



# 23rd Annual Report 2012-2013



**SATIN CREDITCARE NETWORK LTD**  
*Reaching Out !!!*

## Celebrating the Story of Change



Vijay Pali - 43 Years

Village : Bharana

First and the foremost, I would like to congratulate Satin Creditcare Network Limited (Satin) on completing 5 successful years of operation in rural lending. Being the first ever borrower of Satin in Joint Liability Group (JLG) model, I have witnessed both self growth as well as Company's growth over these 5 years. Today, I feel privileged to be associated with an organization that assists hundreds of people like me to fight back the tough time of want & hunger and live a life of self sufficiency. My story begins from a small village called Bharana where I live with my family. My husband works as a labourer and together we have 2 Daughters and 3 Sons. I still remember the dark days of my life where it was not only difficult to manage 3 meals a day but also, raising 5 children with my husband's daily wage was a daunting task. I was becoming helpless with every passing day. The feeling of not being able to give a good life to my family was haunting me. Then, on May 30, 2008 Satin emerged as a saviour, lifted my life up from the darkness & took it on the path of empowerment, confidence & self sufficiency. I took a loan of Rs. 8,000 to buy a buffalo. Thereafter, I started selling milk. This initiative of helping my family gave me a boost and approximately 1.5 years later I took another loan of Rs. 15,000 to buy a Cow. Thereafter, there is no looking back I supply milk to all the nearby dairies through dairy milkmen. Now, I have 1 Buffalo and 1 Cow. My business has grown considerably so has my loan size. The most recent loan I have taken from Satin amounts to Rs. 20,000 & I am in my third loan cycle. On an average, now, I save around Rs. 5,000 a month; my husband also supports me in my work. Recently, we got our elder daughter married. Our other children are also doing well in their lives. Two of my sons' are working in city, one of my son is studying and my younger daughter has completed her studies and she helps me in my business. Satin has helped me fight against my odds by turning the wheel of fortune in my favour. I solely wish best for Satin in all the years ahead.



## Message from CMD



HP Singh  
CMD

### Dear Stakeholders

I am delighted to connect with you through this 23rd Annual report of the Company.

The dynamism marks the onset of the successful business in the difficult scenario, especially when it comes to financing the vulnerable and the non- bankable class of the society.

Financial year 2012-2013 has been a great year in the history of Satin Creditcare Network Limited (Satin) as we commemorate the completion of 5 successful years of company's operation in Rural Lending. The note of appreciation by our first Joint Liability Group (JLG) model borrower Ms. Vijay Pali testifies the accomplishment of the company over all these years.

In financial year 2012-2013, Company has crossed many impressive milestones which have made us one of the key players' in the sector.

**Financial Focus:** Our loan portfolio has grown by 81% over the previous year. Satin has raised Rs. 70,892.00 Lacs through Term Loans, Non Convertible Debentures and Securitization Transactions. Company has also raised equity of Rs 4,100 Lacs during the year. Also, Satin has disbursed Rs. 62,640.63 Lacs over Rs. 38,750.36 Lacs amounting to 61.65 % increase when compared to the previous year. The gross income has also shown a growth rate of 67.77% over the previous year.

**Operational Focus:** Satin has remained focus on rural microfinance operations. Company has started to work in the toughest geographies of India which includes the states of Jammu and Punjab. There has been a considerable increase in the number of branches from 144 as at 31.03.2012 to 161 as at 31.03.2013. Also, there has been an increase in the number of states; Satin is now present in 10 States namely Bihar, Chandigarh, Delhi, Haryana, Jammu, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and Uttrakhand.

**Social Focus:** Being in the social business; at Satin, we believe that our core duty is not only to pursue business growth but also keep a keen eye on society's well-being primarily our borrowers. Time to time various campaigns, trainings and financial literacy workshops were organized in financial year 2012-2013 to give a sense of empowerment and self sufficiency to the people at Bottom of the Pyramid (BOP).

On this note, I would like to thank each one of you. The support that we have received from our bankers, lenders, financial institutions, and also, our associates and employees continues to remain critical to our progress. And like always, we are grateful for your continued patronage and for being the inspiration and support for our actions.

“Our single minded pursuit is to make Satin one of the most valuable company”.

Good Luck!

**HP Singh**  
**Chairman cum Managing Director**

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### **Mission**

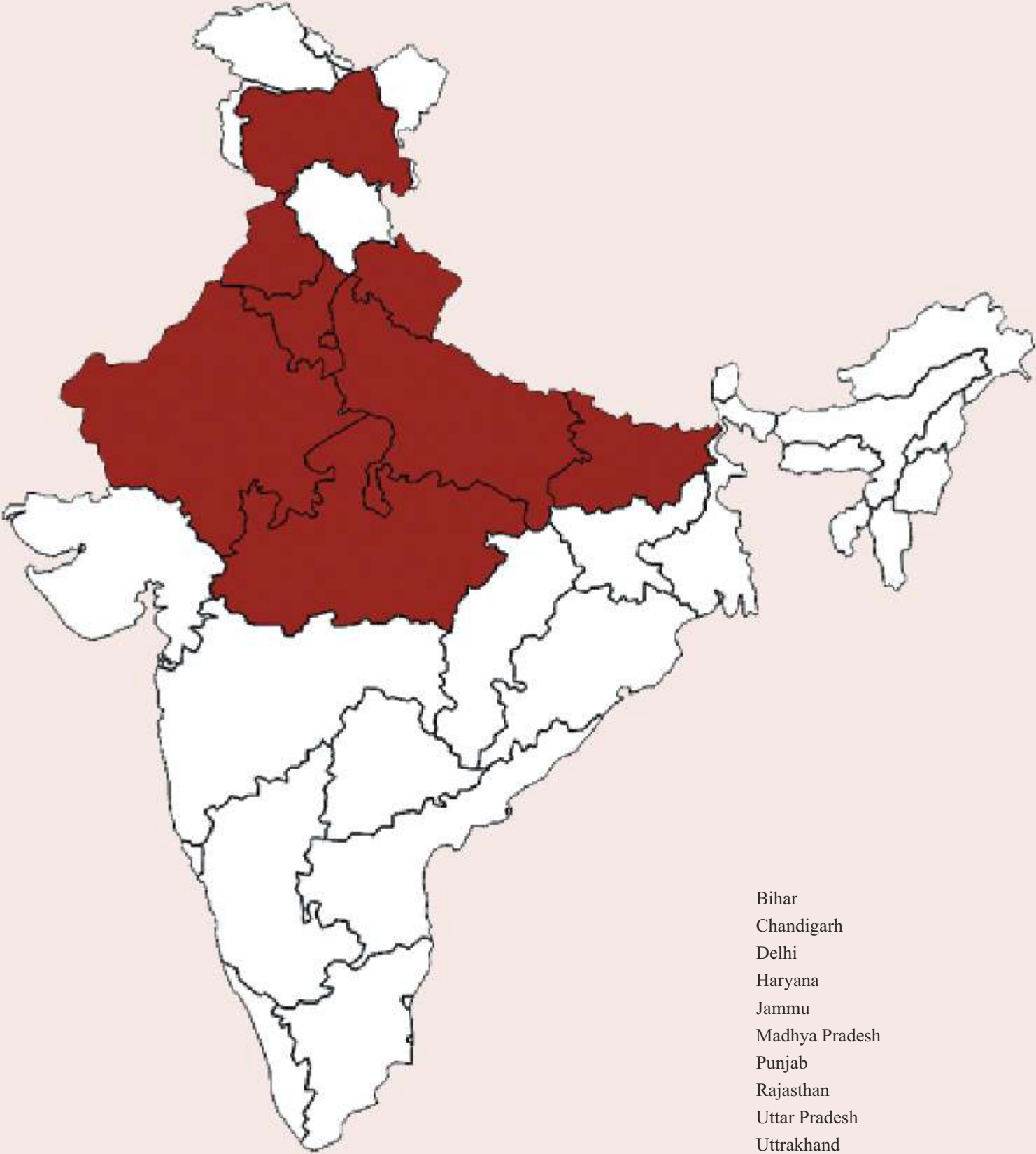
“Satin Creditcare Network Limited has a mission to provide monetary access to financially excluded families to improve their economic and social capacity.”

### **Vision**

The company wants to provide easy, doorstep service to India’s urban and rural poor, specifically those who lack access to funds from any other financial institution. We aim to provide loans at affordable rates that allow the poor to meet their productive requirements. Over time, we want to maintain a dynamic and flexible operation so that we may adopt the loan product to the needs of our clients. The company wants to expand its operations from Northern India to a national level in the short term and to expand operations internationally in the long term.



# Geographical Outreach



- Bihar
- Chandigarh
- Delhi
- Haryana
- Jammu
- Madhya Pradesh
- Punjab
- Rajasthan
- Uttar Pradesh
- Uttrakhand

## Board of Directors



**Mr. H P Singh**

Mr. H P Singh, Chairman cum Managing Director and Promoter of Satin Creditcare Network Limited (SATIN): 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 SATIN's day-to-day operations and has been a vital source of inspiration since the Company's inception in 1990. Under his leadership, SATIN 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 serves as the Director of the Company. He is a management graduate and has been associated with SATIN since its inception in 1990 and acted as Managing Director of SATIN from September 1995 to February 2011. He has extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for SATIN.



**Mr. Satvinder Singh**



**Mr. Davis Golding**

Mr. Davis Golding, EVP and Chief Investment Officer, ShoreCap II Limited: Mr. Davis Golding represents ShoreCap II Limited on the Board of SATIN. Prior to joining ShoreCap, he was EVP and Chief Operating Officer of ShoreBank Pacific, a US-based community development bank. Mr. Golding previously 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 involved in lending, trade finance and corporate restructurings. 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, USA.

Ms. Deepa A Hingorani, Head of Regional Office (South Asia), IFU: Ms. Deepa A Hingorani represents Danish Microfinance Partners K/S on the Board of SATIN. She is Masters in Finance and Control (Delhi), Executive MBA (Scandinavian International Management Institute, Copenhagen). She heads the South Asian activities for IFU, an Investment Fund owned by the Danish Government. IFU invests together with Danish companies in projects in developing countries and is also an investor in Danish Microfinance Partners. She has been associated with IFU for past 18 years working out of Chennai, Copenhagen, Singapore and New Delhi. Prior to working with IFU, she worked in Ballarpur Industries Limited, India, a large industrial group engaged in production of paper, chemicals, glass, etc. Apart from this, she serves as member of Board of Directors for a number of organizations in India, Sri Lanka and Kenya.



**Ms. Deepa A Hingorani**



## Board of Directors



**Mr. Richard B. Butler**

Mr. Richard B. Butler represents MV Mauritius on the board of SATIN. 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. Rakesh Sachdeva joined SATIN's Board in April 1999. He is a Fellow Member of the Institute of Chartered Accountants of India. He previously served as Executive Director at SATIN and is now actively involved in evaluating the Company's macro issues. Prior to joining SATIN, he has worked with Apollo Tyres Ltd. and was Vice President of Corporate Finance at U.K. Paints Group, controlling M/S Berger Paints (India) Ltd., Rajdoot Paints Ltd., Malibu Estate Pvt. Ltd. and other overseas body corporates.



**Mr. Rakesh Sachdeva**



**Mr. Naresh Khanna**

Mr. Naresh Khanna joined the Board on May 1, 2008. He is a Fellow of the Institute of Chartered Accountants of India and has over 31 years of business experience in India. He also serves as a director for various companies at the Pearlpet Group.

Mr. S S Chawla has been associated with SATIN since March 2003. He is a double graduate holding both degrees in Law as well as in Arts. He served in the Lok Sabha Secretariat for 32 years most recently as Deputy Secretary before joining SATIN as Director.



**Mr. S. S. Chawla**



**Mr. Sundeep Kumar Mehta**

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 SATIN, He has served RKJ group, Escorts Ltd, Panacea Biotech Ltd, Bata India Ltd, and also Eicher Good Earth Ltd at various high capacities respectively.



# Corporate Information

**COMPANY SECRETARY  
& COMPLIANCE OFFICER:**

Choudhary Runveer Krishanan

**AUDITORS**

A. K. Gangaher & Co.  
Chartered Accountants

**BANKERS & OTHER LENDERS**

- Andhra Bank
- Axis Bank
- Bank of Maharashtra
- BNP Paribas
- Central Bank of India
- Corporation Bank
- Dena Bank
- Development Credit Bank Limited
- Dhanlaxmi Bank
- HDFC Bank Limited
- ICICI Bank
- IDBI Bank
- IFMR Capital Finance Private Limited
- Indian Bank
- IndusInd Bank
- ING Vysya Bank
- MV Microfinance Private Limited
- Maanaveeya Development & Finance Private Limited
- Mahindra & Mahindra Financial Services Limited
- MAS Financial Services Limited
- Oriental Bank of Commerce
- Reliance Capital Limited
- Small Industries Development Bank of India
- Standard Chartered Bank
- State Bank of India
- State Bank of Mauritius
- Syndicate Bank
- The Karur Vysya Bank Limited
- The Ratnakar Bank Limited
- The South Indian Bank Limited
- United Bank of India
- Yes Bank

**REGISTERED OFFICE**

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

**CORPORATE OFFICE**

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

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

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

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

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

**WEBSITE**

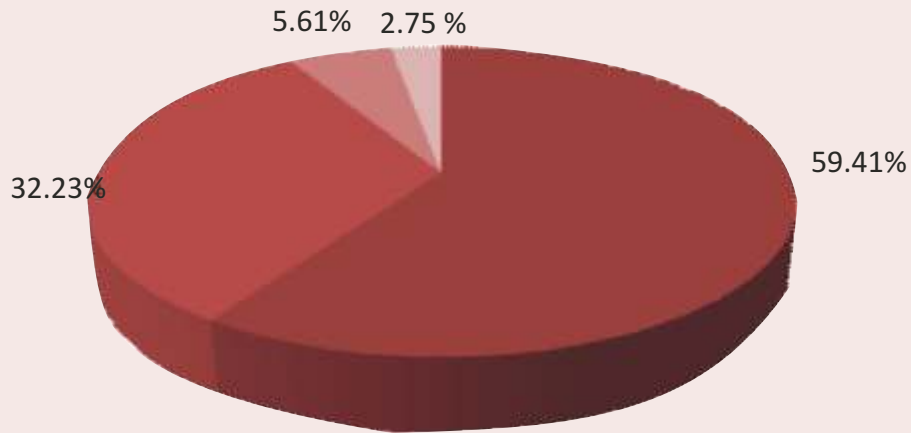
[www.satincare.com](http://www.satincare.com)



## Products & Services

Purpose wise Outstanding	No of Borrowers	Gross Loan Outstanding (Crores)	%
■ Agriculture & Animal Husbandry	296312	344.60	59.41
■ Trade & Service	143720	186.95	32.23
■ Production	30086	32.54	5.61
■ Others	14915	15.93	2.75
<b>Total</b>	<b>485033</b>	<b>580.02</b>	<b>100</b>

### Purpose Wise Summary



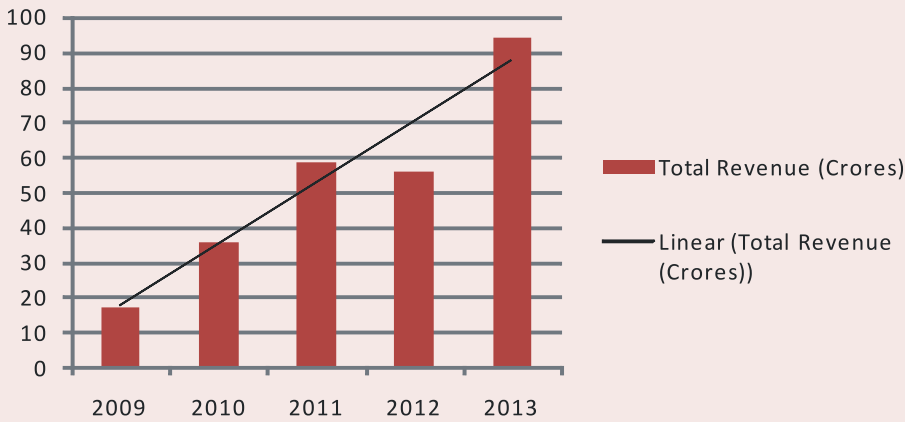
### Loan Amount Product & Services

Loan Term	<=INR 15000/ loan for 12 months & above >INR 15000/ loan for minimum of 24 months
Finance Amounts	<=INR 35000/ in first cycle (Maximum Indebtness/Borrower in the 1st cycle) <=INR 50000/ in the subsequent cycles (Maximum Indebtness/ Borrower in the 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

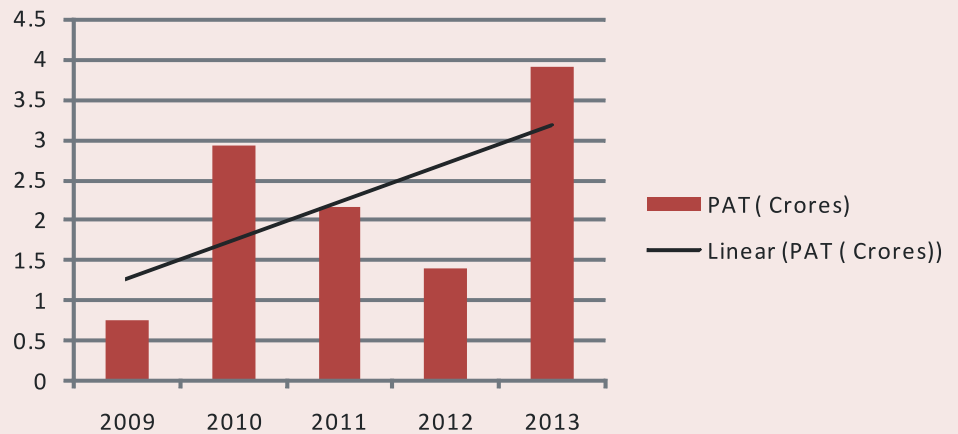
## Financial Highlights

	2009	2010	2011	2012	2013
<b>Total Revenue (Crores)</b>	<b>17.43</b>	<b>36.03</b>	<b>58.62</b>	<b>56.23</b>	<b>94.38</b>
<b>PAT (crores)</b>	<b>0.75</b>	<b>2.93</b>	<b>2.17</b>	<b>1.40</b>	<b>3.90</b>
<b>Total Assets (Crores)</b>	<b>97.93</b>	<b>220.24</b>	<b>294.54</b>	<b>316.51</b>	<b>745.19</b>

