from which Anju Devi took a loan of Rs. 15,000. She then sold all her goats and started her own start-up business of brick field with the money loaned from her SHG and accumulated by selling the goats. Gradually, Anju's business started to grow and in September 2015 she took another loan of Rs. 20,000 from her SHG for expansion of her business.

*"I am very happy and thankful to Satin. They helped me not only to earn livelihood but also materialized my dream of having my own business. My husband is really proud of me and often teases me by saying Bade Madam" - Anju Devi*

## From a house-wife to sewing & tailoring shop owner

*"We have named our group in name of Laxmi Ji it and it filled our life with prosperity and happiness" - Muni*



Muni aged 28 years is a member of Laxmi Satin SHG, Sagra, Raipur Karchuliyan, Rewa. She lives with her husband Motilal who works with a private firm on contractual basis and their children. Muni was very good at tailoring but due to family responsibilities she left her passion for stitching in 2007. Given the growing needs of an expanding family and kids, her husband's miniscule earnings were too low for survival of a family of four members.

In September 2012, Muni got associated with SCNL who encouraged her to pursue her passion for tailoring. She then volunteered to form a women self-help group - "Laxmi Satin SHG" and started saving Rs. 100 every month.

With her determination to add to the family income and hard work of the group, a loan amount of Rs. 24,000 on 31st May 2013 was sanctioned to her SHG. Thereafter, SCNL conducted MEDP (Micro Enterprise Development Program) training for the SHG group on Sewing & Tailoring.

Post this training Muni took a loan of Rs. 5,000 as a start-up capital for sewing & tailoring from her SHG. In March 2014 she took another loan of Rs. 15,000 from her SHG to start her tailoring business in market area. Muni then employed some of her group members to help her and gave them a salary of Rs. 2,000 - Rs. 5,000. Today, Muni has a team of 5 people working for her who are paid both on commission as well as salary basis.

*"We are all very proud of Muni Didi. She has not only empowered herself but all of us as well. She continues to motivate all of us to be self and financially dependent" - Radha works with Muni and Member of Laxmi Satin SHG*

# SCNL's Empowerment and Social Initiatives

The Financial Year 2015-2016 will be remembered for new initiatives. We began with an array of activities and social initiatives organized by team SCNL to create awareness, assist, educate and benefit our clients, their families and community as a whole by providing them with the basic knowledge and needs that they are both ignorant about and deprived of. Focusing on health and hygiene, financial literacy trainings, child education and women empowerment, capacity building and livelihood trainings, there were several such initiatives that were carried out across regions and states, such as, Uttar Pradesh, Madhya Pradesh, Punjab, Uttarakhand etc. We adopted numerous modes of conducting such trainings/awareness workshops & campaigns: Focused Group Discussions (FGDs), branch-level workshops, center-leader workshops, Media Workshop, advertisement campaigns in national/regional newspapers etc. In Uttarakhand particularly, workshop for media was organized to dispel rumours and misgivings spread out by interested groups. Major focus in the outgoing financial year was on financial literacy. Several campaigns were run in order to increase their awareness level on MFI's regulations and work mechanism. The workshops that were conducted broadly provided knowledge on:

- a) What is over-indebtedness and how can you protect your family from getting trapped?
- b) What is the importance of investing the borrowed money in income generating activities?
- c) Need to avoid re-lending, pipelining etc.
- d) How does an MFI operate? Satin's experience in the industry and their credentials? What are the terms and conditions of loan? What is the loan amount, interest rate, loan tenure? How are we regulated? Where do we get funds from?
- e) Education on Credit Bureaus and importance of building a good repayment track record.
- f) Difference between chit fund companies and MFIs?
- g) How banks/financial institutions can help in supporting livelihood activities?
- h) What are the sources of MFIs' funding?

