SATIN CREDITCARE NETWORK LTD.

Reaching out!

June 12, 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

SUB: NOTICE OF 27TH ANNUAL GENERAL MEETING AND BOOK CLOSURE;

Dear Sir/ Madam,

Pursuant to Regulation 29 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 101 of the Companies Act, 2013, please find enclosed the Notice of 27th Annual General Meeting scheduled to be held on Thursday, July 06, 2017 at 11:00 A.M. at "Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001.

Further, Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the company shall remain closed for the purpose of 27th Annual General Meeting from Friday, June 30, 2017 to Thursday, July 06, 2017 (both days inclusive).

The above is for your information and record please.

Thanking You,

Yours Sincerely,
For **Satin Creditcare Network Limited**

For SATIN CREDITCARE NETWORK LIMITED

CHOUDHARY RUNVEER KRISHANAN
COMPANY SECRETARY & COMPLIANCE OFFICER

Choudhary Runveer Krishanan
Company Secretary & Compliance Officer

Encl: a/a

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

27 YEARS

ANNUAL REPORT | 2017

SATIN CREDITCARE NETWORK LTD.

Reaching out!

“Will is character in action.” – William McDougall

At SCNL, we are on a path of moving from good to great.

Ours is a story of great continuity and progress. With many new talents joining our management team, the unwavering support of our seasoned board members along the way, our commitment and determination remain uncompromised, and the value we deliver to our clients continues to rise.

Financial Year 2016-2017 was yet another action-packed year for us at SCNL. We acquired Taraashna Services Limited (TSL) and started MSME Lending. In April 2017, we have incorporated a wholly owned housing finance subsidiary for providing loans to the affordable housing segment.

During the year, we raised close to Rs. 500 crore from NABARD as refinance facility, out of which Rs. 300 crore was raised post demonetization, which is a strong validation of the faith our lenders have in us and especially for the work that SCNL has been doing in the field of financial inclusion. We also raised Rs. 250 crore of fresh equity capital through a QIP transaction, which saw strong participation from both domestic and foreign institutional investors. Besides this, in April 2017, we have raised equity capital of USD 10 million from the Asian Development Bank (ADB) which has been a proud moment for all of us and has given us fresh impetus to continue with our financial inclusion agenda.

SCNL has long demonstrated a commitment to client protection. In July 2016, the Smart Campaign, a global initiative aimed at incorporating strong client-protection practices into the microfinance industry, publicly recognized SCNL as Client Protection Certified for meeting strong standards of client care. The award of Smart Certificate from an internationally recognized institution not only validates that SCNL meets all of the client protection standards, but motivates us further to establish best practices of client protection and care in the microfinance sector in India.

In August 2016, SCNL won the 'The Best Micro Finance Company in India' award by the Worldwide Achievers in association with IBN7. More recently, in January 2017, SCNL won the 'Best NBFC-MFI' award, and the runners-up award for 'CSR Initiatives & Business Responsibility' by CIMSME. We feel elated for being acknowledged for our exemplary performance and our unrelenting client focus, but at the same time we are humbled because of the great responsibility entrusted upon us by virtue of being the third largest microfinance institution in the country.

Financial year 2016-2017 was a transformational year in more ways than one. We all saw the impact of demonetization on each and every one of us. While navigating a challenging business environment we remained focused on performing our core role as a financial services provider in accordance with clear principles and values. This was particularly demonstrated by our commitment to operate responsibly and sustainably during tough times in the interest of both our clients and stakeholders.

SCNL today, continues to recover from the impact of demonetization. With the worst clearly behind us, we have grown into a much stronger company. We wouldn't have been able to achieve this without the support of our four pillars i.e. our staff, stakeholders, board members and most importantly, our customers. Thank you all for being with us, and as we move forward, we invite you to follow our progress along the way.

Our ambition is always to do better. We know that, in everything we do, there will always be room for improvement. Ambition and discipline will take us there, propelled by the power of our strategy and the passion of our people to serve our clients. We strive towards making SCNL the preferred financial services partner for our clients and the preferred place for our employees to work.

On behalf of SCNL, I would like to wish you all the best as we begin another journey of challenges, victories, lessons and changes in the fiscal year 2017 - 2018.

H P Singh
(Chairman cum Managing Director)

Table of Content

Our Logo, Mission And Vision	01
Our Geographical Reach - SCNL	02
Our Geographical Reach - TSL	03
Our Board Of Directors	04
Our Client Success Stories	07
Corporate Information	20
Products Portfolio	23
Operational Highlights	24
Gross AUM By Economic Activity	26
Digital Transformation Of SCNL	27
SCNL's Empowerment & Social Initiatives	29
Our Corporate Social Responsibility	32
Notice	33
Board's Report	50
Corporate Governance Report	93
Standalone Auditor's Report	125
Balance Sheet	131
Statement Of Profit & Loss	132
Cash Flow Statement	133
Cash & Cash Equivalents Comprises Off	134
Notes To The Financial Statement	135
Consolidated Auditor's Report	184
Consolidated Balance Sheet	189
Consolidated Statement Of Profit & Loss	190
Consolidated Cash Flow Statement	191
Consolidated Cash & Cash Equivalents Comprises Off	192
Notes To Consolidated Financial Statement	193
Attendance Slip	241
Proxy Form	242

SCNL's Logo, Vision & Mission

LOGO

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

MISSION

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

VISION

To be a one stop solution for the financially excluded households at the bottom of the pyramid for all their financial requirements.