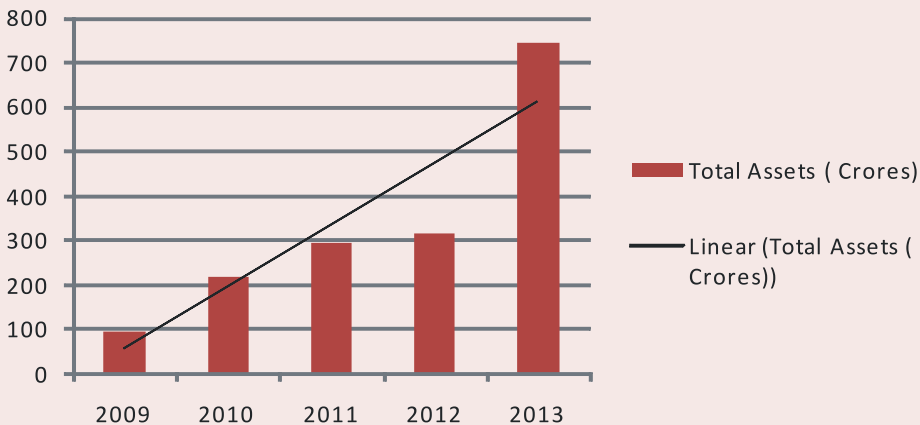
### TOTAL REVENUE



### PAT



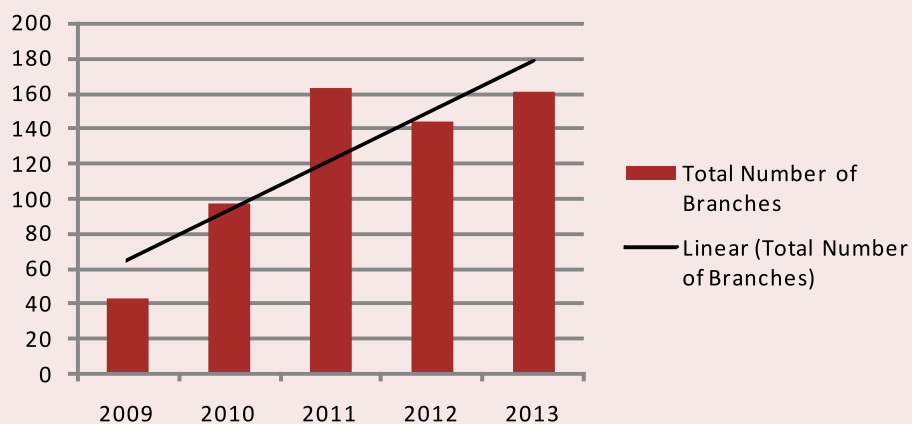
### TOTAL ASSETS



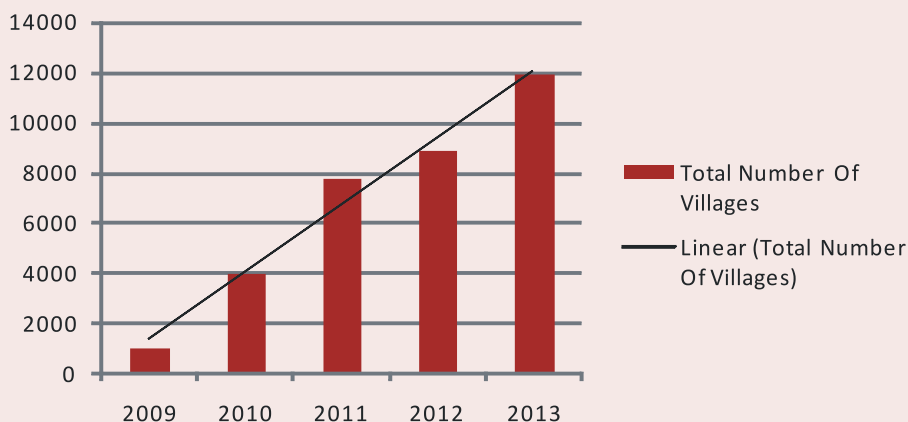
## Operational Highlights

	2009	2010	2011	2012	2013
<b>Total Number of Branches</b>	43	97	163	144	161
<b>Total Number Of Villages</b>	1015	4013	7773	8888	11945
<b>Amount Disbursed (crores)</b>	107.04	247.21	381.01	387.50	626.41

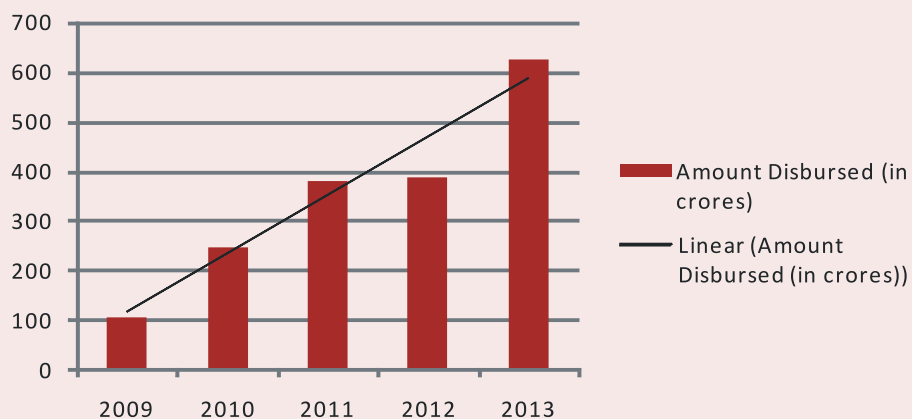
### TOTAL NUMBER OF BRANCHES



### TOTAL NUMBER OF VILLAGES



### AMOUNT DISBURSED





## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of **SATIN CREDITCARE NETWORK LIMITED** will be held on Monday, the 30<sup>th</sup> September, 2013 at 10 a.m. at 'TYAGI FARMS', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi - 110043, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013, Statement of Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Rakesh Sachdeva, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Deepa A. Hingorani, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Statutory Auditors for the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, to fix their remuneration and to authorize them also to conduct audit of accounts of the Company's Branches.

### SPECIAL BUSINESS

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

**"Resolved That** Sh. Sundeep Kumar Mehta, who was appointed as an additional director by the board under Section 260 of the Companies Act, 1956 and as per Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 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 a director of the Company liable to retire by rotation."

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

**"Resolved That** Sh. Richard Benjamin Butler, who was appointed as an additional director by the board under Section 260 of the Companies Act, 1956 and as per Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 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 a director of the Company liable to retire by rotation."

7. To consider and if thought fit to pass the following resolution, with or without modification, as an ordinary resolution:

**"Resolved That** consent be and is hereby accorded to the Board of Directors of the Company pursuant to section 293 (1) (d) of the Companies Act, 1956, for borrowing from time to time any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the company in the ordinary course of business including the cash credit limit) shall not exceed in aggregate, at any one time, Rs. 2,000.00 Crores ( Rupees Two Thousand Crores only) notwithstanding that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

8. To consider and if thought fit to pass the following resolution, with or without modification, as an ordinary resolution:

**"Resolved That** pursuant to section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company authorizing them to create charge on the movable and immovable properties of the Company, by way of hypothecation, mortgage or otherwise subject to the conditions that the aggregate amount of charges so created in favour of the Bankers, Financial Institutions and other lenders shall not at any time exceed the amount of Rs. 2,000.00 Crores (Rupees Two Thousand Crores only)."

9. To consider and if thought fit to pass the following resolution, with or without modification, as a special resolution:

**"Resolved That** pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to revise the monthly remuneration payable to Sh. H P Singh, Chairman Cum Managing Director of the Company with effect from 1<sup>st</sup> April, 2013 for the remaining period of his tenure i.e. up to



30<sup>th</sup> September, 2015 as follows:

- a. Salary: Rs. 4,00,000/- per month
- b. Perquisites

## CATEGORY A

### 1. Medical Benefits for Self & family

Reimbursement of expenses actually incurred for self and family, the total cost of which should not exceed one month's salary per year or three months' salary in a period of three years.

### 2. Leave Travel Concession

For self, wife & dependent children once in a year to and fro from any place in India subject to the condition that only actual fare & no hotel expenses etc. will be allowed. This is further subject to maximum of one month salary.

### 3. Club Fees

Club subscription fees for membership of maximum two clubs. This will, however, not include admission fees and life membership fees. This will be further subject to a ceiling of Rs. 5,000/- per year.

## CATEGORY B

### 1. Provident Fund

Participation in a recognized Provident Fund as per rules of the Company and to the extent not taxable under the Income Tax Act, 1961.

### 2. Gratuity

Gratuity not exceeding half month's salary for each completed year of service.

### 3. Leave

Encashment of Leave as per rules of the Company at the end of the tenure.

The value of perquisites under Category 'B' shall not be included in the computation of the ceiling on remuneration specified in Section II of Part II of Schedule XIII of the Companies Act, 1956.

## CATEGORY C

1. Car with driver and telephone facilities at residence for use on Company business.

**Resolved Further That** other terms and conditions/contents shall be as per earlier resolution and remain unchanged.

**Resolved Further That** in terms of Section II of Part II of Schedule XIII of the Companies Act, 1956, the required disclosure be and is hereby also given."

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

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

**Place** : Delhi  
**Dated** : 29<sup>th</sup> May, 2013

## NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. **The proxy in order to be effective must be lodged at the Regd. Office of the Company at 306, Lusa Tower, Azadpur Commercial Complex, Delhi-110033 at least 48 hours before the commencement of the meeting.**
3. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. Members are requested to bring their copies of the Annual Report to the meeting.

5. The register of members and share transfer books of the Company shall remain closed from 16<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive).
6. Members who are holding Company's shares in dematerialization form are requested to bring details of their depository A/c Number for identifications.
7. Members holding equity shares in physical form are hereby requested to notify change of their address, if any, quoting folio number.
8. The Company has a dedicated e-mail address "[investor@satincare.com](mailto:investor@satincare.com)" for shareholders to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest.
9. The Company's website "[www.satincare.com](http://www.satincare.com)" has a dedicated section on investors.
10. SEBI has placed the Company's shares under compulsory demat i.e. transactions in the Company's shares are required to be done only in the demat form. Further considering the advantages of scripless trading like exemption from stamp duty, elimination of bad deliveries, reduction in transaction costs, improved liquidity etc., members are requested to consider dematerialisation of their shareholding, if not already done, to avoid inconvenience in future.

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

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

**Place** : Delhi  
**Dated** : 29<sup>th</sup> May, 2013



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ATTACHED ALONGWITH THE NOTICE DATED 29<sup>TH</sup> MAY, 2013.**

### **Item No. 5**

Sh. Sundeep Kumar Mehta joined the Company on 13<sup>th</sup> February, 2013 as an Additional Director and as per the provisions of Section 260 of the Companies Act, 1956 he will hold office as a Director only till the date of this Annual General Meeting. The Company has received a notice as prescribed under Section 257 of the Companies Act, 1956 from a member along with a deposit of Rs. 500/- signifying his intention to propose Sh. Sundeep Kumar Mehta as a Director of the Company liable to retire by rotation.

Sh. Sundeep Kumar Mehta is not disqualified from being appointed as Director under Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266A of the Act.

The Board of Directors recommends the passing of the resolution.

None of the Directors, except Sh. Sundeep Kumar Mehta is in any way concerned or interested in the said resolution.

### **Item No. 6**

Sh. Richard Benjamin Butler joined the Company on 29<sup>th</sup> May, 2013 as an Additional Director and as per the provisions of Section 260 of the Companies Act, 1956 he will hold office as a Director only till the date of this Annual General Meeting. The Company has received a notice as prescribed under Section 257 of the Companies Act, 1956 from a member along with a deposit of Rs. 500/- signifying his intention to propose Sh. Richard Benjamin Butler as a Director of the Company liable to retire by rotation.

Sh. Richard Benjamin Butler is not disqualified from being appointed as Director under Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266A of the Act.

The Board of Directors recommends the passing of the resolution.

None of the Directors, except Sh. Richard Benjamin Butler is in any way concerned or interested in the said resolution.

### **Item No. 7 and 8**

Pursuant to the provisions of clause (d) of sub section (1) of section 293 of the Companies Act, 1956, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the shareholders of the Company in the General Meeting. At present, the shareholders have granted approval upto Rs. 1,000 Crores under Section 293(1) (d) of the Companies Act, 1956. The expansion plans of the Company are in full swing and it is expected that Company would need additional funds for the same. The Board of Directors has proposed that the shareholders may allow borrowing from time to time any sum or sums of money which together with the money already borrowed by the Company (apart from temporary loans obtained from the bankers of the company in the ordinary course of business including the cash credit limit) not exceeding in aggregate at any one time Rs. 2,000.00 Crores irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. The resolution at item no. 7 is intended to seek the approval of the shareholders for the said purpose.

Resolution at item no. 8 is intended under section 293(1)(a) of the Companies Act 1956 authorizing the Board of Directors to create charge on the properties of the Company subject to limit of Rs.2,000.00 Crores at any one time by way of security towards monies so borrowed by the Company from Bankers and others.

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

### **Item No. 9**

Sh. H P Singh was re-appointed as Chairman Cum Managing Director in the Annual General Meeting held on 22<sup>nd</sup> September, 2010 for a period of five years i.e. from 1<sup>st</sup> October, 2010 to 30<sup>th</sup> September, 2015. The salary component of his remuneration was approved @ Rs. 2,00,000 per month along with other perquisites. Remuneration Committee had considered the revision of his remuneration structure in its meeting held on 2<sup>nd</sup> May, 2013. Keeping in view the cost of living, level of remuneration prevailing in the industry and the improved volume of business of the Company, the Remuneration Committee recommended for increasing the salary component of Sh. H P Singh, Chairman Cum Managing Director to Rs. 4,00,000/- per month ( Rupees Four Lacs only). This has also been approved by the Board of Directors. The detailed Remuneration Structure shall be as stated in the accompanying Notice annexed to this Explanatory Statement.

The Board recommends the resolution for the approval of the shareholders.



Sh. H P Singh, himself and Sh. Satvinder Singh being related are interested in the resolution at Item No. 9.

This may also be treated as an abstract of variation in the terms and conditions of appointment of Sh. H P Singh, Chairman Cum Managing Director and Memorandum of Interest of the Directors under Section 302 of the Companies Act, 1956.

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

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

**Place** : Delhi  
**Dated** : 29<sup>th</sup> May, 2013



# STATEMENT CONTAINING INFORMATION PURSUANT TO SECTION II OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956

## Item No. 9

In terms of the Section II of Part II of Schedule XIII, the following Informations are listed:-

The Department of Company Affairs has vide notification dated 16<sup>th</sup> January, 2002 amended Schedule XIII to the Companies Act, 1956 revising the limits for payment of managerial remuneration by companies in case of loss or inadequacy of profits. Though it is expected that the Company would make sufficient profits but as a matter of abundant caution the following information as prescribed in the amended Schedule XIII to the Companies Act, 1956 is being provided. However, in the event the remuneration exceeds the limits under Schedule XIII the Company will apply to the Central Government for necessary approval.

### a. General Information

The Company is a Non Banking Finance Company dealing in Microfinance activities. The Company was incorporated as "Satin Leasing & Finance Private Limited" on 16<sup>th</sup> October, 1990. Later it was converted into a public limited company on 1<sup>st</sup> July, 1994. Further, the name of the Company was changed to "Satin Creditcare Network Limited" on 10<sup>th</sup> April, 2000. The Company is not a new company and is in existence for the last 23 years. The financial performance of the Company for the year ended 31<sup>st</sup> March, 2013 is as follows:

Total Income	:	Rs. 9,433.06 Lacs
Net Profit after Tax	:	Rs. 389.83 Lacs
Net worth	:	Rs. 12,365.08 Lacs

Three Foreign Investors namely, ShoreCap II Limited, Danish Microfinance Partners K/S and MV Mauritius Limited, had invested in the equity shares of the Company to the tune of 42% (approx.) of total paid up share capital of the Company as on 31<sup>st</sup> March, 2013. No Export performance was made by the Company during the year. Financial performance of the Company is also very sound as stated in the Annual Report itself.

### b. Information about the Appointee

Sh. H P Singh is associated with the Company since its incorporation as a Director of the Company. He is involved in the operations of the Company on whole time basis since its inception. He was appointed as Whole-time Director of the Company after considering his rich experience and dedication in the Company's business on 1<sup>st</sup> October, 1995. Further, he was re-designated as Chairman Cum Managing Director of the Company on 29<sup>th</sup> November, 1996. In the year 2008, the salary component of his remuneration was last revised at Rs. 2,00,000/- per month. The entire operations of the Company are managed by Sh. H P Singh. He is also responsible for making growth strategy and to implement the same. Considering his long association with the Company since inception, professional competency and relevant business experience it is proposed to increase the remuneration as detailed in the notice. Further, there is no other pecuniary relationship of Sh. H P Singh with the Company except that he personally holds 4,15,123 equity shares of the Company.

Taking into consideration the profile of Sh. H P Singh, the industry benchmarks, responsibilities, the size of the funds being managed by the Company, the remuneration being paid is comparable with the other persons at similar levels in other Companies.

### c. Other information

As the Company is in the state of expansion, therefore, the profits being generated are not sufficient as compared to the Industry trend and it can be easily concluded that the Company is having inadequate profits.

Presently, the Company is engaged in providing Microfinance on individual and joint liability basis and is expanding the operations in new areas and is quite hopeful that situation of inadequate profits will improve.

All the relevant disclosures pertaining to the Directors of the Company and which are required to be disclosed in the Report of the Board of Directors under the heading "Corporate Governance" attached to the Annual Report has been disclosed in this annual report.

### d. Disclosures:

The information pertaining to remuneration package of the managerial person is disclosed separately in the column "Report on Corporate Governance" of this annual report.

- (i) \*All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- (ii) \*Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) \*Service contracts, notice period, severance fees;
- (iv) \*Stock option details, if any, and whether the same has been issued at a discount as well as the period which accrued and over which exercisable.

*[\* This is mentioned in segment "Report on Corporate Governance" of this annual report]*

## DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Twenty Third Annual Report of the Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2013.