## New initiatives and Product development:

This financial year, SCNL focused to pilot need-based loan products that specifically met the requirements of our clients. After conducting market research, areas were identified where people had special needs financial needs and loan products were designed to meet their requirements. Below mentioned is a snapshot of the loan products:

Particulars	Details
Loan Product	<b>Sanitation Loan</b>
Ticket Size	INR 9,500/ INR 11,500/ INR 13,500
Tenure	12 Months
Pilot duration	1st October 2015- 31st March 2016 (6 months)
Pilot areas	Eastern UP (3 branches), Western Bihar (3 branches)
No. of loans disbursed as on 31st March 2016	314
Portfolio	INR 4,109,000

Particulars	Details
Loan Product	<b>Solar Loan</b>
Ticket Size	INR 695
Tenure	6 months
Pilot duration	16th October 2015- 31st March 2016 (5.5 months)
Pilot areas	UP, Bihar ( 3 branches)
No. of loans disbursed as on 31st March 2016	201875
Portfolio	INR 140,303,125

# Our Corporate Social Responsibility

## Organization Name:

Maharaja Agrasen Hospital Charitable Trust (MAHCT)

## Profile of the organization:

Maharaja Agrasen Hospital is a charitable trust established for running a Hospital under the name of Maharaja Agrasen Hospital through which it is providing the medical aid to every deserving human being as in-patient as well as out-patient. MAHCT came into being in the Year 1988 as a Society Registered under the Societies Act 1860 in terms of Registration Certificate given by The Registrar of Societies dated 11-08-1980 bearing registration nO.S-11107 of 1980. The main objects for which the society was registered was to carry out the charitable activities as defined U/s 2(15) of the IT Act'1961 which consists mainly of to establish hospitals and give medical services on charitable basis to public at large without any restriction of caste, creed and religion

## Project undertaken:

Establishing Maharaja Agrasen Medical University at Jajjhar District of Haryana.

## Amount spent on the projects:

Rs. 51,00,000

## Project Overview:

The project will undertake Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute, MaharajacAgrasen Management Institute. The estimated project cost is around 100 Cr. The medical college will have a separate section for economic weaker section category patient where patient will be treated free of cost including the medicines and diets. This section will run through CSR funds.





**FORM NO. MGT-11**  
**PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)of the Companies**  
**(Management and Administration) Rules, 2014]**

Name of the Member(s):  
Registered Address:  
E-mail Id:  
Folio No. / DP & Client ID:

**I/We, being the member (s) of ..... Equity shares of the above named company, hereby appoint**

1. Name: .....  
2. Address:.....  
3. E-mail Id: .....  
4. Signature: ....., or failing him.

1. Name: .....  
2. Address:.....  
3. E-mail Id: .....  
4. Signature: ....., or failing him

1. Name: .....  
2. Address:.....  
3. E-mail Id: .....  
4. Signature: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on July 30, 2016 at 10.00 A.M. at 'Shri Ram Centre-Auditorium, 4-Safdar Hasmi Marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

- Resolution 1 : To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2016 and the Reports of Directors' and Auditors' thereon.
- Resolution 2 : To appoint a Director in place of Mr. Davis Frederick Golding (DIN: 00440024), who retires by rotation and being eligible, offers himself for re-appointment.
- Resolution 3 : To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.
- Resolution 4 : Reclassification of the Authorized Share Capital and Consequent Alteration of Memorandum of Association.
- Resolution 5 : Acquisition of a Wholly Owned Subsidiary through Share Swap and Consequential Preferential Issue and Allotment of Securities.
- Resolution 6 : Further Issuance of Securities
- Resolution 7 : Raising FPI Limit of the Company
- Resolution 8 : To appoint Mr Anil Kumar Kalra (DIN: 07361739) as an Independent Director.
- Resolution 9 : To Consider, Discuss and Approve the Issuance of Non-Convertible Debentures, in one or more Series/Tranches of Amounting upto Rupees 1000 Crores Pursuant to Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014