To be a financial service power-house with a range of financial products designed and suited for the financially excluded community.

Our Geographical Reach - SCNL (On Standalone Basis)

Punjab (as on Mar'17)	
GLP (INR mn)	4,037.63
No. of branches	56

Jammu & Kashmir (as on Mar'17)	
GLP (INR mn)	34.05
No. of branches	1

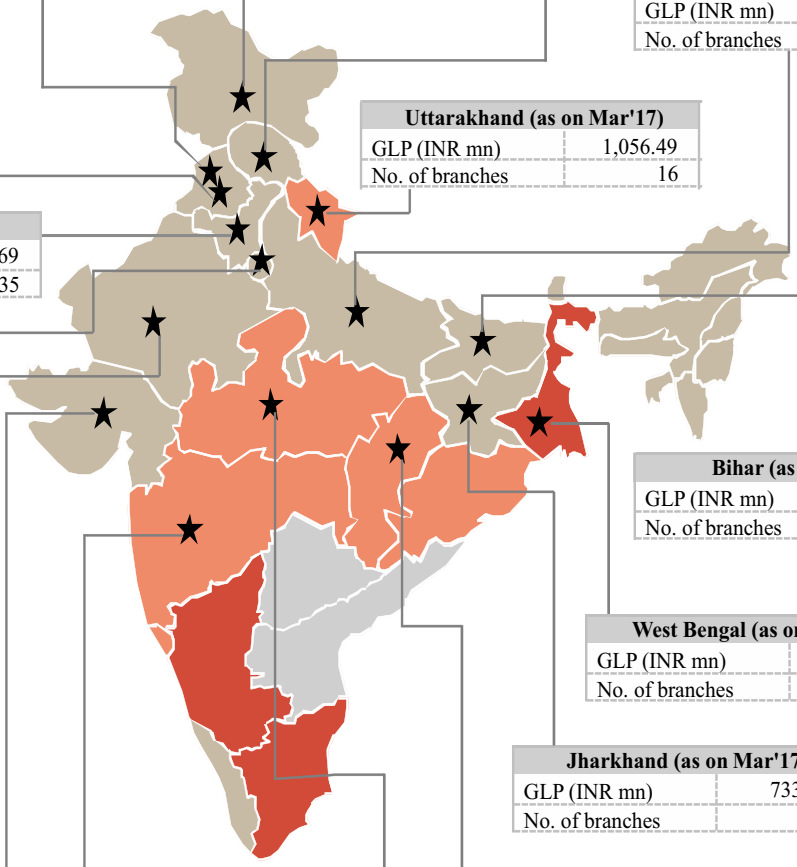
Himachal Pradesh (as on Mar'17)	
GLP (INR mn)	46.71
No. of branches	2

Chandigarh (as on Mar'17)	
GLP (INR mn)	5.68
No. of branches	1

Uttar Pradesh (as on Mar'17)	
GLP (INR mn)	12,159.21
No. of branches	173

Uttarakhand (as on Mar'17)	
GLP (INR mn)	1,056.49
No. of branches	16

Haryana (as on Mar'17)	
GLP (INR mn)	1,424.69
No. of branches	35



Delhi & NCR (as on Mar'17)	
GLP (INR mn)	392.08
No. of branches	3

Bihar (as on Mar'17)	
GLP (INR mn)	6,872.63
No. of branches	102

West Bengal (as on Mar'17)	
GLP (INR mn)	356.85
No. of branches	24

Rajasthan (as on Mar'17)	
GLP (INR mn)	1,351.70
No. of branches	31

Jharkhand (as on Mar'17)	
GLP (INR mn)	733.03
No. of branches	15

Gujarat (as on Mar'17)	
GLP (INR mn)	576.65
No. of branches	22

Chhattisgarh (as on Mar17)	
GLP (INR mn)	466.59
No. of branches	19

Maharashtra (as on Mar'17)	
GLP (INR mn)	980.41
No. of branches	19

Madhya Pradesh (as on Mar'17)	
GLP (INR mn)	5,673.92
No. of branches	99

★ *Satin area of Operation*

Microfinance Penetration*

- *Under Penetrated States (0 - 10%)*
- *Moderately Penetrated States (11 - 20%)*
- *Highly Penetrated States (>20%)*
- *No Consideration for Analysis*