(Rs. in Lacs)

Particulars	Current Year	Previous year
Gross Income	9433.06	5622.58
Expenses	8836.67	5345.21
Profit before Depreciation and tax	596.39	277.37
Depreciation and Non Cash Expenditure	61.36	66.61
Profit before Tax	535.03	210.76
Provision for Tax (including Deferred Tax and other adjustment)	145.20	70.86
Profit after Tax	389.83	139.90
Brought forward from Previous Year	702.60	590.68
Profit available for appropriation	1092.43	730.58
Transfer to Statutory Reserve Fund	77.97	27.98
Surplus carried to Balance Sheet	1014.46	702.60

### OPERATIONS, PROSPECTS AND FUTURE PLANS

- The financial year 2012-13 has been a good year for the Company and your Company has performed better than last year. The Company remained focused on rural microfinance operations. The Company has opened new branches in the Northern India primarily in the rural and semi urban areas to achieve the greater objective of financial inclusion. The Company continued to provide micro loans on both joint liability basis and individual lending basis. The Company takes all steps to provide best services to its borrower and has very good portfolio quality. Your Company had started operations in Bihar during the financial year 2011-12 and has good experience of working in the state. During the financial year 2012-13, the Company has started its joint liability lending operation in the state of Jammu and Punjab. We are hopeful of achieving even better results in the current financial year.
- The Company has raised Rs. 708.92 Crores during the financial year 2012-13 through term loan, Non Convertible Debentures and securitization transactions. Your Company has been regular in discharging its liabilities to all lenders and is enjoying cordial relationship with all of them.
- During the financial year, the Company has disbursed Rs. 62,640.63 Lacs (Previous Year Rs. 38,750.36 Lacs) showing a growth of 61.65% over the previous year. The gross income during the year has been Rs. 9,433.06 Lacs (Previous Year Rs. 5,622.58 Lacs) showing a growth of 67.77% over the previous year. The Net Profit after Tax has increased from Rs. 139.90 Lacs during the financial year 2011-12 to Rs. 389.83 Lacs during the financial year 2012-13 showing a growth of 178.65%.
- Pursuant to provisions of Section 78 of the Companies Act 1956, during the year the Company has utilized an amount of Rs. 129.23 Lacs (Previous Year Rs. 22.73 Lacs) out of Securities Premium Reserves towards writing off the incidental expenditure incurred in issuing Rated, Listed, Secured, Redeemable Non Convertible Debenture and Equity Shares.
- The Company has received Credit rating BBB- (Triple B Minus) for long-term bank facilities of Rs. 400 Crores from CARE in FY 2012-13. The amount has further been increased to Rs. 600 Crores in FY 2013-14. The present Grading of the Company is MFI 2 by CARE. Your Company has got the Code of Conduct Audit (COCA) done from M2i Consulting in the month of November 2012 and have got 83% score which is amongst best in industry.
- The Company has successfully raised equity of Rs. 4100 Lacs during the financial year 2012-13, which will help to grow the outreach and portfolio.



- The Company has applied to The Reserve Bank of India to change its category from NBFC to NBFC-MFI.
- During the financial year 2012-13, there is more clarity on the regulations for NBFC - MFIs and hence the confidence of lenders and investors is increasing and they are supporting the microfinance industry. Keeping in view all factors, the Company has budgeted moderate growth for the current financial year. The overall funding position has improved and we are hopeful of performing well during the current financial year.

## SUBSIDIARY COMPANIES

The Company had no subsidiary company at any time during the financial year 2012-2013.

## DIRECTORS

Sh. Sundeep Kumar Mehta was appointed as an Additional Director of the Company in the Board meeting held on 13<sup>th</sup> February, 2013. The tenure of his office as Director comes to an end at the commencement of the forthcoming Annual General Meeting of the members of the Company. The Company has received notice together with deposit as required under Section 257 of the Companies Act, 1956 proposing his appointment as Director of the Company. The Nomination Committee has recommended his appointment for consideration of the shareholders.

Sh. Richard Benjamin Butler was appointed as an Additional Director of the Company in the Board meeting held on 29<sup>th</sup> May, 2013. The tenure of his office as Director comes to an end at the commencement of the forthcoming Annual General Meeting of the members of the Company. The Company has received notice together with deposit as required under Section 257 of the Companies Act, 1956 proposing his appointment as Director of the Company. The Nomination Committee has also recommended his appointment for consideration of the shareholders.

Sh. Rakesh Sachdeva and Smt. Deepa A. Hingorani retire by rotation and being eligible offers themselves for their re-appointment. The Nomination Committee has recommended their re-appointment for consideration of the shareholders.

Sh. Vishal Mehta has resigned from Directorship of the Company on 30<sup>th</sup> March, 2013. The Directors wish to place on record their appreciation for the contribution made by Sh. Vishal Mehta during his tenure.

## EMPLOYEES STOCK OPTION PLAN:

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

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

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

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



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

Initially, the Company had issued 4,25,000 Equity Shares of Rs. 10/- each at a Premium of Rs.10/- per share to Satin Employees Welfare Trust under Satin ESOP 2009 on 27<sup>th</sup> November, 2009 for holding shares on behalf of the Employees and to transfer the said shares to the eligible employees upon exercise of options.

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

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

Details of stock options as required to be disclosed pursuant to Clause 12 of SEBI (ESOS & ESPS) Guidelines, 1999 as specified below:

S. No.	Particulars	Satin ESOP 2009 (Remarks)	Satin ESOP 2010 (Remarks)	Satin ESOP II 2010 (Remarks)
1.	Options Granted till date	1,50,000	Nil	Nil
2.	Pricing Formula	Rs. 20/- being the Fair Value of the shares of the Company (Computed on the basis of Audited result FY 2008-09).	Rs. 22/- being the Fair Value of the shares of the Company. (Computed on the basis of Audited result FY 2009-10)	Rs. 25/- being the Fair Value of the shares of the Company. (Computed on the basis of Audited result FY 2009-10)
3.	Options Vested	1,50,000	Not Applicable	Not Applicable
4.	Options Exercised	1,50,000	Not Applicable	Not Applicable
5.	Total no. of shares arising as a result of exercise of options	1,50,000	Not Applicable	Not Applicable
6.	Options lapsed	NIL	Not Applicable	Not Applicable
7.	Variation of terms of options	Not Applicable	Not Applicable	Not Applicable
8.	Money realized by exercise of options	Rs. 30,00,000/-	Not Applicable	Not Applicable
9.	Total no. of options in force	Nil	Not Applicable	Not Applicable
10.	Employee wise details of options granted to			
10 (i)	Senior Managerial Personnel	1. Sh. Jugal Kataria (Chief Financial Officer) -1,00,000 2. Sh.Vivek Tiwari (Chief Operating Officer) -50,000	Not Applicable	Not Applicable
10 (ii)	Any other employee who receives a grant in any year of option amounting to 5% or more of option granted during that year	None	Not Applicable	Not Applicable
10 (iii)	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.	None	Not Applicable	Not Applicable



11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20.	As all the shares have been allotted to the Satin Employees Welfare Trust, the EPS for the year ending 31 <sup>st</sup> March, 2013 contains the effect of the same.	Not Applicable	Not Applicable
12.	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company is calculating the employee compensation cost by using the Fair value of the shares. Therefore, the requirement to disclose the difference between the employee compensation cost so computed and the employee compensation cost is not applicable.	Not Applicable	Not Applicable
13.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable As The Shares of the Company are listed at DSE, LSE and JSE that do not offer any trading platform therefore the market price of the shares is not available	Not Applicable	Not Applicable
14.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:  (i) risk-free interest rate,  (ii) expected life,  (iii) expected volatility,  (iv) expected dividends, and  (v) the price of the underlying share in market at the time of option grant.	Not Applicable	Not Applicable	Not Applicable

## DIVIDEND

In order to undertake and carry on future plans, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend for the year ended 31<sup>st</sup> March 2013.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

Satin Creditcare Network Limited (SCNL) is a category 'B' Non Banking Financial Company (NBFC). It has reported satisfactory financial and operating performance during the period under review i.e. financial year 2012-2013. The disbursement during the year has been Rs. 62,640.63 Lacs (Previous Year Rs. 38,750.36 Lacs). The Gross Income during the year has been Rs. 9,433.06 Lacs (Previous Year Rs. 5,622.58 Lacs). Depreciation and Non Cash expenditure during the year has been higher at Rs. 61.36 Lacs (Previous Year Rs. 66.61 Lacs). The net profit after tax during the year has been at Rs. 389.83 Lacs (Previous Year Rs. 139.90 Lacs). SCNL's net worth stood at Rs. 12,365.08 Lacs (Previous Year Rs. 7,994.48 Lacs). The Company plans to concentrate only on Non Banking financial activities during the current financial year.

### Resources and liquidity

During the year, the Company relied primarily upon Banks and Financial Institutions for its financial needs. The Company has been availing various credit facilities from Andhra Bank, AXIS Bank Limited, BNP Paribas, Bank of Maharashtra, Dena Bank, Development Credit Bank Limited, Dhanlaxmi Bank, HDFC Bank Ltd, ICICI Bank Limited, IDBI Bank Limited, IFMR Capital Finance Private Limited, Indian Bank, IndusInd Bank Limited, ING Vysya bank, Maanaveeya Development & Finance Private Limited, MAS Financial Services Limited, Oriental Bank of Commerce, Reliance Capital Limited, Small Industries Development Bank of India (SIDBI), Standard Chartered Bank, State Bank of India, State Bank of Mauritius Limited, The Ratnakar Bank Limited and United Bank of India for its microfinance operation which is the main activity of the Company. The Company has raised debt funds through term loan, listed Non Convertible Debenture and also raised funds through securitization transactions. The Company has raised additional equity of Rs. 4100 Lacs to fund the growth. In view of the overall environment in the Microfinance Industry in India and better regulatory clarity, the overall liquidity and funding to MFIs has improved. The Company has been regular in repayment to all its lenders and has excellent relationship with all the financial institutions and banks and is quite hopeful of raising funds in future for growth.

### Industry Scenario

The overall industry environment has improved during the financial year 2012-13. The Reserve Bank of India has issued further circulars and guidelines on working of NBFC-MFIs. However, The Micro Finance Institutions (Development and Regulation) Bill 2011 is still pending to be approved by the Parliament.

### Business Review

Satin Creditcare Network Limited has emerged as the largest Microfinance Institution based in Northern India engaged in providing microcredit on joint liability basis and individual lending basis. The experience of working in Bihar has been good. The Company has expanded its joint liability operations in the state of Jammu and Punjab during the financial year 2012-13. The Company has opened few branches during the financial year 2012-13 to increase its outreach. The Company is quite focused on its processes and control and has very good portfolio quality. There is huge demand and supply gap in Northern India and hence opportunity to grow the portfolio. The overall funding to the sector has improved. The Company has further raised equity of Rs. 4100 lacs during the financial year 2012-13 which will help Company to further raise debt and increase the portfolio. The Company is hopeful of performing well in the current financial year.

### Opportunities

For last many years, there has been focus of the Government and the Reserve Bank of India on financial inclusion and the role of MFIs have been accepted by everybody in achieving this objective. MFIs have played an important role in reaching the unreached and to provide them access to finance at affordable rates. In spite of all the focus, there is still a large segment of society, which does not have access to financial service from the formal financial institutions. The Company is operating in Northern and Central India and the reach of MFIs is comparatively less in these geographies as compared to the Southern and Eastern India and hence there is a huge opportunity to be tapped and large population to be served. The Company is making all efforts to use its experience of working in the same geography for last two decade.



## Challenges

Microfinance Industry in India has gone through the most challenging times during the last two years. There was lack of regulatory clarity and perception of all stakeholders was negative towards the sector. There were news about multiple lending, excessive interest rates, coercive recovery practices, lack of transparency etc. in the media and hence the overall opinion of all stakeholders was not positive for the sector in spite of the fact that MFIs were providing credit to a large segment of the unbanked population. The funding to the sector (both debt and equity) was drying. The Reserve Bank of India has issued a series of circulars and notifications to give the required regulatory clarity. The MFI industry has also collectively worked to bring back the confidence of all stakeholders by working responsibly. The issue of over indebtedness has been addressed by using Credit Bureau report. The confidence of the stakeholders is increasing and the required debt and equity funding is now available.

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

## Outlook

The overall outlook for the Microfinance Industry has improved during the financial year 2012-13. The Reserve Bank of India has issued a number of circulars and provided the required regulatory clarity. Many domestic banks have restarted lending to the sector which has provided the much needed liquidity. The MFIs have also performed responsibly and hence the overall outlook of all stakeholders has become positive.

## Risk & Concerns

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

## Adequacy of internal controls

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

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

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

Strengthening of internal audit and procedure is a continuous process.

## Human Resource Development

SCNL has a team of young, able, experienced and dedicated team of professionals at all levels to support the management. The number of employees as at 31<sup>st</sup> March, 2013 stood at 877 (Previous Year 768).

## DEPOSITS

The Company is a category B Non deposit taking Non Banking Finance Company and has no public deposit.

## RESERVE BANK OF INDIA-REGISTRATION AND DIRECTIONS

Your Company has been following all relevant guidelines issued by Reserve Bank of India from time to time. The Company has decided not to accept the public deposits with effect from 20<sup>th</sup> November, 2004. The Company had intimated the same to Reserve Bank of India. Now in compliance with the new circular from Reserve Bank of India (RBI/2012-13/319DNBS.CC.PD.No.312 / 03.10.01/2012-13 dated 7<sup>th</sup> December, 2012) the company has submitted fresh application for changing the status of the Company as NBFC-MFI. Further, your company has Capital Adequacy Ratio of 23.43% as on 31<sup>st</sup> March, 2013.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanations relating to material departures;
2. That they have selected such accounting policies and applied them consistently except where otherwise stated in the notes on accounts, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
4. That they have prepared the annual accounts on a going concern basis.

## **CORPORATE GOVERNANCE**

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

## **AUDITORS & THEIR REPORT**

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

## **PARTICULARS OF EMPLOYEES**

During the year under review, there was no employee who was getting remuneration of Rs. 5,00,000 per month / Rs. 60,00,000/- per annum or more as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 duly amended by Notification dated 31<sup>st</sup> March, 2011.

## **LISTING WITH STOCK EXCHANGES**

Your Company is listed with following stock exchanges:

### **For Rated, Listed, Secured Redeemable Non Convertible Debentures:**

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

### **For Equity Shares:**

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

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

## **OTHER INFORMATION**

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



## FOREIGN EXCHANGE TRANSACTIONS

	Particulars	Current Year (Rs.)	Previous Year (Rs.)
I	Expenditure/Remittances (Outward) in Foreign Exchange Travelling Expenses Fees and Subscription	<b>12,31,332.00</b> <b>117,569.00</b>	10,29,523.00 3,82,011.00
II	Earning/Remittances (Inward) in Foreign Exchange Share Application Money Reimbursement of Expenses	<b>30,00,00,177.00</b> <b>Nil</b>	Nil 2,66,829.000

## ACKNOWLEDGEMENTS

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

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

**Place** : Delhi  
**Dated** : 29<sup>th</sup> May, 2013

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



## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Code of Corporate Governance

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

### Board of Directors

The Company has an Executive Chairman. As on 31<sup>st</sup> March, 2013, the Board of Directors of the Company comprises of 8 Directors out of which four are independent and four non-independent directors (including two directors nominated by two investors). As at 31<sup>st</sup> March, 2013, the Company has seven non-executive directors and one executive director i.e. the Chairman. Composition of the Board and category of directors are as follows:

Name of Director along with Designation	Category
Sh. H P Singh, Chairman Cum Managing Director	Promoter and Executive Director
Sh. Satvinder Singh, Director	Non Executive and Non-Independent Director
Sh. Davis Frederick Golding, Director	Non Executive and Non-Independent Director
Smt. Deepa A. Hingorani, Director	Non Executive and Non-Independent Director
Sh. Sujjan Singh Chawla, Director	Non Executive and Independent Director
Sh. Rakesh Sachdeva, Director	Non Executive and Independent Director
Sh. Naresh Khanna, Director	Non Executive and Independent Director
Sh. Sundeep Kumar Mehta, Additional Director	Non Executive and Independent Director

Post 31<sup>st</sup> March, 2013, Sh. Richard Benjamin Butler has been appointed as Non Executive and Non-Independent Director on the board of the company. After the aforesaid changes and as on date of this report, the board comprises of nine directors, out of which one is an executive director and non independent (Chairman cum Managing Director of the Company), four are independent directors and four are Non Executive and Non-Independent Directors.

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

Name of Director	No. of Board meetings held during the year	Board meetings attended	Attendance at the last Annual General Meeting held on 29 <sup>th</sup> Sept., 2012	No. of Directorships in other Companies <sup>1</sup>	No. of Membership(s)/ Chairmanship(s) of the Board Committees <sup>2</sup>
Sh. H P Singh Chairman Cum Managing Director	4	4	Yes	Nil	Nil
Sh. Satvinder Singh, Director	4	4	Yes	1	2 (including as Chairman)
Sh. Davis Frederick Golding Director	4	4	No	Nil	Nil
Smt. Deepa A. Hingorani Director	4	3	No	1	Nil
Sh. Sujjan Singh Chawla Director	4	Nil	No	Nil	2
Sh. Rakesh Sachdeva Director	4	4	Yes	Nil	2 (Both as Chairman and Member)
Sh. Naresh Khanna Director	4	1	No	1	1
Sh. Sundeep Kumar Mehta Director*	4	1	No	1	Nil
Sh. Vishal Mehta**	4	4	No		Nil

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

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

\* Inducted on 13<sup>th</sup> February, 2013.

\*\*Resigned w.e.f. 30<sup>th</sup> March, 2013.



## Number of Board Meetings held and the dates of Board meetings

During the year 4 (four) Board Meetings were held. These Board Meetings were held on 22<sup>nd</sup> May, 2012, 8<sup>th</sup> August, 2012, 7<sup>th</sup> November, 2012 and 13<sup>th</sup> February, 2013.

## Information on Directors Re-appointment/Appointment

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

### Re-appointments

- **Smt. Deepa A. Hingorani** -Smt. Deepa A. Hingorani represents Danish Microfinance Partners K/S on the Board of SCNL. She is Masters in Finance and Control (Delhi), Executive MBA (Scandinavian International Management Institute, Copenhagen). She works with IFU, (an Investment Fund owned by the Danish Government). "IFU invests together with Danish companies in projects in developing countries and is also an investor in Danish Microfinance Partners K/S." She has been associated with IFU for past 16 years working out of Chennai, Copenhagen, Singapore and New Delhi. Prior to working with IFU, she worked in Ballarpur Industries Limited, India, a large industrial group engaged in production of paper, chemicals, glass, etc. Apart from this, she serves as member of Board of Directors for a number of organizations. She is not related to any of the Directors of the Company. She is also member of the Compensation Committee of the Board of Directors.
- **Sh. Rakesh Sachdeva** - Sh. Rakesh Sachdeva joined SCNL's Board in April 1999. He is a Fellow of the Institute of Chartered Accountants of India. He previously served as Executive Director at SCNL and is now actively involved in evaluating the Company's macro issues. Prior to joining SCNL, he has worked with Apollo Tyres Ltd. and was Vice President of Corporate Finance at U.K. Paints Group, controlling M/S Berger Paints (India) Ltd., Rajdoot Paints Ltd. and Malibu Estate Pvt. Ltd. He is not related to any of the Directors of the Company. Sh. Rakesh Sachdeva holds the position of member/chairman in various committees of the Board of Director of the company, viz., Audit Committee, Remuneration Committee, Compensation Committee, Share Transfer Committee and Nomination Committee.

