



SATIN CREDITCARE NETWORK LTD.

Reaching out!

July 08, 2017

To,

**The Manager,
National Stock Exchange of India Ltd.**
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra East,
Mumbai-400051

**The Manager,
BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400023

**The Manager,
The Calcutta Stock Exchange Ltd.**
7, Lyons Range
Kolkata- 700001

Scrip Code: SATIN

Scrip Code: 539404

Scrip Code: 30024

Ref: Outcome of Board Meeting of Satin Creditcare Network Limited (“Company”) pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”)

Dear Sir/Madam,

In terms of Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations, we wish to inform your good office that the board of directors of the Company, in their meeting held today i.e., Saturday July 08, 2017 which commenced at 5.30 PM (IST) and concluded at 06:22 PM (IST), has *inter alia* considered and approved the following:

- a) Proposal of issue on preferential basis of 12,30,098 Optionally Convertible Redeemable Preference Shares (“OCRPS”) convertible into equivalent number of equity shares of face value of Rs. 10/- each of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, and applicable provisions of the Companies Act, 2013, as amended, and rules made thereunder which is subject to shareholders’ approval. The details of the proposed issue are as follows:

S. No.	Name of the Proposed Allottee	Type of Securities	No. of Shares/ Warrants	Category	Issue Price
1.	Capital First Limited (“CFL”)	Optionally Convertible Redeemable Preference Shares (OCRPS)	12,30,098	Non-Promoter Category	Rs. 284.53

The above proposed offer to issue shares on preferential basis by the Company to CFL is as a part of the strategic planning and initiatives of the Company. CFL intends to make strategic investment in Satin for accessing the widespread distribution channel of the Company to offer its products.

- b) The draft notice of Extraordinary General Meeting scheduled to be held on Saturday, August 05, 2017.

Further, in terms of Regulation 30 read with Schedule III of the SEBI Listing Regulations, we hereby also submit the relevant details of the Investment Agreement (“IA”) entered between the Company, its Promoters and CFL on July 08, 2017 and Business Tie-up Agreement (“BTA”) between the Company and CFL on July 08, 2017 as tabled before the Board in this Meeting, in **Annexure-I** and **Annexure- II**, respectively.

We request you to take the above information on your records.

Yours sincerely,

For Satin Creditcare Network Limited


(Choudhary Runveer Krishanan)
Company Secretary & Compliance Officer

Enclosures: As above.

Corporate Office :
909-914 ABC, 9th Floor, Kanchenjunga
Building, 18, Barakhamba Road,
New Delhi - 110001, India

Registered Office :
5th Floor, Kundan Bhawan,
Azadpur Commercial Complex,
Azadpur, New Delhi-110033, India

CIN : L65991DL1990PLC041796
Landline No : (011) 4754 5000
E-Mail ID : info@satincreditcare.com
Website : www.satincreditcare.com



Annexure-I

1. Name(s) of parties with whom the investment agreement (“IA”) is entered

Following are the parties to the IA:

- a. Satin Creditcare Network Limited (“Company”)
- b. Capital First Limited (“CFL”)
- c. Mrs. Anureet H P Singh
- d. Mr. HP Singh
- e. Mr. Satvinder Singh
- f. Mrs. Neeti Singh
- g. Parishek Finance Private Limited
- h. Parinita Investments Private Limited
- i. Satin (India) Ltd
- j. Niryas Food Products Private Limited
- k. Satin Media Solutions Limited
- l. Taco Consultants Private Limited
- m. UV Associates Private Limited
- n. Trishashna Holdings & Investments Private Limited

The individuals/entities mentioned from (c) to (n) hereinabove are hereinafter referred to as the “Promoters”.

2. Purpose of entering into the agreement

The Company has agreed to utilize the subscription consideration received from CFL upon subscription of optionally convertible redeemable preference shares (“OCRPS”) by CFL pursuant to the terms and conditions of the IA, in line with objects set forth in the explanatory statement attached to the Notice dated July 08, 2017 for the extra-ordinary general meeting of the Company. The IA has been entered into for the purpose of recording the terms and conditions governing their relationship and to record their respective rights and obligations and other matters incidental thereto.

3. Shareholding, if any, in the entity with whom the agreement is executed

The proposed allottee is CFL (non-promoter category) and its current shareholding in the Company is NIL.

4. Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.

The significant terms of the IA in brief are the following:

- a. The following rights shall be available to CFL only (i) in the event CFL converts all (but not less than all) of the OCRPS into equity shares of the Company (“CFL Shares”); and (ii) from the conversion date until the time CFL Shares do not fall below 2% of the equity share capital of the Company:
 - (i) For an agreed restricted period, the Promoters have agreed to be classified as the “promoter / promoter group” (as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009) of the Company and collectively hold at least 75% of 1,24,13,981 equity shares held by them in the Company.





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- (ii) Any resolution of voluntary delisting of the Company's equity shares from all of the recognized stock exchanges having nation-wide terminals on which the equity shares of the Company are listed requires the affirmative vote of CFL.
 - (iii) In any further issuance of shares of the Company after the conversion of OCRPS into equity shares of the Company, CFL has the right to participate in such issue, pro-rata to its shareholding in the Company and on the same price and terms up to its then existing shareholding in the Company.
 - (iv) If the Company is desirous of undertaking any proposed issuance during the tenor of the OCRPS, the Company shall provide the pre-emptive Right to CFL provided that the exercise of such pre-emptive right by CFL during the tenor of the OCRPS shall be subject to CFL delivering to the Company the conversion notice to convert all of the OCRPS into equity shares of the Company.
 - (v) CFL has, subject to applicable law and confidentiality obligations, certain information and inspection rights in the Company.
- b. The Company has provided certain representations and warranties relating to the Company to CFL and following the conversion of the OCRPS, the Company has granted an indemnity to the CFL under the IA.

5. Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship

CFL is not related to the promoter/promoter group of the Company.

6. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length".

No.

7. In case of issuance of shares to the parties, details of issue price, class of shares issued

The private placement offer of the Company is to issue to CFL 12,30,098 (Twelve Lakhs Thirty Thousand and Ninety Eight) OCRPS of face value of INR 10/- (Indian Rupees Ten only) each at an issue price of INR 284.53/- each (Rupees Two Hundred Eighty Four and Paise Fifty Three Only).

8. Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.

There is no potential conflict of interest arising out of the IA.



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CIN : L65991DL1990PLC041796
Landline No : (011) 4754 5000
E-Mail ID : info@satincreditcare.com
Website : www.satincreditcare.com



Annexure-II

1. Name(s) of entity with whom Business Tie-Up Agreement ("BTA") is signed

Following are the parties to the BTA:

- a. Satin Creditcare Network Limited ("Company")
- b. Capital First Limited ("CFL")

The entities mentioned hereinabove are hereinafter referred to as the "Parties".

2. Name of the party for which such guarantees or indemnity or becoming a surety for any third party.

Borrowers/customers which have become delinquent borrowers in accordance with the guidelines issued by the Reserve Bank of India from time to time.

3. Whether the promoter/promoter group/group companies have any interest in this transaction? If yes, nature of interest and details thereof and, whether the same is done at "arms length".

No.

4. Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee.

The significant terms of the BTA in brief are the following:

- a. The BTA has been entered into for the purpose of collaborating in areas of potential synergies and mutual benefit of the Parties for distribution of certain non-microfinance loan products ("CFL Products") to the branch network of the Company.
- b. CFL is desirous of extending loans to borrowers referred to by the Company and for this purpose, CFL has agreed to appoint the Company as a service provider with the objective of ensuring greater financial inclusion and increasing the outreach of the financial sector and to avail certain services of the Company.
- c. The arrangement for distribution of certain CFL Products to Company's existing as well as potential customer segments is an exclusive arrangement with CFL while for the other CFL Products, which are not being booked by the Company on its own books, the Company has agreed to offer to CFL a right of first refusal before offering it to any third party.
- d. The Company and CFL have provided certain representations and warranties and have mutual indemnification obligations in certain events.
- e. The Company has granted certain audit and inspection rights to CFL subject to applicable law and the confidentiality obligations imposed on CFL.
- f. The BTA will come into effect only upon the closing of the IA.
- g. The Company shall bear the loss that may be incurred by CFL on account of a delinquent customer. The Company shall be entitled to step into the shoes of CFL and recover the loan from the delinquent borrower.

5. Impact of such guarantee or indemnity or surety on listed entity.

Same as Point 4(g) above.