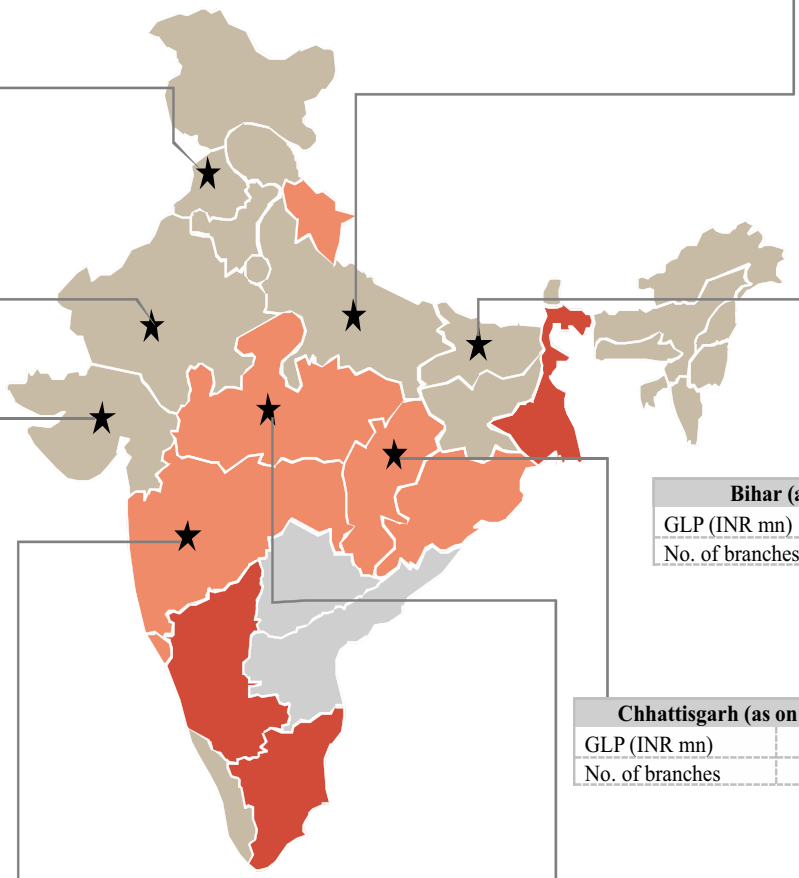
**Source – CRISIL Report*

Our Geographical Reach - TSL

Punjab (as on Mar17)	
GLP (INR mn)	82.16
No. of branches	4

Uttar Pradesh (as on Mar'17)	
GLP (INR mn)	5.88
No. of branches	0

Rajasthan (as on Mar'17)	
GLP (INR mn)	676.27
No. of branches	21



Bihar (as on Mar'17)	
GLP (INR mn)	508.05
No. of branches	24

Gujarat (as on Mar'17)	
GLP (INR mn)	868.30
No. of branches	29

Chhattisgarh (as on Mar'17)	
GLP (INR mn)	10.24
No. of branches	0

Maharashtra (as on Mar'17)	
GLP (INR mn)	226.84
No. of branches	15

Madhya Pradesh (as on Mar'17)	
GLP (INR mn)	2,119.91
No. of branches	56

★ *TSL's area of Operation*

Microfinance Penetration*

- *Under Penetrated States (0 - 10%)*
- *Moderately Penetrated States (11 - 20%)*
- *Highly Penetrated States (>20%)*
- *No Consideration for Analysis*

Taraashna Services Limited (TSL) is an 88% subsidiary of SCNL - acquisition effective Sep 1, 2016

Our Board Of Directors

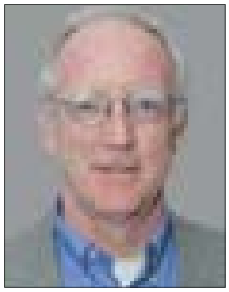
Mr. Harvinder Pal Singh (Chairman cum Managing Director, Promoter and KMP) - Mr. H P Singh, aged 55 years, is the Chairman and Managing Director of our company and he has been involved with our company since incorporation. He has a bachelor's degree in law from Delhi University and is a fellow member of the Institute of Chartered Accountants of India since 1984. He has over 25 years of experience in the finance industry which includes his experience in the field of auditing, accounts, project financing and other advisory services. He has participated in HBS Accion Program on Strategic Leadership for Microfinance conducted at Harvard Business School in 2009 and leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011.

Mr. Satvinder Singh (Director & Promoter) - Mr. Satvinder Singh, aged 50 years, is a Non-Executive Director of our company and has been associated with our company since incorporation. He has a post graduate diploma in Business Management from Institute of Management Technology, Ghaziabad. He has over 26 years of experience in consumer marketing and finance.

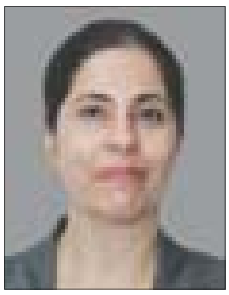
Mr. Rakesh Sachdeva (Director) - Mr. Rakesh Sachdeva, aged 58 years, is an Independent Director of our company. He has a degree in commerce from Delhi University. He is a fellow member of the Institute of Chartered Accountants of India. He has over 34 years of experience in finance, auditing, taxation and accounts. He is currently working with Earth-n-Heaven as Chief Executive Officer and has previously worked at Apollo Tyres Limited and U.K. Paints Group.

Davis Frederick Golding (Director) - Mr. Davis Frederick Golding, aged 57 years, is an Additional Independent Director of our company. He holds a bachelor's degree in business administration from Duke University, Durham, North Carolina. He has over 30 years of experience in international finance, banking, and mergers and acquisitions. He is currently working as the Executive Vice President and Chief Investment Officer of Equator Capital Partners which is the investment manager for ShoreCap II Limited and has previously served as the President and Chief Executive Officer of a Hong Kong based merchant banking company, as the Chief Operating Officer of ShoreBank Pacific and as a Director of Textron Financial Corporation.