### Appointments

- **Sh. Sundeep Kumar Mehta**- Sh. Sundeep Kumar Mehta joined the Company on 13<sup>th</sup> February, 2013 as an Additional Director. Sh. Sundeep Kumar Mehta heads International Quality Management Systems and First HR based at Noida, as Director, specializing in strategic redirection, trainer, consultant and advisor HRD and OD, as well as Trainer and Consultant for Quality Management Systems. He worked in the capacity of GM - Human Resources accountable for HR, Administration & Corporate Affairs functions for group companies, Devyani Beverages Ltd., Varun Beverages Ltd., and Pepsicola Nepal Pvt. Ltd. He Excelled at HR Head Levels with Eicher R & D, Bata India Ltd., Escorts Ltd. He was Chief Manager-HRD with Escorts Limited, He has undertaken various assignments and completed for Panacea Biotec Ltd., Eicher Good Earth Ltd. Prior to becoming a successful professional Sh. Sundeep Kumar Mehta spearheaded an EME workshop as Captain. He is not member/chairman in any committee of the Board of Directors.
- **Sh. Richard Benjamin Butler** - Sh. Richard Benjamin Butler joined the Company on 29<sup>th</sup> May, 2013 as an Additional Director. Sh. Richard Benjamin Butler is experienced financial executive with a diverse skill and more than thirty year career encompassing micro lending with African Credit Unions, corporate lending in Africa, structuring corporate finance transactions for financial institutions and managing western hemisphere banking operations for a global financial services institution. Currently, he is holding the position as principal & founder in Strategic Capital Advisors Durango, Co. Further, He has served ING Capital, LLC, New York, as Managing Director & Co Head of Corporate Finance for approx. eight years. He has completed his post graduation (Agriculture Economics Masters Program course) from University Of Minnesota, Minneapolis, MN. At present, he is associated with MicroVest (2007 - till Present) and is responsible for investment approval process relating to Micro Finance institutions located in Latin America, Asia and Africa. He is member of Investment Committee of MicorVest and he is responsible for approving the Fund's debt and equity investments in Micro Finance entities located in emerging markets. He has chaired various special independent director committees representing non-management shareholders as part of corporate restructurings. He is not member/chairman in any committee of the Board of Directors.

## Disclosures (As required under Section II, Part II of Schedule XIII)

### The Remuneration package payable to all the Directors is as follows:

- Sh. H P Singh, Chairman Cum Managing Director

The proposed remuneration package payable to Sh. H P Singh with effect from 1<sup>st</sup> April, 2013 is as specified against Item No. 9 of the

accompanying Notice included in this Annual Report.

Apart from Sh. H P Singh, there is no other director who is getting remuneration from the Company.

Further following information is furnished as below:

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors; - Except Sh. H P Singh, Chairman cum Managing Director of the Company, none of any directors has been in receipt of any remuneration from the Company.
- (ii) Details of fixed component and performance linked incentives along with the performance criteria; - The Company has no policy as to fixed component and performance linked incentives for any of its directors except Sh. H P Singh, whose salary is disclosed.
- (iii) Service contracts, notice period, severance fees; - Sh. H P Singh was re-appointed as Chairman Cum Managing Director in the Annual General Meeting held on 22<sup>nd</sup> September, 2010 for a period of five years i.e. from 1<sup>st</sup> October, 2010 to 30<sup>th</sup> September, 2015.
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable. - Not Applicable

### **Code of Conduct**

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

All Board members and senior management personnel have on 31<sup>st</sup> March, 2013, affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CMD is annexed and part of the report.

### **Audit Committee**

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

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

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



During the year, four Audit Committee meetings were held. The Committee meetings held on 19<sup>th</sup> May, 2012, 6<sup>th</sup> August, 2012, 3<sup>rd</sup> November, 2012, 12<sup>th</sup> February, 2013. These were duly attended by the members as per below-mentioned detail:

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

#### Remuneration of the Directors:

The disclosure in respect of remuneration paid/ payable to whole time director of the Company for the financial year 2012-2013 is given below:

Particulars	Sh. H P Singh, CMD (Rs.)
Salary	24,00,000.00
Provident Fund	2,88,000.00
Gratuity	-
Leave Encashment	-
Approximate value of perquisites	4,00,000.00
Total	30,88,000.00
Present period of agreement	1 <sup>st</sup> October, 2010 to 30 <sup>th</sup> September, 2015

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

#### General Body Meetings

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

Year	Location	Date	Time	Whether any Special Resolution Passed
2009-2010	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi - 110 043	22 <sup>nd</sup> Sept., 2010	10.00 A.M.	Yes
2010-2011	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi - 110 043	30 <sup>th</sup> Sept., 2011	10.00 A.M.	No
2011-2012	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi - 110 043	29 <sup>th</sup> Sept., 2012	10.00 A.M.	No

#### Shareholder /Investor Grievances Committee:

- The Company has a Shareholder /Investor Grievances Committee comprising of Sh. Satvinder Singh who is the Chairman of the committee himself.
- The Board has designated Choudhary Runveer Krishanan as the Company Secretary & Compliance Officer. The complaints relating to Investor Grievances may also be forwarded to the said person at runveer.krishanan@satincreditcare.com email Id.
- There were no complaints received from the Shareholder / Investor during the financial year ended 31<sup>st</sup> March, 2013.

#### Share Transfer Committee:

The Company has a Share Transfer Committee under the Chairmanship of Sh. H P Singh. Other members of the Committee are Sh. Satvinder Singh and Sh. Rakesh Sachdeva. The Committee met 1 (One) time in the year. The meeting was held on 10<sup>th</sup> October, 2012 and attended by all the members.

#### Borrowing Committee:

The Company has a Borrowing Committee under the Chairmanship of Sh. H P Singh. Other member of the Committee is Sh. Satvinder Singh. The Committee met 22 (twenty two) times in the year. These meetings were held on 26<sup>th</sup> April 2012, 25<sup>th</sup> May 2012, 15<sup>th</sup> June 2012,

24<sup>th</sup> July 2012, 13<sup>th</sup> August 2012, 29<sup>th</sup> August 2012, 7<sup>th</sup> September 2012, 18<sup>th</sup> September 2012, 25<sup>th</sup> September 2012, 30<sup>th</sup> October 2012, 17<sup>th</sup> November 2012, 15<sup>th</sup> December 2012, 18<sup>th</sup> December 2012, 25<sup>th</sup> December 2012, 28<sup>th</sup> December 2012, 29<sup>th</sup> January 2013, 14<sup>th</sup> February 2013, 15<sup>th</sup> February 2013, 26<sup>th</sup> February 2013, 16<sup>th</sup> March 2013, 20<sup>th</sup> March 2013, and 25<sup>th</sup> March 2013 and attended by all the members.

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

The Company has a Banking Operations Committee under the Chairmanship of Sh. H P Singh. Other member of the Committee is Sh. Satvinder Singh. The Committee met 14 (fourteen) times in the year. These meetings were held on 19<sup>th</sup> April 2012, 9<sup>th</sup> May 2012, 23<sup>rd</sup> May 2012, 4<sup>th</sup> July 2012, 9<sup>th</sup> August 2012, 29<sup>th</sup> August 2012, 16<sup>th</sup> October 2012, 15<sup>th</sup> November 2012, 15<sup>th</sup> December 2012, 24<sup>th</sup> January 2013, 6<sup>th</sup> February 2013, 27<sup>th</sup> February 2013, 16<sup>th</sup> March 2013, and 25<sup>th</sup> March 2013 and attended by all the members.

#### **Remuneration Committee:**

- The Company has a Remuneration Committee comprising of Sh. Rakesh Sachdeva, Sh. Sujan Singh Chawla and Sh. Naresh Khanna. Sh. Rakesh Sachdeva is Chairman of the committee.
- The committee did not meet during the financial year 2012-2013.

#### **Compensation Committee:**

- The Company has a Compensation Committee comprising of Sh. Rakesh Sachdeva, Sh. Naresh Khanna, Sh. Sujan Singh Chawla and Smt. Deepa A. Hingorani. Sh. Rakesh Sachdeva is Chairman of the committee.
- The committee did not meet during the financial year 2012-2013.

#### **Nomination Committee:**

- The Company has a Nomination Committee comprising of Sh. H P Singh, Shri Rakesh Sachdeva and Sh. Naresh Khanna. Sh. H P Singh is Chairman of the committee.
- During the year, two meetings were held. The Committee meetings held on 22<sup>nd</sup> May, 2012 and 12<sup>th</sup> February, 2013. These were duly attended by the members as per below-mentioned detail:

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

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

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

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

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

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

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

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





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

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

**Shareholding of Non- Executive Directors**

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

<b>S. No.</b>	<b>Name of Director</b>	<b>Shareholding</b>
1	Sh. Satvinder Singh	2,57,011
2	Sh. Sujan Singh Chawla	NIL
3	Sh. Rakesh Sachdeva	500
4	Sh. Naresh Khanna	NIL
5	Sh. Davis Frederick Golding	NIL
6	Smt. Deepa A. Hingorani	NIL
7	Sh. Sundeep Kumar Mehta	NIL
8	Sh. Richard Benjamin Butler	NIL



## DISCLOSURES

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered into with the Delhi Stock Exchange Limited, Ludhiana Stock Exchange Limited and Jaipur Stock Exchange Limited as at 31<sup>st</sup> March, 2013. The detail of the compliance as at 31<sup>st</sup> March, 2013 is as under:

S. NO.	PARTICULARS	CLAUSE OF LISTING AGREEMENT	COMPLIANCE STATUS YES / NO	REMARKS
	1	2	3	4
<b>I</b>	<b>BOARD OF DIRECTORS</b>	49 I		-
	(A) Composition of Board	49 (IA)	YES	Since the company has executive chairman, Half of total strength of the board are comprises of Independent directors.
	(B) Non Executive Directors' - Compensation and disclosures	49 (IB)	YES	-
	(C) Other provisions as to Board and Committees	49 (IC)	YES	-
	(D) Code of conduct	49 (ID)	YES	-
<b>II</b>	<b>AUDIT COMMITTEE</b>	49 (II)		-
	(A) Qualified and Independent Audit Committee	49 (II A)	YES	-
	(B) Meeting of Audit Committee	49 (II B)	YES	-
	(C) Powers of Audit Committee	49 (II C)	YES	-
	(D) Role of Audit Committee	49 (II D)	YES	-
	(E) Review of information by Audit Committee	49 (II E)	YES	-
<b>III</b>	<b>Subsidiary Companies</b>	49 (III)	YES	The Company has no subsidiary company.
<b>IV</b>	<b>Disclosures</b>	49 (IV)		-
	(A) Basis of related party transactions	49 (IV A)	YES	-
	(B) Disclosure of accounting treatment	49 (IV B)	YES	-
	(C) Board Disclosures	49 (IV C)	YES	-
	(D) Proceeds from Public Issues, rights issues, preferential issues etc.	49 (IV D)	YES	-
	(E) Remuneration of Directors	49 (IV E)	YES	-
	(F) Management	49 (IV F)	YES	-
	(G) Shareholders	49 (IV G)	YES	-
<b>V</b>	<b>CEO/ CFO certification</b>	49 (V)	YES	-
<b>VI</b>	<b>Report on Corporate Governance</b>	49 (VI)	YES	-
<b>VII</b>	<b>Compliance</b>	49 (VII)	YES	-

### Means of Communication:

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



**General Shareholder Information:**

<b>1. Annual General Meeting</b>							
Date and Time		: 30 <sup>th</sup> September, 2013 at 10.00 A.M.					
Venue		: 'TYAGI FARMS', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi – 110043.					
<b>2. Financial Calendar 2012-13 (tentative)</b>							
Results for the quarter ended 30 <sup>th</sup> June, 2013		upto 14 <sup>th</sup> August, 2013.					
Results for the quarter ended 30 <sup>th</sup> September, 2013		upto 14 <sup>th</sup> November, 2013.					
Results for the quarter ended 31 <sup>st</sup> December, 2013		upto 14 <sup>th</sup> February, 2014.					
Results for the quarter ended 31 <sup>st</sup> March, 2014		upto 30 <sup>th</sup> May, 2014.					
<b>3. Book Closure date</b>							
		: 16 <sup>th</sup> September to 30 <sup>th</sup> September, 2013 (both days inclusive)					
<b>4. Dividend payment date</b>							
		: N.A.					
<b>5. Registered Office</b>							
		: 306, Lusa Tower, Azadpur Commercial Complex, Delhi-110033 Phone : 011-47545000					
<b>6a. Equity Shares Listed on Stock Exchanges at</b>							
		: 1. Delhi Stock Exchange Limited, Delhi 2. Jaipur Stock Exchange Limited, Jaipur 3. Ludhiana Stock Exchange Limited, Ludhiana					
<b>6b. Annual Listing Fees</b>							
		: Duly paid to all the above Stock Exchanges for the year 2013–2014.					
<b>7. Stock Code</b>							
(a) Trading Symbol at		: 119590 at Delhi Stock Exchange Limited, Delhi 956 at Jaipur Stock Exchange Limited, Jaipur SLFL at Ludhiana Stock Exchange Limited, Ludhiana					
b) Demat ISIN Number in NSDL & CDSL		: For Equity Shares - <b>INE 836B01017</b> : For Non-Convertible Debentures (NCD)of 1) Face Value of Rs.1 Crore per NCD- <b>INE 836B07063</b> 2) Face Value of Rs.25 Lakhs per NCD- <b>INE 836B07022</b> 3) Face value of Rs.10 lacs per NCD- <b>INE 836B07055</b> 4) Face value of Rs. 25 lacs per NCD- <b>INE836B07048</b> 5) Face value of Rs. 25 lacs per NCD- <b>INE836B07030</b>					
<b>8. Stock Market Data: (in Rs./per share)</b>							
		<b>The Stock Exchange Delhi</b>		<b>The Stock Exchange Jaipur</b>		<b>The Stock Exchange Ludhiana</b>	
		High	Low	High	Low	High	Low
April 2012							
May 2012							
June 2012							
July 2012							
August 2012							
September 2012		*****N O T T R A D E D D U R I N G T H E Y E A R*****					
October 2012							
November 2012							
December 2012							
January 2013							
February 2013							
March 2013							



**9. Share price performance in comparison to broad based indices-**

During financial year 2012-13, as per the information available, there was no trading of Company's shares at the stock exchanges.

**10. Registrar and Transfer Agents**

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

**11. Share Transfer System**

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

**12. Distribution of Shareholding as on 31<sup>st</sup> March, 2013**

S. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1	Upto 2500	270	33.251	27892	0.120
2	2501-5000	248	30.542	109646	0.473
3	5001-10000	109	13.424	97052	0.418
4	10001-20000	41	5.049	63950	0.276
5	20001-30000	24	2.956	62000	0.267
6	30001-40000	14	1.724	50800	0.219
7	40001-50000	20	2.463	92200	0.398
8	50001-100000	18	2.217	135111	0.583
9	100001 and above	68	8.374	22555000	97.246
<b>Total</b>		<b>812</b>	<b>100.000</b>	<b>23193651</b>	<b>100.000</b>

**13. Categories of Shareholders as on 31<sup>st</sup> March, 2013**

(Category)	(%)
Promoters	37.346
Financial Institution/Banks / Mutual Funds	0.000
NRI/OCBs	0.020
Bodies Corporate	54.357
Others	8.277
<b>Total</b>	<b>100.000</b>

**14. Dematerialization of Shares** : 74.885 % of the equity shares have been dematerialized up to 31<sup>st</sup> March, 2013.  
 Trading in Equity shares of the company is permitted only in dematerialized form w.e.f. 28<sup>th</sup> April, 2001 as per notification issued by the Securities and Exchange Board of India (SEBI).

**Liquidity** : Relevant data of the average daily turnover for the financial year 2012-13 is given below:  
 Delhi Stock Exchange (DSE) Ludhiana Stock Exchange (LSE) Jaipur Stock Exchange (JSE)

**Shares (in lakhs)** : No trading of Company's shares during 2012-2013 at any stock exchange  
**Shares (in Rs. crore)**



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

### CEO/CFO CERTIFICATION

The requisite certification from the Chairman cum Managing Director and Chief Financial Officer for the Financial Year 2012-13 required to be given under Clause 49(V) of the Listing Agreement was placed before the Board of Directors of the company at its meeting held on 29<sup>th</sup> May, 2013

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

I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the financial year ended 31<sup>st</sup> March, 2013.

Place : Delhi  
Date : 29<sup>th</sup> May, 2013

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

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE FOR THE YEAR ENDING 31<sup>ST</sup> MARCH' 2013  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

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

We have examined the compliance of Corporate Governance procedures by **Satin Creditcare Network Limited** for the year ended 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrar and Transfer agent of the company have certified as on 31<sup>st</sup> March, 2013, there were no investor grievances remaining pending for a period exceeding one month and as explained to us by the management, the Registrar and Transfer agent have reported to the Shareholders/Investors' Grievances Committee regularly on the status of such grievances.

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

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

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

**Place** : Delhi  
**Dated** : 29<sup>th</sup> May, 2013



## **Independent Auditors' Report**

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

### **1. Report on the Financial Statements**

We have audited the accompanying financial statements of Satin Creditcare Network Limited ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, 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**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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. Auditor's Responsibility**

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2013;
- ii) in the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

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

- A. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- B. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b. In our opinion proper books of account as required by law have been kept by the Company so far appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act; and
- e. On the basis of written representations received from the Directors as at 31<sup>st</sup> March, 2013 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

**Place** : Delhi  
**Dated** : 29<sup>th</sup> May, 2013



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

(Referred to in paragraph 5A of our report of even date)

- (i) In respect of fixed assets:
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets acquired on amalgamation of Satin Intellicomm Limited with the company with the appointed date of 1.4.2006 and the effective date as on 3.12.2007 are still in the name of the erstwhile company Satin Intellicomm Limited. The process of transfer of these assets in the name of the company is under process.
  - (b) The fixed assets were physically verified by the management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion do not constitute a substantial part of fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- (ii) As explained to us, there are no inventories held by the company as on 31.03.2013
- (iii) (a) The company has not granted any fresh loans to company which is covered under section 301 of the Companies Act, 1956.
  - (b) In our opinion, the provisions regarding the rate of interest and other terms and conditions on which these loans are granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not applicable in this year.
  - (c) The provisions regarding the payment of interest and repayment of principal amounts is not applicable to the company.
  - (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) (a) The company has not taken any loan from any associate company covered in the Register maintained under Section 301 of the Companies Act, 1956.
  - (b) In our opinion, the provisions regarding rate of interest and other terms and conditions on which these loans were taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not applicable in the current year.
  - (c) The provisions regarding repayment of loan and interest are not applicable to the company.
  - (d) The company has not given any loan to any company covered in the register maintained under section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (vi) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and in respect of each party during the year have been made at prices which are reasonable having regard to the prices at which transactions for similar goods, materials and services have been made with other parties.
- (vii) The company being Non Banking Finance Company (NBFC), section 58A of the Companies Act, 1956 is not applicable to the company. In our opinion and according to information and explanation given to us, the company is complying with the provisions of Directives issued by the Reserve Bank of India for Non Banking Financial Companies (Reserve Bank) Directives, 1998, as amended from time to time, with regard to deposits received from the public. The company had stopped accepting deposits from 20.11.2004. There are no deposits outstanding as on 31.03.2013. The company has been reclassified on 04/02/2009 as a Category B -Loan company not accepting public deposits with a new registration certificate no .B- 14.01394. As per the directions of Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 a separate report dated 29.05.2013 has been submitted to the Directors of the company.
- (viii) In our opinion, and according to the information and explanations given to us, the internal audit functions carried out by the company along with the firm of Chartered Accountants appointed by the management have been commensurate with the size of the company and nature of its business.
- (ix) The provisions regarding maintenance of cost records are not applicable to the company.