**Signed this.....day of .....**

**Signature of the shareholder: .....**

**Signature of proxy holder(s): .....**

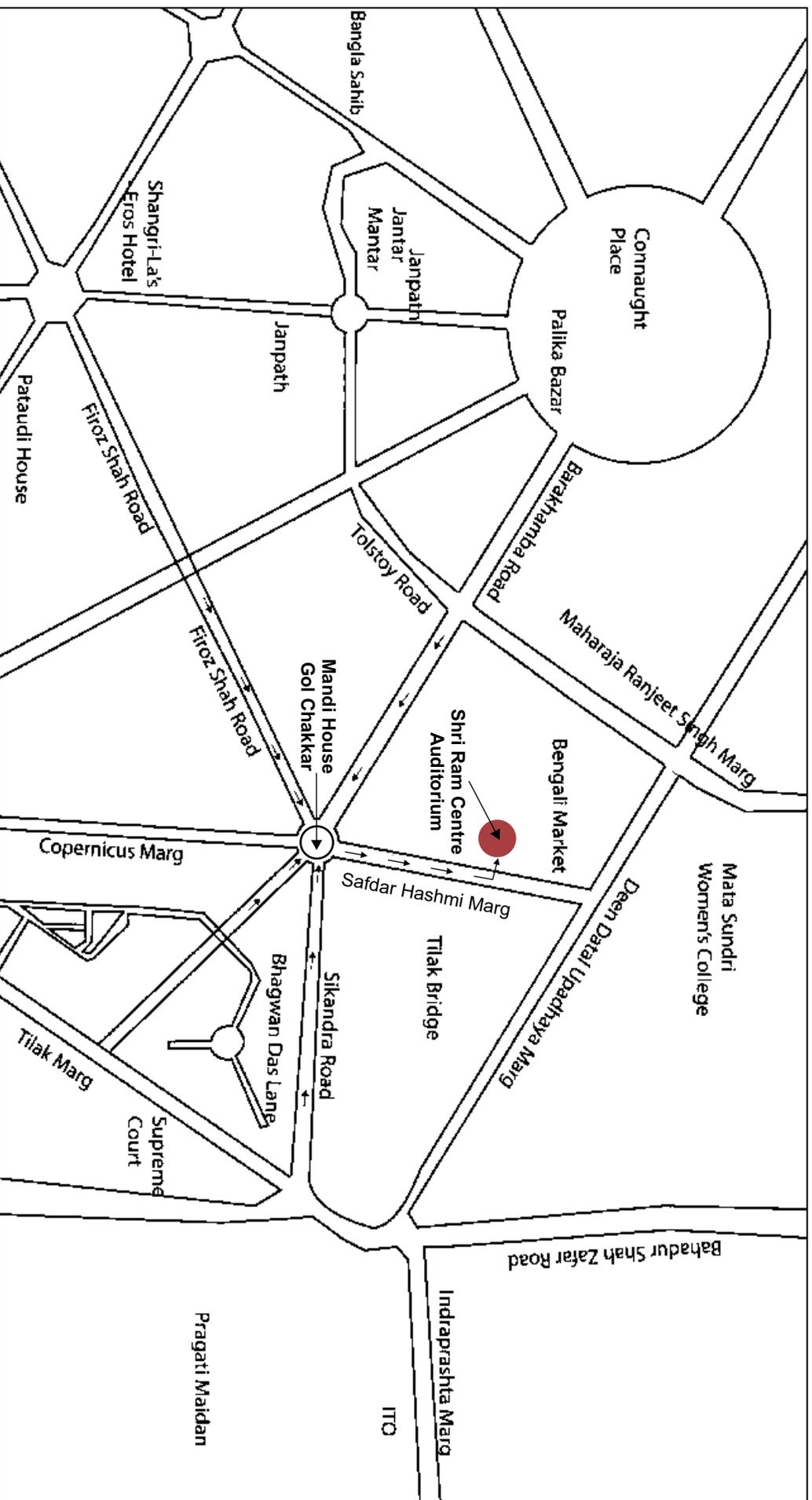
**Affix Re. 1**  
**Revenue**  
**Stamp**

**Note:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) Those Members who have multiple folios with different joint holders may use copies of this attendance slip/Proxy form.



Route map to venue of 26<sup>th</sup> Annual General Meeting of Satin Creditcare Network Limited



Venue:

Shri Ram Center-Auditorium

4, Safdar Hashmi Marg, Mandi House, New Delhi-110001



# SATIN CREDITCARE NETWORK LIMITED

*Reaching out!*

If undelivered please return to:

**Satin Creditcare Network Ltd.**

CIN : L65991DL1990PLC041796

**Corporate Office:**

909-914 ABC, 9 th Floor,  
Kanchenjunga Building,  
18, Barakhamba Road, Delhi - 110001

**Phone:** (011) 4754.5000

**Fax:** (011) 2332 8951

**Registered Office:**

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