Mr. Sundeep Kumar Mehta (Director) - Mr. Sundeep Kumar Mehta, aged 55 years, is an Independent Director of our company. He holds a bachelor's degree in science from the University of Rajasthan and master's degree in humanities from Annamalai University. He has completed diploma courses in automotive engineering, labour laws, cyber laws and management and a post graduate diploma in business administration from Annamalai University. He has over 30 years of experience in human resource development, strategy, business management, business transformation strategies, business process re-engineering, employee engagement processes, performance evaluation and enhancement and corporate restructuring. He is currently working with International Quality Management Systems as Director and has previously worked at the RKJ group, Escorts Limited, the Panacea Biotech Limited, Bata India Limited and Eicher Good Earth Limited.



Mr. Richard Benjamin Butler (Nominee Director) - Mr. Richard Benjamin Butler, aged 62, is a Nominee Director for MV Mauritius Limited on the Board of our company. He has a bachelor's degree in international economics and middle-eastern history from Georgetown University and a master's degree in agriculture economics at the University of Minnesota. He has over 35 years of experience in international banking and finance. He is currently working with MV Mauritius Limited as a financial advisor and has previously worked with ING Capital, ING Barings Furman Selz, Chase Manhattan Bank and the US Peace Corps.



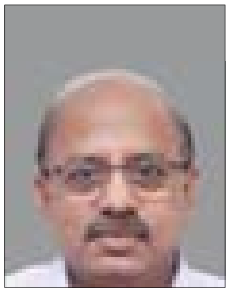
Ms. Sangeeta Khorana (Director) - Mrs. Sangeeta Khorana, aged 52 years, is an Independent Director of our company. She holds a Doctorate in International Economics from University of St. Gallen in Switzerland, a masters' degree in international law and economics from University of Berne, Switzerland and a master's degree in economics from Allahabad University, India. She has over 15 years of experience in civil services. She is currently working with Bournemouth University as a Professor of economics and has previously worked as an Indian Administrative Officer with the Indian government.

Mr. Suramya Gupta (Nominee Director) - Mr. Suramya Gupta, aged 38 years, is a Nominee Director for SBI FMO Emerging Asia Financial Sector Fund Pte. Limited on the Board of our company. He has a bachelor's degree in mechanical engineering from Delhi College of Engineering and holds a master's degree in business administration in finance and strategy from IIM Lucknow. He has over 15 years of investment banking and strategy consulting services. He is currently working with SBI FMO Emerging Asia Financial Sector Fund Pte. Limited as a Fund Manager and has previously worked with Merrill Lynch (Singapore), Stern Stewart & Co. and ICICI Limited.

Mr. Goh Colin (Director) - Mr. Goh Colin, aged 49 years, is an Independent Director of our company. He has a master's degree in international management from University of Technology, Sydney and has completed a double course in economics and finance from Curtin University of Technology, Perth. He has an experience of over 20 years in property and charity sector. He is currently the Executive Director of Millet Holdings Pte. Limited, an investment holding company and also acts as a Strategic Business Advisor at Project Innovations Pte Limited.

Mr. Sanjay Kumar Bhatia (Director) - Mr. Sanjay Kumar Bhatia, aged 51 years, is an Independent Director of our company. He holds a bachelor's degree in commerce from the University of Delhi and is a qualified Chartered Accountant. He has over 28 years of experience in sales management, strategy formation. He is currently working with Antara Senior Living Limited as Head of Sales and has previously worked with Max Life Insurance Limited, Max New York Life, Vikas Motors Limited, Dinker Portfolio Private Limited, DMA of Citibank N.A.

Mr. Arthur Sletteberg (Nominee Director) - Mr. Arthur Sletteberg, aged 56 years, is a Nominee Director for NMI Fund III KS on the Board of our company. He holds a bachelor's degree in international economic policy research from Institute for Weltwirtschaft, Germany, holds a master's degree in business administration from Norwegian School of Economics and Business Administration, Bergen and the equivalent of a master's degree in international economic policy research from Institute fuerWeltwirtschaft, Germany. He has an experience of 27 years in central banking, commercial banking, pension fund management and investments. He is currently the Managing Director of Norwegian Microfinance Initiative AS and has previously worked with Norges Bank, DNB, Storebrand, OPF and Ferd.



Mr. Ramesh G. Dharmaji (Nominee Director) - Mr. Ramesh G. Dharmaji, aged 57 years, is a Nominee Director for Small Industries Development Bank of India on the Board of our company. He has a bachelor's degree in chemistry and physics from Bombay University and a post graduate degree in commerce from Mysore University. He has 33 years of experience in development banking, credit administration, evolving of structural products, portfolio management, profit centre operations, networking with government and multilateral agencies and MSME industrial sector. He is currently working with SIDBI as a Chief General Manager and as Chief Executive Officer of India SME Technology Services Limited, which is an associate of SIDBI. He has previously acted as Director of SIDBI MSME International training Institute and has in the past been associated with important high powered committees set up by Development Commissioner (Small Scale Industries), Government of India, SIDBI and state level RBI empowered committees.