- (x) (a) According to the records of the company ,the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax , wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears as at 31.03.2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax,income tax, custom duty, wealth tax, service tax,excise duty and cess which have not been deposited on account of any dispute.
- (xi) The company neither has accumulated losses and nor has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xii) Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xiii) In our opinion and according to the information and explanations given to us, the company during the year has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/mutual benefit fund /society.
- (xv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities. The company has invested surplus funds in various investments. According to the information and explanations given to us, proper records have been maintained of the transactions and timely entries have been made therein. The investments are held by the company in its own name.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not given guarantees for loan taken by others from banks or financial institutions.
- (xvii) In our opinion and according to the information and explanations given to us, the term loans (both secured and unsecured) availed by the company were, prima facie, applied by the company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xviii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company and the maturity profile of assets and liabilities with a residual maturity of one year given in the Asset Liability Management Report, we report that no funds raised on short-term basis have been used for long- term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xix) According to the information and explanations given to us, during the year the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act,1956 at a price which is prima facie not prejudicial to the interests of the company.
- (xx) According to the information and explanations given to us and records examined by us, securities/charges have been created in respect of all secured redeemable non convertible debentures issued during the year and outstanding at the year end.
- (xxi) During the year covered by our report the company has not raised money by way of public issue. The company in the current year has issued paid up equity share capital on preferential allotment basis for the working capital requirements and further expansion of business. The funds received by the company have been deployed or are in the process of deployment as per the requirements of the company.
- (xxii) According to the information and explanations given to us, no fraud by the company and no material fraud on the company was noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by the borrowers, the amounts whereof are not material in the context of the size of the company and the nature of its business and which have not been provided for.

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

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

**Place :** Delhi  
**Dated :** 29<sup>th</sup> May, 2013



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	22,69,21,010.00	17,84,67,770.00
(b) Reserves and Surplus	4	1,00,95,87,027.83	62,09,79,931.52
<b>Sub-Total Shareholders' Funds</b>		<b>1,23,65,08,037.83</b>	79,94,47,701.52
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	2,77,97,30,124.33	96,33,46,961.83
(b) Long Term Provisions	6	28,02,885.00	44,21,959.00
<b>Sub-Total Non-Current Liabilities</b>		<b>2,78,25,33,009.33</b>	96,77,68,920.83
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	75,16,81,546.71	27,79,42,347.48
(b) Other Current Liabilities	8	2,66,87,61,803.55	1,11,36,61,505.98
(c) Short Term Provisions	9	1,24,02,544.06	62,37,332.75
<b>Sub-Total Current Liabilities</b>		<b>3,43,28,45,894.32</b>	1,39,78,41,186.21
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>7,45,18,86,941.48</b>	3,16,50,57,808.56
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	4,15,49,343.65	4,14,88,307.65
(ii) Intangible Assets	11	10,65,988.00	8,11,937.00
(iii) Capital Work-In-Progress	12	4,04,07,724.00	3,73,51,116.00
(b) Non-Current Investments	13	68,50,591.33	68,50,591.33
(c) Deferred Tax Assets (Net)	14	67,09,176.78	46,62,477.58
(d) Long Term Loans & Advances	15	6,28,299.00	4,88,810.00
(e) Other Non - Current Assets	16	65,19,82,539.00	23,76,44,277.00
<b>Sub-Total Non-Current Assets</b>		<b>74,91,93,661.76</b>	32,92,97,516.56
<b>(2) Current Assets</b>			
(a) Trade Receivables under Loan Contracts	17	4,53,25,81,381.73	1,90,48,88,616.11
(b) Cash & Cash Equivalents	18	2,05,25,35,738.49	83,39,80,327.62
(c) Short Term Loans and Advances	19	53,86,318.35	47,57,092.80
(d) Other Current Assets	20	11,21,89,841.15	9,21,34,255.47
<b>Sub-Total Current Assets</b>		<b>6,70,26,93,279.72</b>	2,83,57,60,292.00
<b>TOTAL ASSETS</b>		<b>7,45,18,86,941.48</b>	3,16,50,57,808.56

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

As per our report of even date annexed

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

Chartered Accountants

For and on behalf of the Board of Directors

**A.K. Gangaher**

Proprietor

M. No. 083674

Firm ICAI Reg.No. 004588N

Place : Delhi

Dated : 29<sup>th</sup> May, 2013

**H P Singh**

(Chairman cum Managing Director)

**Satvinder Singh**

(Director)

**Choudhary Runveer Krishnan**

(Company Secretary & Compliance Officer)

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

<b>Particulars</b>	<b>Note No.</b>	<b>Year Ended 31.03.2013 Rs.</b>	<b>Year Ended 31.03.2012 Rs.</b>
<b>I. Income</b>			
1. Revenue From Operations	<b>21</b>	<b>94,12,80,249.28</b>	56,17,18,181.36
2. Other Income	<b>22</b>	<b>20,26,173.81</b>	5,40,345.07
<b>Total</b>		<b>94,33,06,423.09</b>	56,22,58,526.43
<b>II. Expenses</b>			
1. Finance Cost	<b>23</b>	<b>54,30,34,864.01</b>	26,80,67,359.33
2. Employee Benefit Expenses	<b>24</b>	<b>15,86,19,144.41</b>	15,35,45,144.41
3. Other Expenses	<b>25</b>	<b>18,20,13,046.25</b>	11,29,08,938.60
4. Depreciation	<b>10,11&amp;12</b>	<b>61,36,063.00</b>	66,60,906.00
<b>Total</b>		<b>88,98,03,117.67</b>	54,11,82,348.34
<b>Profit Before Exceptional And Extraordinary Items And Tax</b>		<b>5,35,03,305.42</b>	2,10,76,178.09
Exceptional Items		-	-
<b>Profit Before Extraordinary Items And Tax</b>		<b>5,35,03,305.42</b>	2,10,76,178.09
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>5,35,03,305.42</b>	2,10,76,178.09
Tax Expense:			
(1) Less : Current Tax		<b>1,65,75,420.00</b>	67,77,180.00
(2) Add/(Less) : Tax Related To Earlier Years		<b>8,349.69</b>	(1,59,777.00)
(3) Add/(Less) : Deferred Tax		<b>20,46,699.20</b>	(1,48,892.56)
<b>Profit After Tax For The Year From Continuing Operations</b>		<b>3,89,82,934.31</b>	1,39,90,328.53

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

Basic	<b>2.18</b>	0.79
Diluted	<b>2.12</b>	0.76

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

As per our report of even date annexed

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

Chartered Accountants

**A.K. Gangaher**

Proprietor

M. No. 083674

Firm ICAI Reg.No. 004588N

**Place** : Delhi

**Dated** : 29<sup>th</sup> May, 2013

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

**H P Singh**

(Chairman cum Managing Director)

**Satvinder Singh**

(Director)

**Choudhary Runveer Krishanan**

(Company Secretary & Compliance Officer)



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

Particulars	Year Ended 31.03.2013 Rs.	Year Ended 31.03.2012 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Finance Cost, Tax and Extra-Ordinary Items	<b>59,65,38,169.43</b>	28,91,43,537.42
<b>Adjustment for</b>		
Depreciation	<b>61,36,063.00</b>	66,60,906.00
<b>Operating Profit before Working Capital Changes</b>	<b>60,26,74,232.43</b>	29,58,04,443.42
(Increase)/Decrease in Long Term Loans & Advances	<b>(1,39,489.00)</b>	1,27,090.00
(Increase)/Decrease in Trade Receivables under Loan Contracts	<b>(2,62,76,92,765.62)</b>	(8,37,19,327.52)
(Increase)/Decrease in Short Term Loans and Advances	<b>(6,29,225.55)</b>	(36,48,653.00)
(Increase)/Decrease in Other Current Assets	<b>(2,00,55,585.68)</b>	(6,05,43,075.62)
Increase/(Decrease) in Long Term Provisions	<b>(16,19,074.00)</b>	(13,58,360.00)
Increase/(Decrease) in Short Term Provisions	<b>61,65,211.31</b>	9,73,189.85
Increase/(Decrease) in Other Current Liabilities	<b>1,55,51,00,297.57</b>	44,48,07,970.87
<b>Cash Generated from Operations</b>	<b>(48,61,96,398.54)</b>	59,24,43,278.00
Finance Cost	<b>(54,30,34,864.01)</b>	(26,80,67,359.33)
Tax Expense	<b>(1,65,67,070.31)</b>	(69,36,957.00)
<b>Net Cash from Operating Activities</b>	<b>(1,04,57,98,332.86)</b>	31,74,38,961.67
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/(Sale) (Net) of Fixed Assets	<b>(95,07,758.00)</b>	(48,39,056.65)
Purchase/(Sale) (Net) of Investments	-	-
<b>Net Cash used in Investing Activities</b>	<b>(95,07,758.00)</b>	(48,39,056.65)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from issue of Share Capital (Net)	<b>39,80,77,402.00</b>	(12,73,400.00)
Proceeds from Short Term Borrowings (Net)	<b>1,81,63,83,162.50</b>	38,95,77,285.58
Proceeds from Long Term Borrowings (Net)	<b>47,37,39,199.23</b>	(62,71,03,674.60)
<b>Net Cash used in Financing Activities</b>	<b>2,68,81,99,763.73</b>	(23,87,99,789.02)
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,63,28,93,672.87</b>	7,38,00,116.00
<b>Cash and Cash Equivalents as on 01.04.2012</b>	<b>1,07,16,24,604.62</b>	99,78,24,488.62
<b>Cash and Cash Equivalents as on 31.03.2013</b>	<b>2,70,45,18,277.49</b>	1,07,16,24,604.62



## CASH & CASH EQUIVALENTS COMPRISES OFF

Particulars	Year Ended 31.03.2013 Rs.	Year Ended 31.03.2012 Rs.
<b>Cash and Cash Equivalents:</b>		
Cash on Hand	8,28,37,592.44	8,76,83,794.21
Balance with banks in current accounts	43,34,18,559.40	24,97,79,289.46
Term deposits for remaining maturity of 3 months or less	68,18,38,930.00	5,14,35,320.00
	<b>1,19,80,95,081.84</b>	38,88,98,403.67
<b>Other Bank Balances:</b>		
Term deposits for remaining maturity of more than 3 months and upto 1 year	85,44,40,656.65	44,50,81,923.95
<b>Other Non-Current Assets:</b>		
Long term deposits having remaining maturity of more than 1 year	65,19,82,539.00	23,76,44,277.00
<b>Total</b>	<b>2,70,45,18,277.49</b>	1,07,16,24,604.62

Refer Note No. 18

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

As per our report of even date annexed

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

Chartered Accountants

**A.K. Gangaher**

Proprietor

M. No. 083674

Firm ICAI Reg.No. 004588N

Place : Delhi

Dated : 29<sup>th</sup> May, 2013

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

**H P Singh**

(Chairman cum Managing Director)

**Satvinder Singh**

(Director)

**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 taking non banking financial company or NBFC-ND as category B registered with The Reserve Bank of India ("RBI"). The Company has applied to RBI to change the category of the Company as NBFC-MFI as per guidelines issued by RBI. Its equity shares are listed at Delhi Stock Exchange Limited, Jaipur Stock Exchange Limited and Ludhiana Stock Exchange Limited. The Company is engaged in microcredit activity. The present area of operation is Delhi & NCR, Uttar Pradesh, Madhya Pradesh, Uttrakhand, Bihar, Rajasthan, Haryana, Jammu, Punjab and Chandigarh.

### Note No.2 Significant Accounting Policies

#### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

#### 2. USE OF ESTIMATES

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

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

#### 3. TANGIBLE ASSETS

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

#### 4. INTANGIBLE ASSETS

Computer software cost are capitalized and amortised using the written down value method. Goodwill acquired on account of amalgamation is written off in equal installments over a period of five years.

#### 5. DEPRECIATION

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

#### 6. INVESTMENTS

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

## 7. CURRENT ASSETS

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

## 8. REVENUE RECOGNITION

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

## 9. BORROWING COSTS

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

## 10. FOREIGN CURRENCY

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

## 11. PROVISIONS AND CONTINGENT LIABILITIES

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that the outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## 12. EMPLOYEES RETIREMENT BENEFITS

Contributions to Provident Fund and Employee State Insurance are being paid and accounted as per the respective rules and debited to Statement of Profit and Loss. The Company has no further obligations beyond its monthly contributions.

Employees Gratuity liability has been calculated and managed through a trust by the Life Insurance Corporation of India. As per the valuation conducted by the insurance company the shortfall is paid as the premium for the year and which is debited as an expense in the Statement of Profit and Loss.

Provision for encashment of leave is being made on the basis of actuarial valuation made at the end of each financial year and is charged to Statement of Profit and Loss.



### 13. IMPAIRMENT OF ASSETS

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

### 14. TAXATION

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

- (i) Current tax expense is made based on the estimated tax liability as per the appropriate provisions of the Income Tax Act, 1961 and considering the previous final assessment orders. The provision for current tax for the year will be net off any provisions related to that year.
- (ii) Excess/short provision of income tax relating to earlier years is disclosed separately in the accounts.
- (iii) Deferred Tax Assets and Liabilities for timing differences between tax profit and book profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on balance sheet date. Deferred Tax Assets are recognized to the extent there is reasonable certainty that these assets can be realized in future. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.
- (iv) Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets and liabilities representing the current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### 15. EARNING PER SHARE

In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any 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.

### 16. EMPLOYEE STOCK OPTION SCHEME (ESOS)

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

### 17. LEASES

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

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
3	<b>Share Capital</b>				
	<b>Authorised</b>				
	2,50,00,000 Equity Shares of Rs.10/- each (Previous Year 2,00,00,000 Equity Shares of Rs. 10/- each)		25,00,00,000.00		20,00,00,000.00
	<b>Issued</b>				
	2,32,40,151 Equity Shares of Rs. 10/- each (Previous Year 1,84,44,827 Equity Shares of Rs. 10/- each)		23,24,01,510.00		18,44,48,270.00
	<b>Subscribed</b>				
	2,32,40,151 Equity Shares of Rs. 10/- each (Previous Year 1,84,44,827 Equity Shares of Rs. 10/- each)		23,24,01,510.00		18,44,48,270.00
	<b>Paid-up</b>				
	2,31,93,651 Equity Shares of Rs. 10/- each (Previous Year 1,83,98,327 Equity Shares of Rs. 10/- each)		23,19,36,510.00		18,39,83,270.00
	Less:- Amount recoverable from Satin Employees Welfare Trust ( Face value of 5,25,000 shares allotted to the Satin Employees Welfare Trust)		(52,50,000.00)		(57,50,000.00)
	Add: Forfeited shares (Amount originally paid on 46,500 equity shares)		22,66,86,510.00 2,34,500.00		17,82,33,270.00 2,34,500.00
			22,69,21,010.00		17,84,67,770.00
	<b>Reconciliation of equity shares of the face value of Rs. 10/- each</b>	<b>No.</b>	<b>Rs.</b>	<b>No.</b>	<b>Rs.</b>
<b>Authorised</b>					
At the beginning of the accounting period	2,00,00,000	20,00,00,000.00	2,00,00,000	20,00,00,000.00	
Additions during the year	50,00,000	5,00,00,000.00	-	-	
At the end of the accounting period	2,50,00,000	25,00,00,000.00	2,00,00,000	20,00,00,000.00	
<b>Issued</b>					
At the beginning of the accounting period	1,84,44,827	18,44,48,270.00	1,82,94,827	18,29,48,270.00	
Additions during the year	47,95,324	4,79,53,240.00	1,50,000	15,00,000.00	
At the end of the accounting period	2,32,40,151	23,24,01,510.00	1,84,44,827	18,44,48,270.00	
<b>Subscribed</b>					
At the beginning of the accounting period	1,84,44,827	18,44,48,270.00	1,82,94,827	18,29,48,270.00	
Additions during the year	47,95,324	4,79,53,240.00	1,50,000	15,00,000.00	
At the end of the accounting period	2,32,40,151	23,24,01,510.00	1,84,44,827	18,44,48,270.00	
<b>Paid-up</b>					
At the beginning of the accounting period	1,83,98,327	18,39,83,270.00	1,82,48,327	18,24,83,270.00	
Additions during the year	47,95,324	4,79,53,240.00	1,50,000	15,00,000.00	
At the end of the accounting period	2,31,93,651	23,19,36,510.00	1,83,98,327	18,39,83,270.00	
<b>Shares issued to Satin Employees Welfare Trust</b>					
At the beginning of the accounting period	5,75,000	57,50,000.00	4,75,000	47,50,000.00	
Additions during the year	-	-	1,50,000	15,00,000.00	
Alloted to Employees during the year	50,000	5,00,000.00	50,000	5,00,000.00	
At the end of the accounting period	5,25,000	52,50,000.00	5,75,000	57,50,000.00	



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

S. No.	Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
		No. of Shares	Percentage Holding	No. of Shares	Percentage Holding
1	ShoreCap II Limited	39,08,188	16.85%	23,00,000	12.50%
2	Parishek Finance Private Limited	21,50,880	9.27%	21,50,880	11.69%
3	Lok Capital LLC	-	-	20,90,148	11.36%
4	Danish Microfinance Partners K/S	23,95,214	10.33%	19,00,000	10.33%
5	MV Mauritius Limited	34,95,520	15.07%	-	-

2. Satin Employees Welfare Trust holds 3,25,000 equity shares under Satin ESOP 2009 and 1,00,000 equity shares under Satin ESOP 2010 and 1,50,000 equity shares aggregating to 5,75,000 equity shares as on 01.04.2012.

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. 1,50,000 Options were granted on 12th January 2010. First 1/3rd of total options (i.e. 50,000 options) were vested and exercised on 12th January 2011. Second 1/3rd of total options (i.e. 50,000 options) were vested and exercised on 12th January 2012. Third 1/3rd of total options (i.e. 50,000 options) were vested and exercised on 12th January 2013.

Satin ESOP 2010: 1,00,000 equity shares of Rs. 22/- each (including premium of Rs. 12/- each) were allotted to Satin Employees Welfare Trust on 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 had allotted shares to Satin Employees Welfare Trust @ Rs. 20/- each (including premium of Rs. 10/- each) on 27th November 2009 which is over the Fair Market Value of Rs. 12/- at the time of allotment of shares. The Company had further allotted shares to Satin Employees Welfare Trust @ Rs. 22/- each (including premium of Rs. 12/- each) on 22nd June 2010 which is over the Fair Market Value of Rs. 16/- at the time of allotment of shares. The Company had further allotted shares to Satin Employees Welfare Trust @ Rs. 25/- each (including premium of Rs. 15/- each) on 21st April 2011 which is over the Fair Market Value of Rs. 16/- at the time of allotment of shares. Hence no expense has been recognized.

c) The Company has provided following share based options to its employees. During the financial year ended 31st March 2013, the following schemes were in operations:



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



The details of ESOP 2009 are summarized below :

Particulars	As at 31.03.2013		As at 31.03.2012	
	ESOP 2009		ESOP 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	2,75,000	20	2,75,000	20
Granted during the year	NIL	NIL	NIL	NIL
Forfeited during the year	NIL	NIL	NIL	NIL
Exercise during the year	50,000	20	50,000	20
Expired during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	2,75,000	20	2,75,000	20
Exercisable at the end of the year	NIL	20	50,000	20
Weighted average remaining contractual life (in years)	NIL	20	0.79	20
Weighted average fair value of the options granted	50,000	20	50,000	20

The details of ESOP 2010 are summarized below :

Particulars	As at 31.03.2013		As at 31.03.2012	
	ESOP 2010		ESOP 2010	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	1,00,000	22	1,00,000	22
Granted during the year	NIL	NIL	NIL	NIL
Forfeited during the year	NIL	NIL	NIL	NIL
Exercise during the year	NIL	NIL	NIL	NIL
Expired during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	1,00,000	22	1,00,000	22
Exercisable at the end of the year	NIL	NIL	NIL	NIL
Weighted average remaining contractual life (in years)	NIL	22	NIL	22
Weighted average fair value of the options granted	NIL	22	NIL	22

The details of ESOP II 2010 are summarized below :

Particulars	As at 31.03.2013		As at 31.03.2012	
	ESOP II 2010		ESOP II 2010	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	1,50,000	25	NIL	NIL
Granted during the year	NIL	NIL	NIL	NIL
Forfeited during the year	NIL	NIL	NIL	NIL
Exercise during the year	NIL	NIL	NIL	NIL
Expired during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	1,50,000	25	1,50,000	25
Exercisable at the end of the year	NIL	NIL	NIL	NIL
Weighted average remaining contractual life (in years)	NIL	25	NIL	25
Weighted average fair value of the options granted	NIL	25	NIL	25

The detail of exercise price for stock option at the end of the financial year 2012-2013 is:

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

3. The Company has Rs. 1,14,50,000.00 (Previous year Rs. 1,24,50,000.00) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.
4. During the year the authorized share capital of the Company was increased from Rs. 2,000.00 Lacs to Rs. 2,500.00 Lacs on 12th March, 2013 after necessary approval from shareholders.
5. The Company had taken the approval of shareholders through Extra-ordinary General Meeting held on 12th March, 2013 for allotment of 47,95,324 (Forty Seven Lacs Ninety Five Thousand Three Hundred and Twenty Four only) Equity Shares of the Company of face value of Rs.10/- (Rupees ten only) each for cash at an exercise price of Rs 85.50/- (Rupees Eighty Five and Fifty Paise only) each including premium of Rs. 75.50/- (Rupees Seventy five and Fifty Paise only) to the persons belonging to the Promoter and Non-promoter group to meet the present working capital requirement and for the expansion of the company's business operations. These equity shares were allotted on 30th March, 2013.
6. The Company has made Preferential Allotment of Equity Shares to the extent of 47,95,324 Equity Shares to the persons belonging to Promoter/Non- promoter group in order to raise funds up to the tune of Rs. 4,100.00 Lacs (including Foreign Direct Investment of Rs. 3,000.00 Lacs). The newly issued shares rank pari-pasu with the existing equity shares of the company in all respect including voting rights and dividend. Further, in terms of regulations under Chapter VII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, the issued shares belonging to promoter group shall be non-transferable upto 29th day of March, 2016 and issued shares belonging to Non-Promoter group shall be non-transferable upto 29th Day of March, 2014. The Foreign Direct Investment of Rs. 3,000.00 Lacs received in respect to the above said allotment from foreign Investors falls within the preview of Automatic route as mentioned in the guidelines and regulations issued by The Reserve Bank of India from time to time in this regard.
7. The proceeds of the preferential allotment amounting to Rs. 4,100.00 Lacs (Previous year Nil) made by the Company remained unutilized as at 31.03.2013 and the same has been invested in short term fixed deposits with the scheduled banks.



Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
4	<b>Reserves &amp; Surplus</b>				
	<b>Securities Premium Reserve</b>				
	At the beginning of the accounting period	53,47,50,320.00		53,47,73,720.00	
	Additions during the year	36,20,46,962.00		22,50,000.00	
	Less: Share / Debenture issue expenses	1,29,22,800.00		22,73,400.00	
		88,38,74,482.00		53,47,50,320.00	
	Less: Amount recoverable from Satin Employees Welfare Trust	62,00,000.00		67,00,000.00	
	At the end of the accounting period		87,76,74,482.00		52,80,50,320.00
	<b>General Reserves</b>				
	At the beginning of the accounting period	37,26,157.00		37,26,157.00	
	Additions / (Deductions) during the year	-		-	
	At the end of the accounting period		37,26,157.00		37,26,157.00
	<b>Statutory Reserve Fund</b>				
	At the beginning of the accounting period	1,89,43,003.00		1,61,44,937.00	
Additions during the year	77,96,587.00		27,98,066.00		
At the end of the accounting period		2,67,39,590.00		1,89,43,003.00	
<b>Surplus in Statement of Profit &amp; Loss</b>					
At the beginning of the accounting period	7,02,60,451.52		5,90,68,188.99		
Additions during the year	3,89,82,934.31		1,39,90,328.53		
Less: Transfer to Statutory Reserve Fund	77,96,587.00		27,98,066.00		
At the end of the accounting period		10,14,46,798.83		7,02,60,451.52	
		1,00,95,87,027.83		62,09,79,931.52	

1. During the year, the Company received a sum of Rs. 36,20,46,962.00 (Previous year Rs. 22,50,000.00) on account of premium on issue of 47,95,324 (Previous year 1,50,000) equity shares.
2. During the year, the Company utilized a sum of Rs. 1,29,22,800.00 (Previous year Rs. 22,73,400.00) from Securities Premium Reserve towards writing off incidental expenditure pertaining to raising equity share capital and secured redeemable non-convertible debenture as per the provision of Section 78 of the Companies Act, 1956.
3. The Company has Rs. 1,14,50,000.00 (Previous year Rs. 1,24,50,000.00) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.
4. Pursuant to the provision of section 45 (IC) of Reserve Bank of India Act, 1934, the Company has transferred Rs. 77,96,587.00 (Previous Year Rs. 27,98,066.00) towards Statutory Reserve Fund.

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
<b>5</b>	<b>Long term borrowings</b>				
<b>A</b>	<b>Secured Loans</b>				
	<b>Non Convertible Debentures</b>				
	(a) 25 (Series-1) (Previous Year: Nil), 14.25% Secured, Redeemable, Non - Convertible Debentures of Rs. 25,00,000/- each redeemable at par on September 14, 2018. The date of allotment is September 14, 2012. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	<b>6,25,00,000.00</b>		-	
	(b) 75 (Series-2) (Previous Year: Nil), 14.25% Secured, Redeemable, Non-Convertible Debentures of Rs. 25,00,000/- each redeemable at par on September 14, 2018. The date of allotment is September 14, 2012. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	<b>18,75,00,000.00</b>		-	
	(c) 250 (Previous Year: Nil), 14.60% Secured, Redeemable, Non-Convertible Debentures of Rs. 10,00,000/- each redeemable at par on December 18, 2016. The date of allotment is December 18, 2012. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	<b>25,00,00,000.00</b>		-	
	(d) 37 (Previous Year: 37), 14.10% Secured Redeemable Non-Convertible Debentures of Rs. 25,00,000/- each redeemable at par on April 15, 2014 with a rollover option of one year. The date of allotment is March 30, 2012. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	<b>9,25,00,000.00</b>		9,25,00,000.00	
			<b>59,25,00,000.00</b>		9,25,00,000.00
<b>B</b>	<b>Term Loan</b>				
	<b>From Banks</b>				
	For Working Capital	<b>1,89,77,49,771.00</b>		66,54,36,731.08	
	For Purchase of Fixed Assets	<b>74,79,630.52</b>	<b>1,90,52,29,401.52</b>	75,53,598.96	67,29,90,330.04
	<b>From Others</b>				
	For Working Capital	<b>28,10,93,851.67</b>		19,78,56,631.79	
	For Purchase of Fixed Assets	<b>9,06,871.14</b>	<b>28,20,00,722.81</b>	-	19,78,56,631.79
	<b>Total Long Term Borrowings</b>		<b>2,77,97,30,124.33</b>		96,33,46,961.83



1. As per the terms of issue regarding the Secured Redeemable, Non Convertible Debenture, the security offered by the Company is the hypothecation of present and future receivable equivalent to the outstanding amount against each series of Non Convertible Debenture. The above mentioned Non Convertible Debentures are freely tradable and listed on the Bombay Stock Exchange Limited.
2. For term loans refer Note No. 8 (1).

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
6	<b>Long-Term provisions</b> Provision for Leave Encashment		<b>2,802,885.00</b>		4,421,959.00
			<b>2,802,885.00</b>		4,421,959.00

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

**A. Provident fund**  
**Defined Contribution Plan**

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

	<b>Current Year</b> <b>In Rupees</b>	Previous Year In Rupees
Employer's Contribution to Provident Fund	<b>77,75,747.00</b>	79,57,642.00
Employer's Contribution to Superannuation Fund	<b>Nil</b>	Nil
Employer's Contribution to Pension Scheme	<b>Nil</b>	Nil

**B. Gratuity**

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

**C. Leave Encashment**

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

	<b>Current Year</b> <b>In Rupees</b>	Previous Year In Rupees
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>44,21,959.00</b>	57,80,318.00
Current Service Cost	-	15,01,723.00
Interest Cost	<b>3,40,872.00</b>	4,61,355.00
Actuarial (gain)/loss	<b>(14,80,996.00)</b>	(23,06,064.00)
Benefits paid	<b>(4,78,950.00)</b>	(10,15,373.00)
Defined Benefit obligation at year end	<b>28,02,885.00</b>	44,21,959.00
<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>(4,78,950.00)</b>	(10,15,373.00)
Fair value of plan assets at year end	-	-
Actual return on plan assets	-	-



<b>c.</b>	Reconciliation of fair value of assets and obligations		
	Fair Value of plan assets at year end	-	-
	Present value of obligation at year end	<b>28,02,885.00</b>	44,21,959.00
	Amount recognized in Balance Sheet	<b>28,02,885.00</b>	44,21,959.00
<b>d.</b>	Expenses recognized during the year (Under the head "Payments to and Provisions for Employees)		
	Current Service Cost	-	15,01,723.00
	Interest Cost	<b>3,40,872.00</b>	4,61,355.00
	Expected return on plan assets	-	-
	Actuarial (gain)/loss	<b>(14,80,996.00)</b>	(23,06,064.00)
	Net Cost	<b>(11,40,124.00)</b>	(3,42,986.00)
<b>e.</b>	Actuarial assumptions		
	Mortality Table (L.I.C/IAL)	<b>IAL 2006-08</b>	LIC 1994-96
		<b>(Ultimate)</b>	(Ultimate)
	Discount Rate (per annum)	<b>8.15%</b>	8.75%
	Expected rate of return on plan assets (per annum)	-	-
	Rate of escalation in salary (per annum)	<b>5.00%</b>	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The above figures pertain to Long Term Liability worked in respect of deferred leave only. Expected Short Term Liability of Rs. 10,77,353.00 (Previous Year Rs. 14,84,394.00) will be added to this figure.

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
<b>7</b>	<b>Short Term Borrowings</b>				
<b>A</b>	<b>Secured Loans</b>				
	<b>Term Loan</b>				
	<b>From Banks</b>				
	For Working Capital	<b>58,84,36,729.08</b>		17,48,57,000.00	
	For Purchase of Fixed Assets	-	<b>58,84,36,729.08</b>	1,15,462.32	17,49,72,462.32
	<b>From Others</b>				
	For Working Capital	<b>12,90,80,595.79</b>		8,61,92,610.51	
	For Purchase of Fixed Assets	-	<b>12,90,80,595.79</b>	55,523.13	8,62,48,133.64
<b>B</b>	<b>Overdraft Facility against Fixed Deposits</b>				
	From Banks		<b>3,41,64,221.84</b>		47,21,751.52
			<b>75,16,81,546.71</b>		26,59,42,347.48
<b>C</b>	<b>Unsecured Loans</b>				
	For Working Capital		-		1,20,00,000.00
			-		1,20,00,000.00
	<b>Total Short Term Borrowings</b>		<b>75,16,81,546.71</b>		27,79,42,347.48

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



Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
<b>8</b>	<b>Other Current Liabilities</b>				
<b>A</b>	Current Maturity of Non Convertible Debentures-Secured 12, Secured Redeemable Non - Convertible Debentures @ 14.10%, of Rs. 1,00,00,000/- each redeemable at par on March 31, 2014. The date of allotment is March 21, 2011. (Previous Year 12, 12.10 % Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000/- each redeemable at par on March 31, 2013 with a rollover option of one year. The date of allotment is March 21, 2011). (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)		<b>12,00,00,000.00</b>		12,00,00,000.00
<b>B</b>	Current Maturity of long term debts for Working Capital-Secured				
	From Bank		<b>1,87,93,08,970.00</b>		55,66,43,933.92
	From Others		<b>36,68,03,091.00</b>		23,72,00,026.72
<b>C</b>	Current Maturity of long term debts for Purchase of Fixed Assets-Secured				
	From Bank		<b>63,908.15</b>		57,800.90
	From Others		<b>3,91,128.86</b>		-
<b>D</b>	Expenses Payable		<b>45,62,059.50</b>		61,45,187.00
<b>E</b>	Trade Payable (Trade payable includes a sum of Rs.14,77,64,457.07 (Previous year Rs. 10,88,14,655.00) on account of Installment collected on managed Portfolio.)		<b>17,02,11,898.10</b>		13,51,53,172.00
<b>F</b>	Cash Profit on loan transfer transaction pending recognition (Unamortised)		<b>9,33,66,898.00</b>		4,52,30,142.13
<b>G</b>	Interest accrued but not due on loans		<b>82,27,543.97</b>		58,85,906.81
<b>H</b>	Interest accrued but not due on Debentures		<b>1,32,07,735.66</b>		27,77,716.50
<b>I</b>	Statutory Liabilities Payable		<b>1,26,18,570.31</b>		45,67,620.00
			<b>2,66,87,61,803.55</b>		1,11,36,61,505.98

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

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Long Term from Banks - Secured	<b>1,89,77,49,771.00</b>	66,54,36,731.08
Long Term from Others - Secured	<b>28,10,93,851.67</b>	19,78,56,631.79
Short Term from Banks - Secured	<b>58,84,36,729.08</b>	17,48,57,000.00
Short Term from Others - Secured	<b>12,90,80,595.79</b>	8,61,92,610.51
Current Maturity of long term debts for lending from Banks - Secured	<b>1,87,93,08,970.00</b>	55,66,43,933.92
Current Maturity of long term debts for lending from Others - Secured	<b>36,68,03,091.00</b>	23,72,00,026.72
Short Term Other - Unsecured	<b>0.00</b>	1,20,00,000.00
Total	<b>5,14,24,73,008.54</b>	193,01,86,934.02

The above loans are repayable on periodic installments of principal and interest. The sanctioned tenure of the loans outstanding as at 31.03.2013 varies from 12 months to 48 months. For the secured loans, the Company has offered security by way of hypothecation of trade receivables arising out of its business operations generated from the respective loans and cash collateral in the form of fixed deposits. Out of above, an amount of Rs. 47,590.32 Lacs (Previous Year Rs. 16,864.90 Lacs) have been guaranteed by the Directors, Mr. Satvinder Singh and / or Mr. H P Singh in their personal capacity.

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

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
9	<b>Short - Term Provision</b>				
	Provision for Leave encashment		10,77,353.00		14,84,394.00
	Contingent provisions against Standard Assets		1,13,25,191.06		47,52,938.75
			<b>1,24,02,544.06</b>		<b>62,37,332.75</b>

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



(Amount in Rs.)

**Note No. 10**  
**Tangible Assets**

Particulars	Gross Block			Depreciation			Net Block			
	As at 01.04.2012	Addition/ Adj.	Sale/Adj.	As at 31.03.2013	As at 01.04.2012	For the Year	Adj./Written Back	As at 31.03.2013	WDV on 31.03.2012	WDV on 31.03.2013
Buildings	3,09,51,057.28	-	-	3,09,51,057.28	64,44,187.53	12,25,343.00	-	76,69,530.53	2,45,06,869.75	2,32,81,526.75
Plant & Equipment	1,26,04,757.22	33,41,632.00	1,50,570.00	1,57,95,819.22	90,95,320.93	20,19,692.00	98,942.00	1,10,16,070.93	35,09,436.52	47,79,748.29
Office Equipment	54,31,934.59	8,83,050.00	5,47,624.00	57,67,360.59	19,35,195.53	5,16,309.00	1,99,358.00	22,52,146.53	34,96,739.23	35,15,214.06
Vehicles	55,36,335.00	16,11,882.00	-	71,48,217.00	37,56,500.35	4,75,663.00	-	42,32,163.35	17,79,834.65	29,16,053.65
Furniture & Fixtures	1,27,05,663.33	4,82,681.00	1,96,321.00	1,29,92,023.33	45,10,235.43	15,00,892.00	75,905.00	59,35,222.43	81,95,427.50	70,56,800.90
<b>Total</b>	<b>6,72,29,747.42</b>	<b>63,19,245.00</b>	<b>8,94,515.00</b>	<b>7,26,54,477.42</b>	<b>2,57,41,439.77</b>	<b>57,37,899.00</b>	<b>3,74,205.00</b>	<b>3,11,05,133.77</b>	<b>4,14,88,307.65</b>	<b>4,15,49,343.65</b>
Previous Year	6,69,45,859.42	4,98,684.00	2,14,796.00	6,72,29,747.42	1,95,63,409.42	62,52,428.00	74,397.65	2,57,41,439.77	4,14,88,307.65	4,14,88,307.65

**Note No. 11**  
**Intangible Assets**

(Amount in Rs.)