Mr. Anil Kumar Kalra (Director) - Mr. Anil Kumar Kalra, aged 61 years, is an Independent Director on the Board of our company. He holds a bachelor's degree in commerce from Shree Ram College of Commerce, Delhi University. He has a master's degree in business administration with specialization in finance from Faculty of Management Studies (FMS), Delhi University. He has over 30 years of experience in the banking sector. He is currently a Professor of Finance in the Institute of Technology and Science, Ghaziabad and has previously worked as the Chief Executive Officer in Financial Services Company, London and as Senior Vice President in a NBFC engaged in providing financial services including asset financing and debt syndication and other financial services.

Our Client Success Stories

Our Client Success Stories

Anita Devi : Aged 42, lives in Dhruwa Basti in Ranchi City along with her four daughters. Her husband was paralyzed and bed ridden for an year. She had to work as domestic help in houses to support her family which was not sufficient to support her daughters education and her husband's medical needs. Anita Devi, then got associated with SCNL 3 years back and took a loan of Rs. 15,000. With the help of this loan she was able to buy a push-kart and sell jewellery and house-hold items. Her earnings grew to Rs. 400 per day. She was able to marry off her elder daughter and provide medical care to her paralyzed husband. She then took her second loan of Rs. 25,000 to set up a shop at her place where her daily earnings increased to Rs. 500 per day. Anita is now financially secure and plan to marry her younger daughters.

Rinku Devi : Is a widow who lives with her daughter in Benashol Village in Ghatsila with a very limited access to city. She only had access t o the money left by her husband after he passed away, which was insufficient for survival. Rinku Devi then approached SCNL for income generating loan. With the help of her first loan amount of Rs. 20,000 she was able to buy a sewing machine. Gradually, her business expanded. With this increase in income she paid off her first loan and took a subsequent loan of Rs. 30,000. She came up with a brilliant idea of buying defected clothes from local traders, she then works on them and sells them at higher prices. This has enabled her to successfully set-up a cloth trading shop in her village where she is looked up as a budding entrepreneur.

Lakshmi Malakar : Lives in Tikiya Para slum of Asansol with her husband and two children. Lakshmi worked as a daily laborer in Asansol's coal mines for 14 hours a day and merely earned Rs. 130. This left her hardly any time to take care of her two little sons and money to fulfill her daily needs. Lakshmi then got associated with SCNL 2 years back with her first loan amount of Rs. 15,000 with which she bought a sewing machine and started to stitch clothes at her home. Laxmi is a confident women now who earns a dignified living and has been able to build up a sufficient corpus to educate her children. She is an inspiration to several women around her.

Basira Begum : Of Burdwan City was living in extreme poverty. Her husband was a daily laborer for a contractor. His earnings were not regular and very meager (Rs. 3000 per month). Basira wanted to improvise her standard of living and approached SCNL. She then took a loan of Rs. 20,000 and bought a sewing machine. With her successful venture she has been able to support her husband financially. Basira is looked upon by her family and motivates other women to be financially independent.

Konoklota Sen : Is a classic case of women empowerment. She worked as a primary school teacher in Siliguri where her husband had lost his life's savings while being duped by a chit fund. The family did not have any money to meet their daily expenses. Konoklota was introduced to SCNL and took a loan of Rs. 20,000. She then set up a Kirana Shop (Grocery Store) for her husband. The family sells daily essentials to the locality. Konoklota feels that SCNL played a major role in reestablishing her life by giving her adequate support at the time of need.

Ruksana Bibi : A resident of Jalpaiguri lives with her two daughters. Her husband works very far from Jalpaiguri and is unable to send money to the family with his scanty earnings. Thus, to be able to meet her daily expenses, Ruksana joined SCNL's JLG program in January 2017. A contribution of Rs. 15,000 was loaned to her to buy a cow. By selling the milk to the local milkman Ruksana earns quite well, enabling her to support her family along with the contributions from her husband. Ruksana inspires other women in her neighborhood who continue to associate themselves with SCNL for enhancing their livelihoods.

Manju Kumari : Came to Mohamadapur village of Baliya along with her husband without any deposit or a stable source of income. She then enrolled herself with SCNL and took a loan of Rs. 20,000 with which she bought two goats. Manju made her daily living by selling goat milk to the local milkman. Slowly with her earnings she took another loan of Rs. 25,000 from SCNL and bought three more goats. Manju is an inspiration to many of us by proving that no one can make you feel inferior without your consent.

Radha Devi : Is a widow who lives with her mother-in-law and her daughter who had attained the age of marriage. Radha worked as a domestic help for an year but it did not give her enough money to support her family. She was then introduced to SCNL by a friend and got her first loan of Rs. 20,000. Radha used this money to buy seeds and started cultivation of basic vegetables on the land left by her late husband. She started earning money by selling them locally and built up her corpus. Radha has now taken up a second loan of Rs. 30,000 and has started cultivating on her entire land. She has started saving money and intends to get her daughter married soon.

Rekha Yadav : Belongs to a low income family and lives in Ashapur, Varanasi with her husband and children. Her husband works as a contractual labour due to which the financial status of the family is very unstable. She then approached SCNL for a loan with which she opened a Tea Shop for her husband. Gradually her husband expanded and diversified from tea shop to grocery store. This helped her to increase her monthly income. Rekha then took a second loan for her husband's grocery store which is running successfully. Her children now study in good school and the family's socio-economic status has improved as well.

Uma Devi : Is a resident of a village near Ashapur where she lives with her husband and three children who study in the local village school. Uma Devi belonged to a financially unstable family and grew vegetables such as Tomatoes, Corns etc. on a marginal agricultural land she had. But inflation affected her just like many in her village and she wanted an increase in her income to meet her needs. She then approached SCNL for a loan of Rs. 15,000. With this money she bought more seeds that lead to more vegetables and higher sales. Uma now with her increased income isa happy financially independent women.

Soma Rani : Aged 48 years is a resident of Jaggi Colony village in Ambala where she lives with her husband who assist her at medical shop and her two married sons. The shortage of stock in her shop lead to less sales that was not sufficient to support a big family. Two years back Soma got associated with SCNL and her first loan was sanctioned that she invested in her medicine shop by stocking more medicines. Her daily earning have increased (Rs. 500 - Rs. 1000 per day) and looking at her growing business her husband along with her daughter in laws assist her. Soma is an inspiration to both her family and looked upon by the women in her village.

Manju : Aged 41 years lives in Sonipat (Haryana) with her husband and three children. Manju got associated with SCNL about an years back to get financially independent and provide her children with better education and future. A contribution of Rs. 25,000 was made with which she bought a buffalo and sold milk to the local milk men. Today, Manju has three buffalos that has lead to increase in the family's income. Manju's children study are now studying in one of the best schools in Sonipat and her daughter is excited to join college next year.

Kiran : Aged 40 years is a resident of Mathana (Haryana) where she lives with her husband who is a labour and two children. She got associated with SCNL three years back and recieved her first loan of Rs. 15,000 with which she opened a small grocery store in her house. Seeing her growing business she took a second loan of Rs. 30,000. Looking at Kiran progress her husband and children are proud of her. Her husband also, helps her to buy stock during his free time.

Usha : Aged 35 years is a resident of Daulatpur (Haryana) where she lives with her husband who is a contractor and two children. Usha was a housewife and got bored of sitting idle. She spoke to her husband and decided to open a beauty salon. She got associated with SCNL an year back and formed a group and got her first loan of Rs. 25,000. With this money she opened up the beauty salon for ladies that enables her to earn good amount of money especially during the wedding season with bridal make-ups. Usha is extremely happy with her decision and wish to provide best education to her sons.

Seema Bhati : Aged 36 years is a Resident of Makarana (Rajasthan), where she lives with her husband who works in a factory and her son. Seema's financial position was not good and suffered from issues in the family. An year back Seema got associated with SCNL where a loan of Rs. 25,000 was sanctioned to her with which she opened grocery store near her house. Seema's earnings have increased by four times and is now a financially empowered women.

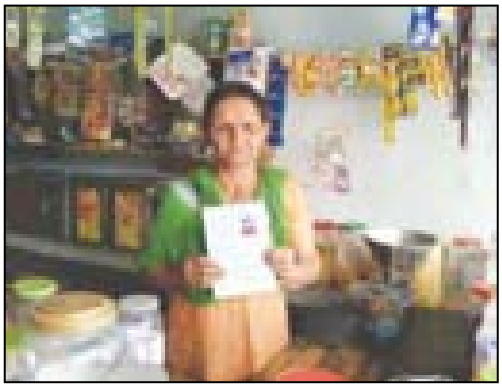
Heena : Aged 27 years lives in Saray Mohalla, Makarana (Rajasthan) with her husband and child. She got associated with SCNL about an year back to get financially independent and provide her children with better education and future. She then came to SCNL where a contribution of Rs. 25,000 was made with which she opened a "Cart Shop". Heena was determined to improve the financial status of her family. Soon her income increased and she could send her child to the best school in Makarana. Both Heena and her husband are thankful to SCNL for helping them to elevate there standard of living.

Sunita Devi : Aged 35 years is from Kaki Village Jalandar (Punjab) where she stays with her husband. Sunita wanted to support her husband financially and was introduced to SCNL by a friend. With her first loan of Rs. 25,000 she bought tailoring machine to start her business. With the second loan amount contributed to her of Rs. 35,000 she bought two more tailoring machines and opened a boutique. Today, Sunita is a self-made financially independent women who is looked upon by her family.

Anisha Banu : Aged 45 years is a resident of chavni village in shirohi district where she lives with her husband who works in a private company and five children. Anisha was financially unstable with her husband's mere earning of Rs. 100 - Rs. 150 per day that was too low to survive for a family of 7 members. Two years back, Anisha discovered about SCNL's operations in her village and got her first loan Rs. 15,000. She used this money to start her own business of Agarbattis (scented incense sticks) from her home. With her second loan she expand her business of supplying these Agarbattis (scented incense sticks) in local market. Anisha now earns about Rs. 12,000 - Rs. 15,000 per month and feels financially secure.

Pinki Padliya : Aged 38 years lives in Pali with her husband and two children. Pinki got associated with SCNL about an year back to get financially independent and provide her children with better education and secured future. She then came to SCNL where a contribution of Rs.15,000 was given to her to open a small grocery shop in Pali. Soon her business started to grow and she took another loan of Rs. 20,000 from SCNL to put more stock in her shop and expand it. Pinki has proved to the world that there is no substitute for hard work and a strong willed woman.