Particulars	Gross Block			Depreciation			Net Block			
	As at 01.04.2012	Addition/ Adj.	Sale/Adj.	As at 31.03.2013	As at 01.04.2012	For the Year	Adj./Written Back	As at 31.03.2013	WDV on 31.03.2012	WDV on 31.03.2013
Computer Software	15,62,328.00	6,52,215.00	-	22,14,543.00	7,50,391.00	3,98,164.00	-	11,48,555.00	8,11,937.00	10,65,988.00
<b>Total</b>	<b>15,62,328.00</b>	<b>6,52,215.00</b>	<b>-</b>	<b>22,14,543.00</b>	<b>7,50,391.00</b>	<b>3,98,164.00</b>	<b>-</b>	<b>11,48,555.00</b>	<b>8,11,937.00</b>	<b>10,65,988.00</b>
Previous Year	10,77,618.00	5,63,250.00	78,540.00	15,62,328.00	4,20,453.00	4,08,478.00	78,540.00	7,50,391.00	8,11,937.00	8,11,937.00

**Note No. 12**  
**Capital Work-In-Progress**

(Amount in Rs.)

Particulars	Gross Block			Depreciation			Net Block			
	As at 01.04.2012	Addition/ Adj.	Sale/Adj.	As at 31.03.2013	As at 01.04.2012	For the Year	Adj./Written Back	As at 31.03.2013	WDV on 31.03.2012	WDV on 31.03.2013
Capital Work in Progress	3,73,51,116.00	30,56,608.00	-	4,04,07,724.00	-	-	-	-	3,73,51,116.00	4,04,07,724.00
<b>Total</b>	<b>3,73,51,116.00</b>	<b>30,56,608.00</b>	<b>-</b>	<b>4,04,07,724.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,73,51,116.00</b>	<b>4,04,07,724.00</b>
Previous Year	3,34,33,595.00	39,17,521.00	-	3,73,51,116.00	-	-	-	-	3,73,51,116.00	3,73,51,116.00

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 31.03.2013	As at 31.03.2013 Rs.	No. of Units/ Shares 31.03.2012	As at 31.03.2012 Rs.
<b>13</b>	<b>Non Current Investments-Non Trade-At Cost</b>					
	<b>I Unquoted - Equity Shares</b>					
	Parishek Finance Private Limited	10	<b>40,000</b>	<b>8,00,000.00</b>	40,000	8,00,000.00
	Satin (India) Limited	10	<b>1,50,000</b>	<b>25,00,000.00</b>	1,50,000	25,00,000.00
	Satin Media Solutions Limited	10	<b>1,50,000</b>	<b>30,00,000.00</b>	1,50,000	30,00,000.00
	Alpha Micro Finance Consultants Private Limited	10	<b>50,000</b>	<b>5,00,000.00</b>	50,000	5,00,000.00
	<b>Total (A)</b>			<b>68,00,000.00</b>		<b>68,00,000.00</b>
	<b>II Unquoted - Others</b>					
	Government of India, Inscribed stock -6.17%	100	<b>500</b>	<b>50,591.33</b>	500	50,591.33
	<b>Total (B)</b>			<b>50,591.33</b>		<b>50,591.33</b>
	<b>Grand Total</b>			<b>68,50,591.33</b>		<b>68,50,591.33</b>
	Aggregate Cost of unquoted Investments			<b>68,50,591.33</b>		<b>68,50,591.33</b>

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 31.03.2012	(Liability)/Assets/ Movements/during the year	As at 31.03.2013
<b>14</b>	<b>Deferred Tax Assets/(Liabilities)/Timing difference on account of</b>			
	<b>Depreciation</b>	(7,51,476.37)	(2,95,511.42)	<b>(10,46,987.79)</b>
	<b>Provisions created but not claimed in Income Tax</b>	54,13,953.95	23,42,210.62	<b>77,56,164.57</b>
	<b>Total Deferred Tax Assets</b>	46,62,477.58	20,46,699.20	<b>67,09,176.78</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 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
<b>15</b>	<b>Long Term Loans &amp; Advances</b>				
	Security Deposits - Unsecured		<b>6,28,299.00</b>		4,88,810.00
			<b>6,28,299.00</b>		4,88,810.00

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

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
<b>16</b>	<b>Other Non-Current Assets</b>				
	Long term deposits having remaining maturity of more than 1 year		<b>65,19,82,539.00</b>		23,76,44,277.00
			<b>65,19,82,539.00</b>		23,76,44,277.00

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



Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
17	<b>Trade Receivables under Loan Contracts</b>				
	Amount Receivables under Loan Contracts (Loan Portfolio)	<b>4,54,12,77,846.56</b>		1,91,09,13,311.89	
	Less: Provision for Bad & Doubtful debts	<b>86,96,464.83</b>	<b>4,53,25,81,381.73</b>	60,24,695.78	1,90,48,88,616.11

1. As per prudential norms prescribed by the Reserve Bank of India on income recognition and provisioning for bad and doubtful debts, a provision of Rs. 2,00,21,655.89 (Previous year Rs. 1,07,77,634.53) stood at 31st March 2013 towards bad and doubtful debts. This includes an amount of Rs. 1,13,25,191.06 (Previous year Rs. 47,52,938.75) as provision for doubtful debts on standard assets as per notification no. DNBS.223/CGM(US)-2011 dated January 17, 2011 issued by Reserve Bank of India. As per the said notification the same has been shown as "Contingent Provisions against Standard Assets" under "Short-Term Provisions". In the opinion of the management the classification of various assets as per the prudential norms prescribed by the Reserve Bank of India are as under:

(Amount in Rs.)

Asset classification	Loan Contract Outstanding	
	As at 31.03.2013	As at 31.03.2012
Standard Assets	<b>4,53,41,70,380.26</b>	1,90,51,64,400.53
Substandard Assets	<b>71,07,466.30</b>	34,50,225.36
Doubtful Assets	-	22,98,686.00
Loss Assets	-	-
Total	<b>4,54,12,77,846.56</b>	1,91,09,13,311.89
Less: Provision for Bad and Doubtful Debts *	<b>86,96,464.83</b>	60,24,695.78
Net own assets	<b>4,53,25,81,381.73</b>	1,90,48,88,616.11
Managed Portfolio	<b>1,25,89,77,687.00</b>	1,29,05,24,434.00

\* The Company has followed the following provisioning policy:

For Individual lending:

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

For Group lending:

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

The provision as per above provisioning policy is higher than the minimum prescribed by the Reserve Bank of India as on 31st March 2013.



2. In the opinion of the Management, amount receivable under Loan contracts are good for recovery unless otherwise stated. An amount of Rs 2,25,01,328.26 (Previous Year - Rs. 1,00,62,844.01) has been written off / provided as bad debts during the year. In the opinion of management, the amounts, written off as bad debts, are not recoverable despite legal and other steps taken by the Company.

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
18	<b>Cash &amp; Cash Equivalents:</b>				
	Cash on Hand		8,28,37,592.44		8,76,83,794.21
	Balance with banks in current accounts		43,34,18,559.40		24,97,79,289.46
	Term deposits for remaining maturity of 3 months or less		68,18,38,930.00		5,14,35,320.00
	<b>Other Bank Balances</b>				
	Term deposits for remaining maturity of more than 3 months and upto 1 year		85,44,40,656.65		44,50,81,923.95
			<b>2,05,25,35,738.49</b>		<b>83,39,80,327.62</b>

1. Total term deposits with banks and others amounting to Rs. 2,18,82,62,125.65 (Previous Year Rs. 73,41,61,520.95) includes long term deposits amounting Rs. 65,19,82,539.00 (Previous Year Rs. 23,76,44,277.00) as stated in Note No. 16. The amount under lien as security against term loan and overdraft facility availed, assets assigned and securitized are as follows:-

(Amount in Rs.)

Particulars	Current Year	Previous Year
Term Loan	57,71,69,245.00	23,00,00,000.00
Overdraft Facility	23,19,29,332.65	22,19,21,808.95
Asset Assigned/Securitized	31,03,83,638.00	20,61,66,307.00
	<b>1,11,94,82,215.65</b>	<b>65,80,88,115.95</b>

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
19	<b>Short Term Loans &amp; Advances - Unsecured</b>				
	Staff Advance		53,86,318.35		33,50,808.24
	Income Tax (Net of Provisions)		-		14,06,284.56
			<b>53,86,318.35</b>		<b>47,57,092.80</b>

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

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
20	<b>Other Current Assets</b>				
	Prepaid Expenses		2,44,209.00		6,500.00
	Interest accrued but not due		7,75,98,215.89		2,92,99,823.29
	Advances recoverable in cash or in kind or for value to be received		3,43,47,416.26		6,28,27,932.18
			<b>11,21,89,841.15</b>		<b>9,21,34,255.47</b>

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



Note No.	Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
21	<b>Revenue from operations</b>				
	Interest Income	79,61,64,298.72		42,53,53,032.11	
	Other operational income	14,51,15,950.56	94,12,80,249.28	13,63,65,149.25	56,17,18,181.36

1. During the year, the company has entered into a securitization contract for sale of certain loans (Pool of Assets) to bankruptcy remote Special Purpose Vehicle (SPV) in return of agreed consideration. The principal value of asset securitized was Rs 13,086.60 Lacs (Previous Year Rs. 8,411.60 Lacs). The Company has received a consideration from the SPV amounting to Rs 14,092.00 Lacs (Previous Rs. 9,100.56 Lacs). In respect of recognition of Income relating to the said securitization contracts, the company has followed guidelines issued by RBI vide its notification no. DBOD.No.BP.BC.103/21.04.177/2011-12 dated 7th May 2012 and accordingly has amortized the gain/premium arising out of these transactions over the residual maturity of the securitization transaction. The total gain on the said securitization done during the financial year 2012-13 has been Rs. 1,005.40 Lacs (Previous Year Rs. 688.96 Lacs) and out of which Rs. 101.88 Lacs (Previous Year Rs. 467.29 Lacs) has been recognized as income during the current financial year. The Cash Profit on Loan transfer transaction pending recognition as at 31.03.2013 is Rs. 933.66 Lacs (Previous Year Rs. 221.67 Lacs) has been stated under Other Current Liabilities.

Disclosures as per RBI guidelines are as under:

(Rs. in Lacs)

Number of Loan Assets Securitized	Book Value of Loan Assets Securitized	Sale consideration received for the securitized assets	Gain/(Loss) on sale on account of securitization	Form and quantum as credit enhancement. (outstanding value)
1,19,986 (Previous Year 74,608)	13,086.60 (Previous Year 8,411.60)	14,092.00 (Previous Year 9,100.56)	1,005.40 (Previous Year 688.96)	1,412.93 (as cash collateral) (Previous Year 1023.77)

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

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

2. During the year, the company has assigned loan portfolio having book value of Rs Nil (Previous Year Rs. 9,278.50 Lacs) for a consideration of Rs Nil (Previous Year Rs. 10,083.86 Lacs). The profit arising out of the said transactions done during the financial year 2012-13, being the difference between the consideration and the book value of the loan portfolio assigned amounting to Rs Nil (Previous Year Rs. 805.36 Lacs) has been recognized over the life of receivables assigned and out of which Rs. Nil (Previous Year Rs. 128.32 Lacs) has been recognized as income during the current financial year. The unamortized gain pending recognition as at 31.03.2013 is Rs. Nil (Previous Year Rs. 230.63 Lacs) has been stated under other current liabilities as cash profit on loan transfer transaction pending recognition.
3. Other operational income includes gain on securitization transactions amounting to Rs. 2,80,80,337.00 (Previous year Rs. 5,25,19,160.43) and gain on assignment transactions amounting to Rs. 5,97,26,508.56 (Previous year Rs. 5,35,23,605.97).

Note No.	Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
22	<b>Other Income</b> Other Income		20,26,173.81		5,40,345.07

Note No.	Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
23	<b>Finance Cost</b> Interest paid to Banks Interest paid to Others Interest paid on Debentures Finance Charges	31,20,93,207.55 8,98,92,726.33 5,74,66,975.94 8,35,81,954.19		15,01,80,553.95 6,23,96,510.05 1,44,66,401.25 4,10,23,894.08	26,80,67,359.33

Note No.	Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
24	<b>Employee Benefit Expenses</b> Salaries & Other Incentives Contribution to Provident & Other Funds Gratuity Employee Welfare Expenses	13,97,13,622.41 1,12,08,181.00 8,00,000.00 68,97,341.00	15,86,19,144.41	13,64,32,582.41 1,11,18,155.00 33,24,735.00 26,69,672.00	15,35,45,144.41

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

(Amount in Rs.)

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

2. Also refer Note No. 6.



Note No.	Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
<b>25</b>	<b>Other Expenses</b>				
	Annual Listing Fee	1,94,523.00		1,97,709.00	
	Conveyance & Travelling	2,37,44,587.00		1,21,17,160.00	
	Direct Operational Expenses	4,20,86,641.18		2,43,74,670.24	
	Printing & Stationary	2,12,99,953.00		92,99,168.00	
	Communication	1,07,76,402.00		56,12,157.50	
	Business Promotion	28,78,431.00		22,47,410.00	
	Legal & Professional Charges	1,23,08,053.40		1,15,32,248.00	
	Insurance Charges	11,11,419.00		83,97,813.00	
	Office Expenses	2,00,17,343.49		1,12,69,598.50	
	Rent	1,12,68,060.00		1,00,66,629.00	
	Advertisement Expenses	7,94,026.00		1,67,866.00	
	Auditors' Remuneration	2,21,465.00		1,94,250.00	
	Subscription & Fee	12,40,420.00		9,09,791.00	
	Rates & Taxes	4,31,594.00		1,31,684.00	
	Repairs & Maintenance	34,87,501.00		9,69,243.00	
	Miscellaneous Expenses	73,59,986.92		52,71,014.00	
	Bad Debts Written off	1,32,57,306.90		95,38,967.46	
	Provision for Standard/Non Performing Assets	92,44,021.36		5,23,876.55	
	(Profit)/Loss on Sale of Fixed Assets	2,91,312.00	18,20,13,046.25	87,683.35	11,29,08,938.60

1. Conveyance & Travelling expenses Rs. 2,37,44,587.00 (Previous year Rs. 1,21,17,160.00) includes foreign travel expenses of Rs.14,13,690.00 (Previous Year 12,51,689.00) out of which Director's foreign travelling expenses amounts to Rs. 13,05,181.00 (Previous Year Rs. 10,89,297.00).

2. Auditors' remuneration includes the following:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Audit Fees	1,65,000.00	1,25,000.00
Tax Audit Fees	35,000.00	25,000.00
Certification work	21,465.00	44,250.00
<b>Total</b>	<b>2,21,465.00</b>	<b>1,94,250.00</b>

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

**Note No.26**

- Estimated amount of contract remaining to be executed on capital account and not provided for Rs. 18.83 Lacs (Previous Year Rs. 34.73 Lacs).
- Contingent Liability: On account of guarantees given by the Company :-

(Rs. in Lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
On account of managed portfolio	<b>2,270.25</b>	2,041.93
Others	-	12.91
<b>Total</b>	<b>2,270.25</b>	2,054.84

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

Name of Related party	Description of relationship	Nature of transaction	Volume of transaction # (Amount in Rs.)	Outstanding amount as at 31st March,2013# (Amount in Rs.)	Amount written off or written back # (Amount in Rs.)
Mr. H P Singh	Key Personnel	Remuneration	<b>30,88,000.00</b> (30,88,000.00)	Nil (Nil)	Nil (Nil)
Parishek Finance Private Limited	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (Nil)	<b>8,00,000.00 Dr</b> (8,00,000.00 Dr)	Nil (Nil)
Satin (India) Limited	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (Nil)	<b>25,00,000.00 Dr.</b> (25,00,000.00 Dr.)	Nil (Nil)
Satin Media Solutions Limited	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (Nil)	<b>30,00,000.00 Dr.</b> (30,00,000.00 Dr.)	Nil (Nil)

# Figures in bracket pertain to previous year

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

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Operating lease payments recognized during the year	<b>1,12,68,060.00</b>	1,00,66,629.00
Minimum lease obligations:		
- Not later than 1 year	<b>71,14,430.75</b>	54,37,222.00
- Later than 1 year but not later than 5 years	<b>13,85,837.00</b>	11,44,518.00
- Later than 5 years	-	-



6. Earnings Per Share

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

(i) Calculation of Earnings Per Share:

Particulars	Current Year	Previous Year
Net Profit after Tax available for appropriation (Rs.)	<b>3,89,82,934.00</b>	1,39,90,328.53
Weighted average number of Equity Shares for computation of Basic Earnings Per Share	<b>1,78,60,425</b>	1,77,84,256
Basic Earnings Per Share (Rs.)	<b>2.18</b>	0.79
Weighted average number of Equity Shares for computation of Diluted Earnings Per Share	<b>1,84,24,603</b>	1,83,90,130
Diluted Earnings Per Share (Rs.)	<b>2.12</b>	0.76

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

Particulars	Current Year	Previous Year
Basic Earnings Per Share (Rs.)	<b>2.18</b>	0.79
Effect of outstanding ESOS (Rs.)	<b>(0.06)</b>	(0.03)
Diluted Earnings Per Share (Rs.)	<b>2.12</b>	0.76

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

(Amount in Rs.)

Nature	Current Year	Previous Year
Share Application Money	<b>30,00,00,177.00</b>	-
Reimbursement of expenses	-	2,66,829.00
<b>Total</b>	<b>30,00,00,177.00</b>	2,66,829.00

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

(Amount in Rs.)