Manpreet Kaur : Aged 32 years is a resident of Mundiya Kalan in Ludhiana where she lives with her husband and two children. Her husband's mere earnings of Rs. 7,000 per month was insufficient for the survival of a family of four members. Manpreet got associated with SCNL and a loan amount of Rs. 25,000 was given to her with which she bought a sewing machine and started sewing clothes for ladies and children. Soon her tailoring business gained momentum and she now earns approximately Rs. 10,000 per month. Her family's standard of living has improvised and her children now study in private school. Manpreet also intends to open a small tailoring shop and buy some more sewing machines that would enable her to give employment to other women in her village.



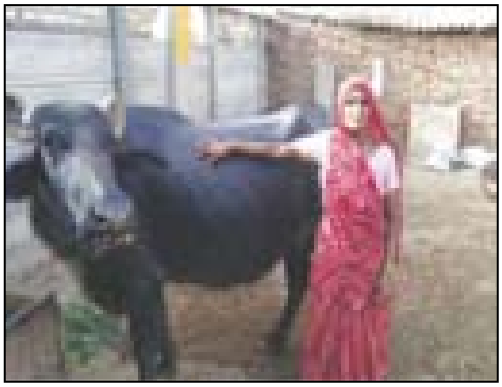
Kanta Devi : Aged 54 years lives in Mundiya Kalan (Ludhiana) with her husband and son. As her husband was unemployed she was unable to send her child to school. Two years back Kanta took a loan of Rs. 35,000 from SCNL to open a small grocery shop. Gradually her shop started picking up on sales and she now earns about Rs. 750 per day. Looking at her growing business and demand her husband started helping her as well. Kanta is happy with the progress she has made that has made her financially secure and the opportunity to her son to study in a good private school.

Rekha Devi : Aged as 40 years is a resident of Saraiya where she lives with her husband and children. Rekha's financial position unstable with her husband's mere earning of Rs. 100 - Rs. 150 per day that was too low to meet their daily needs. She then got associated with SCNL three years back and her first loan of Rs.15,000 was sanctioned was given to her to open Swing Modern Training Center. Rekha then took another loan of Rs. 30,000 to invest in her newly opened General Store. The general store soon started doing good business and she now earns Rs. 400 - Rs. 500 per day. Her husband also helps her looking at her growing business, although he continues to do his business. Rekha continues to motivate other women in her village to be financially independent and secure there future.

Asthma Begum : Aged 26 years is from Shivara village in Moradabad district where she lives with her husband and two children. Asma got associated with SCNL two years back and with her savings and the money loaned out to her by SCNL she bought a Buffalo. Today, Asma runs a successful business of supplying milk to the local milkman and proud owner of not only the buffalo she bought but also a newly born calf. Asma is a source of inspiration to many women in her village and encourages them to be financially self-sufficient.

Sita Devi : Aged 40 years is a resident of Ara where she lives with her husband who has a cycle repairing shop and four children. Sita's financial position was unstable with her husband's mere earning of Rs. 100 - Rs. 150 per day. She was introduced to SCNL two years back by a friend and received her first loan with which she bought a cow. With her second loan, she bought three more cows and now supplies milk to a local market. Sita also uses cow's dung in field, which is also very helpful in agriculture and an added source of income for her. Sita now earns about Rs.1100 - Rs.1200 per day and looking at her growing business her husband also helps her in his free time.

Urmila Devi : Aged 45 years lives in Ara, with her husband who has a vegetable shop and three children. Urmila wanted to contribute to the family income and got associated with SCNL two years back. With her first loan of Rs. 15,000 she opened a small grocery shop. Urmila was determined to improve the financial status of her family and worked hard. Soon her business started to grow and she took another loan of Rs. 25,000 from SCNL to put more stock in her shop. Today, Urmila's three children study in private schools and her daily income has increased to Rs. 700 – Rs. 800 per day.



Maya Devi : Aged 47 years is a resident of Tarsi Village in Mathura where she lives with her husband who works in a local grocery store and four children. Maya wanted to support her husband financially and got associated with SCNL three years back. With the first loan contributed to her she bought a buffalo. With her second loan and third loan she again bought two more buffalos. Maya now supplies milk to a local dairy in her region earns about Rs. 1100 - Rs. 1200 per day. Looking at her growing business her husband too helps her in morning and evening. Her family income has now increased and her younger daughter is taking her higher education while her son studies in a school.

Shushma Devi : Aged 32 years is a resident of Mathura city, where she lives with her husband who is a daily wage labourer along with their four children. Five years back Shushma got associated with SCNL and took her first loan of Rs. 15,000 with which a push-cart to sell grocery and general items of daily needs. With her second loan of Rs. 25,000 she added more items to her cart that increased her sales. She then took her third loan of Rs. 30,000 with which she added further items in her push cart and helped her daughter for education. In 2016, she took fourth loan of Rs. 40,000 and opened up a grocery store that is doing great business and enabling her to do savings to secure her children's future.