Nature	Current Year	Previous Year
Travelling expenses	<b>12,31,332.00</b>	10,29,523.00
Fees & Subscription	<b>1,17,569.00</b>	3,82,011.00
<b>Total</b>	<b>13,48,901.00</b>	14,11,534.00



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

Particulars			
<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>	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	7,257.08	–
	: Unsecured	–	–
	(Other than falling within the meaning of public deposits)		
	(b) Deferred Credits	–	–
	(c) Term Loans	51,848.65	–
	(d) Inter-corporate loans and borrowing	–	–
	(e) Commercial Paper	–	–
	(g) Other Loans (specify nature)		
	Public deposits	–	–
	Other unsecured loans	–	–
	Secured loans against assets of Company	88.42	–
<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		45,556.04
<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)		–



Particulars		Amount Outstanding		
<b>Long Term Investments :</b>				
1. Quoted :				
(i) Shares : (a) Equity		-		
(b) Preference		-		
(ii) Debentures and Bonds		-		
(iii) Units of Mutual funds		-		
(iv) Government Securities		-		
(v) Others (please specify)		-		
2. Unquoted :				
(i) Shares : (a) Equity		68.00		
(b) Preference		-		
(ii) Debentures and Bonds		-		
(iii) Units of mutual funds		-		
(iv) Government Securities		0.51		
(v) Others (please specify)		-		
		<b>68.51</b>		
<b>5. 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		-	45,212.57	45,212.57
<b>Total</b>		<b>-</b>	<b>45,212.57</b>	<b>45,212.57</b>
<b>6. 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		63.00	63.00	
(c) other related parties		-	-	
2. Other than related parties		5.51	5.51	
<b>Total</b>		<b>68.51</b>	<b>68.51</b>	
<b>7. Other Information</b>				
Particulars			Amount	
(i) Gross Non-Performing Assets			71.07	
(a) Related Parties			-	
(b) Other than related Parties			71.07	
(ii) Net Non-Performing Assets			62.94	
(a) Related Parties			-	
(b) Other than related parties			62.94	
(iii) Assets acquired in satisfaction of debt			-	

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

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

Item	31.03.2013	31.03.2012
CRAR (%)	23.43	34.88
CRAR – Tier I Capital (%)	23.20	34.51
CRAR – Tier II Capital (%)	0.23	0.37

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

(iii) Asset Liability Management:-

Maturity pattern of certain items of assets and liabilities

(Rs. in Crores)

	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>									
<b>Borrowings from Banks</b>	10.81 (3.45)	22.84 (3.54)	27.75 (11.46)	58.53 (18.86)	130.26 (36.33)	190.52 (67.30)	- (-)	- (-)	440.71 (140.94)
<b>Market Borrowings (Others)</b>	3.51 (2.01)	4.04 (4.53)	3.93 (2.22)	15.49 (8.77)	34.67 (28.17)	87.45 (26.99)	- (1.88)	- (-)	149.09 (74.57)
<b>Assets</b>									
<b>Advances</b>	77.82 (35.41)	51.87 (44.22)	65.05 (12.38)	125.07 (38.39)	215.34 (94.57)	165.65 (85.57)	3.01 (-)	- (-)	703.81 (310.54)
<b>Investments</b>	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.69 (0.69)	0.69 (0.69)

# Figures in brackets pertain to previous year.

10. The Company has not discontinued any operations hence there is no profit/loss on this account.
11. Based on the information available with the company, there is no outstanding dues to suppliers registered under "The Micro, Small and Medium Enterprises Development Act 2006" as at 31<sup>st</sup> March, 2013 (Previous year Nil).
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 annexed

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

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

Place : Delhi  
Dated : 29<sup>th</sup> May, 2013

For and on behalf of the Board of Directors

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

**Satvinder Singh**  
(Director)

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



## Communications

### Social Media

Satin has realized the power of Social Media to communicate with the people at large; be it the customer, employees, lenders, bankers. So, Satin has recently started to use the social media space where in each and every happening within the company is shared with the stake holders to keep them updated about the company and its progress.

The official Social Media pages of satin are

Facebook : [www.facebook.com/satincreditcarenetworklimited](http://www.facebook.com/satincreditcarenetworklimited)

Twitter: [www.twitter.com/creditcaresatin](http://www.twitter.com/creditcaresatin)

We have several people taking about our facebook page and also, on twitter following us.

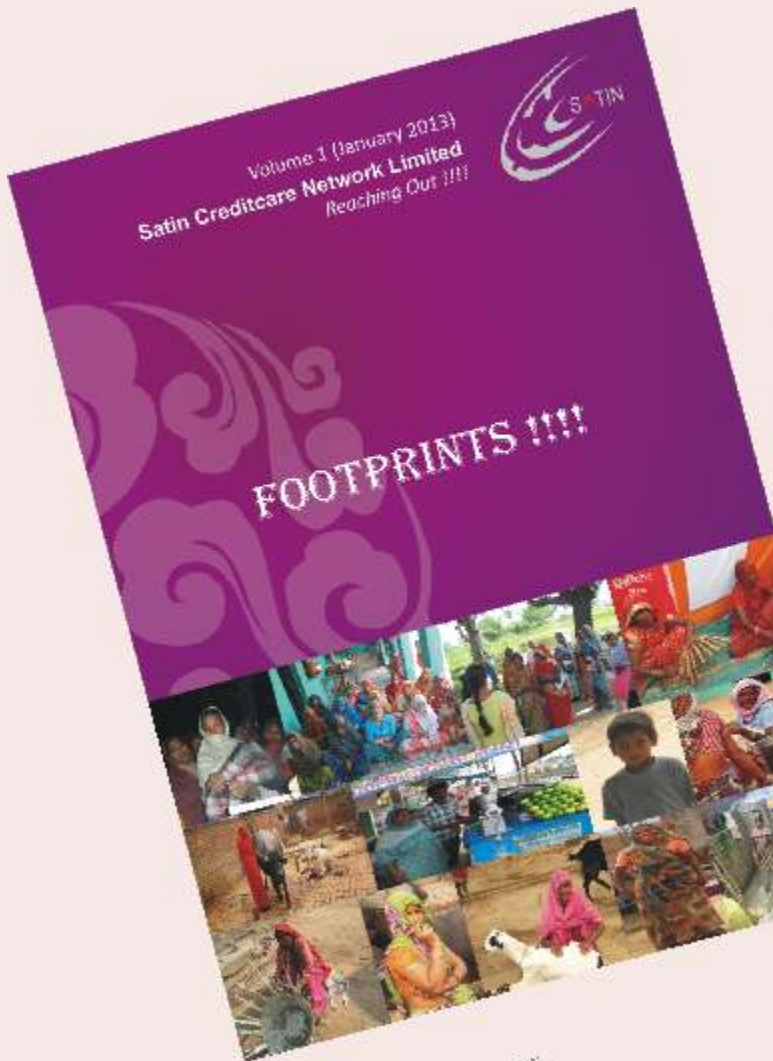


### Internal Communications

Interacting with employees is important and inevitable for the success of the organization. It is the collective endeavors of the employees & the management that takes an organization to the level intended. The internal communication is boosted through the various channels in the organization- emails, SMS, interactive team meets. The most recent step towards the same is satin's blog wherein the employees can talk and discuss over the various events. Also, they can post their thoughts & opinions about the subject of their interest. Thus, inculcating the sense of interaction & Cordial relationship.

To celebrate the true spirit of the Industry and Power of communication, Satin launched a periodic news magazine named 'FOOTPRINTS' on 13 February 2013, which encompasses the major ethos prevailing in the Indian Micro-finance industry. It not only salutes the pioneering ways of this Industry, but also acknowledges the socially relevant work of other organizations in the same sector. The magazine was launched, at Satin's Board meeting, in the presence of all the Board members.

Glimpse of the launch and the editions!





## Women Self Help Group & Livelihood Project

For uplifting economic & social life of the women especially in backward district of India, Ministry of Finance, Government of India has launched the scheme called Women Self Help Group Credit & Livelihood Project (WSGH) and has allotted Union Bank of India (UBI) to promote & support Women Self Help Groups.

Satin is among the first few Organizations to promote this project in the poorest district of Madhya Pradesh called “Rewa”. Under this project, National Bank for Agriculture and Rural Development (NABARD) provides the technical assistance to Satin and helps the organization in promoting, nurturing and assisting the formulation of Women Self Help Groups. Satin started this project in April 2012 and so far Satin has formed 1001 Women Self Help Groups.





## Social Performance

The community enrichment is a key to open a door of success for every organization in the business today. In Satin, right from the Top Management to the Line managers every individual is committed towards the community betterment. We strongly believe that the financial goals are directly proportional to the Social performance of the company and the same can be evaluated on both the Organization and the Borrower level. On the borrower side, we believe that better social performance comes through a focus on transparency, product delivery, borrower satisfaction, our ability to increase borrower's disposable incomes, focus on credit-plus activities in education, healthcare, and women's empowerment, and ultimately greater outreach. On the organizational side, we believe that better social performance comes through a focus on high levels of process transparency, appropriate grievance mechanisms, open lines of communication, and staff satisfaction.

Satin conducts various activities time to time to empower women and also, to keep them motivated to have a sustainable & Prosperous life.



## Centre leader workshop - Allahabad Handiya



Empowering Women is a way to have a Developed society. Satin Creditcare network limited (Satin) also holds this belief and works towards the upliftment of the women at Bottom of the Pyramid (BOP).

To be on the path of helping a society to progress A Centre Leader workshop was organized in Handiya-Allahabad in March 2012. The purpose of organizing this workshop was to inculcate a sense of being literate and to be hygienic. This theme was chosen after a due consideration and study in this particular area. The study revealed that people at BOP specially women are the most vulnerable in terms of being swayed by anyone.

So to prevent them from being carried away A pen- which is a symbol of being educated was distributed to the women and a sense of being literate and a need to be educated was given a fire. This activity was solely organized to help women at BOP to be self sufficient and powerful decision makers.

The hygiene factor was another issue that Satin touched on. After looking at the unhygienic conditions in this area it was the utmost important agenda to inculcate a sense of being hygienic because the unhygienic conditions attract health issues and problems. So to educate people about health and hygiene Lifebouy soap was distributed and ways of washing hands and reasons of why to wash hands was taught.

This Center leader workshop turned to be a success and helped company to fit in a right missing piece in a puzzle.



## Counseling - A Way To Stabilize Situations



Mathura is a land of Lord Krishna - A Symbol of love, togetherness and fun.

Satin Creditcare network limited (Satin) is operating at this holy place in Chhata. It was 1 June 2012 there ushered an unpleasant situation of communal riots between the minority communities. The reason of which was unknown and till date it is not known to anyone. The communal riots were so intense that the communities had boycotted the things produced by each other. The reluctance to help and anger against each other was at peak. It was declared Band and the situation was totally out of control and order. There Satin emerged as a social organization assisting and finding ways out of this Distasteful scenario. The first step Satin took as a social organization was that it deferred the immediate payment liabilities of the people who had taken monetary assistance.

To play a role of smoothening agent Satin arranged a counseling sessions for the minority communities. This was done to boost them with courage, confidence and with a feeling that no community is a rival of another community. Thus, Spreading PEACE, LOVE, BROTHEROOD and PROSPERITY. This counseling and support kept continuing till the 4th JULY 2012 till the time the situation was under control, love and respect among everyone was seen.



## Rewa Financial Literacy Workshop



In this workshop financial literacy in term of SAVINGS, INVESTMENT and MANAGING FUNDS in terms of daily income was imparted. To make this workshop a big success Nukad Natak was played by the company officials to inculcate the thinking about managing incomes & funds at BOP.

Assisting people at BOP to be self sufficient and live a respectful and dignified life is the core business of the company like Satin and will keep continuing with this theme.

In today's ever changing and dynamic world which is full of competition and challenges it is undoubtedly difficult for the people at Bottom of Pyramid (BOP) to have self sufficiency. To bridge a gap between Self sufficiency and the poor and to prevent them from being exploited by the powers A workshop on Financial Literacy was organized by Satin on 9th September 2012 in REWA district of MADHYA PRADESH. This workshop was primarily arranged to empower rural women with the power of literacy. The number of women who turned up for this workshop was outstanding. Out of 120 women who were called up for this workshop 110 marked their present.

## Empowering through Participation - Centre Leader Workshop

"WINNERS DON'T DO DIFFERENT THINGS, THEY DO THINGS DIFFERENTLY"



This saying holds true for the woman at the Bottom of the pyramid (BOP). They have proved that nothing can stop them from being what they want to be. "SATIN CREDITCARE NETWORK LIMITED (SATIN)" as an organization has put its trust in the women at BOP and this trust has played a major catalyst in assisting them to come out of their homes and work towards their livelihoods.



To keep the same spark alive in the rural women- SATIN organized a "CENTRE LEADER WORKSHOP" in November 2012 at Jalalpur Branch of Azamgarh region as well as in Akbarpur Branch of same region. The motivation among the women was judged by the terrific number of the same turning up for the workshop. At Jalalpur branch out of 149 centre leaders 130 turned out to participate in the workshop. The number at Akbarpur branch was even more astonishing out of 156 centre leaders 149 participated in the workshop. This workshop was organized to invite the critic on our company products, to invite the element of leadership, to get a feedback on the timely services provided by our staff. Moreover, it was also organized to induce a sense of responsibility among the women to pay back the loan amount at the specified time intervals without any delay and to feel associated with the company.

But, as an organization we felt that these women needed no motivation because already they were at the peak of "RESONANCE". Women felt that Satin and its products were in sync with their respective lives. The stage of imagery and judgment had totally vanished from their thoughts.

On being asked about SATIN one of the woman answered- Satin is a part of my life whenever I need monetary assistance I have nowhere to go but SATIN.

These words not only proved her "Resonance" but also the height of "Self Actualization needs".

Seeing BOP people/ women on the path of achievement and progress gives a great sense of satisfaction to the company like ours which is walking on the road of "COMMUNITY DEVELOPMENT".





## HEALING THE BRUISED Food and Blanket Distribution



It is rightly said that “Life is like an onion, we peel it and we cry”.

This saying holds really true for the people at the “Bottom of Pyramid”(BOP). With every passing day, they have to fight with the survival theme. Darwin's Theory “SURVIVAL OF THE FITTEST” seem to have evolved with the utmost importance and it holds all the points of reality in today's demanding and ever changing scenario.



Government had demolished their homes!  
WHY?

Because the construction of this particular colony was on private land and the same was considered UNAUTHORIZED.

The Government didn't give a thought that in a chilling winter where would these poor go? How would they manage to survive in this unpleasant time?



We as an Organization have been serving this colony from quite some long time. We could feel so associated with the suffering of the people that it was really picky on us to have DEAF, DUMB and BLIND expressions on their plight. The state was horribly horrifying. People begging for shelter from frigid cold. Nowhere to go, but to solicit for an external help which no legislative body was ready to lend.

There we evolved as a Social Organization. As Social beings we came up to succor the individuals suffering. The basic necessities of life FOOD, CLOTHING and SHELTER held the captives of the senior managers of the Organization. As an organization/ as a social human being lending help at that point of need was a core agenda. The first thing that crossed the mind was the protection of the poor from the frosty winds because we knew that hunger could be given a back seat while this biting cold couldn't. To fight against the odds, we distributed blankets to people in the colony. There were in all about 50 families comprising of approx 500 people in the colony. 1 blanket per family was distributed to kill the frigid cold. To push back the hunger- food was provided to each and every individual that counted the number of about 500 people. Not only this, we deferred the immediate payment liabilities as well. To give a feeling of belongingness and love the senior managers were personally present there to heal the wounded hearts. This was done to spread a smile on their face and to help them forget the pain & Loss they have suffered if not forever but for at least at that time. This activity was further accompanied with the distribution of coal wood.



The small things which bring smile on the face of needy, the satisfaction of being a part of Social deed is itself amazing. REACHING OUT! To the BOP in need & want is what “SATIN” stands out for and will keep continuing FOREVER.





## Celebrating Womanhood - International Woman's day!

On the occasion of International women's Day, Satin celebrated the spirit of womanhood with clients in Burari Village, New Delhi. There were more than 100 women who came to be part of the celebrations. Satin welcomed the women with flowers and self appreciation. They sang, danced and interacted. The conversations were not only about the loan they took and the work they started, but more about the respect of their respective family's which they've earned, after being financially stable with the help of loans. The celebrations concluded with refreshments. Satin is doing all its effort to bring about the financial freedom for rural women in India. We at Satin, recognize and truly respect the spirit of Womanhood! Satin is proud of its family and we hope that the spirit of the women, stays alive and shining years after years.



### सैटिन क्रेडिटकेयर नेटवर्क लिमिटेड

अंतर्राष्ट्रीय महिला दिवस - 8 मार्च 2013

एक वचन एक कदम

महिलाएं समाज की सबसे बड़ी ताकत होती हैं। सैटिन के जरिये हम पहुंचे हैं उन तमाम महिलाओं तक जो अब तक सिर्फ घर की चार दिवारी में बंद थी। सैटिन के द्वारा उन्होंने अपने घरों में आर्थिक योगदान तो दिया ही और साथ ही साथ अपने गांव की दूसरी औरतों को प्रेरित किया। आज सैटिन के परिवार में चार लाख से भी ज्यादा औरतें जुड़ी हुई हैं। सैटिन द्वारा दिये हुये लोन से ना ही उन्होने अपना मन परसंद काम शुरू किया है, बल्कि अपनी मेहनत से समाज में अपने लिये सम्मान भी प्राप्त किया है। सैटिन परिवार की महिलायें पढ़ी लिखी और सक्षम हैं। इसलिये वो किसी भी रूप में पुरुषों से कम नहीं है।

अंतर्राष्ट्रीय महिला दिवस के अवसर पर आज सैटिन आप सब महिलाओं से एक वचन मांगता है कि हम साल दर साल अपने जन्म से जृत्यु तक के अधिकारों के लिये आवाज उठाएंगे। हम अपने आने वाली पीढ़ी को साक्षरता के माध्यम से और मजबूत बनाएंगे ताकि हर महिला आत्मनिर्भर हो सके।

नारी का सम्मान हो, उनका ना अपमान हो,  
इस समाज से अब बराबरी का मान हो।



जागिये अपना अधिकार,  
सैटिन के साथ

- ✦ 6 से 14 साल तक के बच्चों को लिये सरकार द्वारा मुफ्त शिक्षा का नियम रखा गया है। कोई भी सरकारी स्कूल आप से किसी भी तरह का शुल्क नहीं मांग सकता है।
- ✦ कन्या भ्रूण हत्या एक असहनीय पाप है और कानूनन अपराध भी है। अतः इसके खिलाफ अपनी आवाज उठाये।
- ✦ हमारे संविधान में पुरुष एवं महिला को समानता का अधिकार दिया गया है। अतः हमें हक है अपनी आर्थिक जरूरतों को पूरा करने का।
- ✦ लड़कियों की शादी 18 साल से कम उम्र से नहीं कराई जाये।





## Stamp of Transparency

Satin has been awarded with the certificate of pricing transparency by MFTransparency.org. MFTransparency.org is an international non- governmental organization that represents an industry movement towards responsible pricing practice. It works with regulators and policymakers of microfinance markets to support the development of effective policies for pricing disclosure and client protection



## Glimpse of Celebrations







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