Shanti Devi : Aged 38 years lived in Assurari village of Begusari district , with her husband who is a farmer, in-laws and children. Shanti Devi got associated with SCNL four years back with her first loan amount of Rs. 20,000 with which she opened a small cosmetic shop but her business did not do well. Determined to do well in her life she approached SCNL for a second loan of Rs. 30,000 and opened n a ladies wear retail shop. Her retail shop picked up quiet well and Shanti Devi is glad that she did not give hope and continues to put in her hard work.

Rinki Devi : Aged as 39 years is a resident of Rajwara Village where she lives with her husband who works as a daily wage labourer and children Her husband's earnings of Rs. 150 – Rs. 250 per day were extremely low for the survival of the family. Rinki then got associated with SCNL four years back and with her first loan she opened a general store . With her second loan she bought more stock and expanded her shop. Her grocery store is doing very well and she is thankful to SCNL for educating her the importance of being financially independent and improving her standard of living.

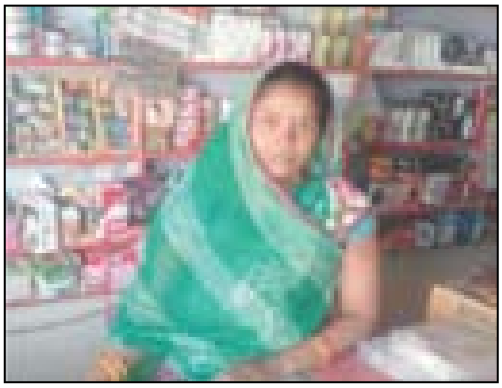
Panni Devi : Aged 45 years is a resident of Shiyagawali (Rajasthan). She lives with her husband and two children. Her husband was the only bread earner in the family with an occasional earning of Rs. 100 per day as a daily wage labourer. Panni Devi got associated with SCNL in 2016 and took a loan of Rs. 25,000 to open Grocery shop with which she now earns Rs. 400 – Rs. 500 per day. She uses a portion of this earning to educate her children and wishes to expand her business further.

Manjeet Kaur : Aged 34 years is a resident of Jathuke village wherelives with her husband and three children. Her husband works with an Insurance company in the village but had a miniscule earning of Rs. 100 per day. Manjeet got to know about the SCNL operations in her village and got associated with her first loan of Rs. 15,000. She opened a small shop that has daily need items that's includes toiletries and selling of unstitched ladies suits. She earns about Rs. 200 per day and contributes to the family income. Manjeet dreams of expanding her business and intends to spend her second loan in stocking up products.

Gangabai Manikpuri : Lives in Kartala village (Bilaspur) with her husband and daughter. Gangabai's financial condition was not good and it was difficult for her to meet her daily needs. She got associated with SCNL in 2017 to open a general store with which she earns about Rs. 300 – Rs. 400 per day. She is thankful to SCNL for not only financially supporting her but in also educating her about the importance of literacy and being self independent.

Malti Bai : Aged 33 years lives in Kartala, Pali (Bilaspur) with her husband and children. She got associated with SCNL in 2017 to get financially independent and provide her children with better education and secure future. She took a loan of Rs.15,000 to open Sewing Machine Centre in Pali. Malti worked hard and was determined to improve the financial status of her family. Soon her tailoring business started to pick up with many ladies from her locality getting there clothes stitched from her. Sunita, is happy with her decision and encourages other women to pursue there dreams.

Farida Begum : Aged 42 years is a resident of Chainpura, Bajariya Ward (Damoh) where she lives with her husband and three children. Farida got associated with SCNL about 5 years back to get financially independent and provide her children with better education. With her first loan amount of Rs.15,000 she opened a small grocery store. With every new loan she took from SCNL, she expanded her business. Soon she started selling vegetables and bangles along with the existing grocery store she had. Farida's family income has increased to about Rs.1,800 per day from a mere amount of about Rs. 700 per day. Farida advises both women in her family and village to get associated with SCNL for financial support.



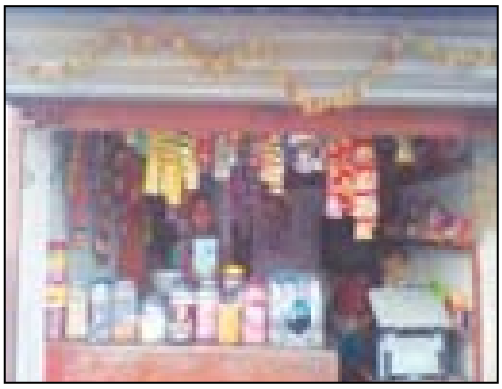
Sunita Bai : Aged 39 years lives in Mahagaur (Ganjbasoda) with her husband and two children. Sunita got associated with SCNL about 6 years back to get financially independent and provide her children with better education and future. With her first loan amount of Rs. 15,000 she opened a small bangle shop and improved the financial condition of her family. She gradually increased her business and opened up a grocery store as well. Sunita again touch based with the company and a loan of Rs. 35,000 was sanctioned to her which she used to put new stock in her shop and expanded it. Over the years Sunita's family income has increased from about Rs. 500 per day to about Rs. 15,000 per day. Sunita's strong will and determination inspires her family.

Laxmi Soni : Aged 30 Years lives in Dhokhera village, Bareli (Madhya Pradesh), with her husband and children. Laxmi got associated with SCNL in 2016 with her first loan of Rs.35,000 being sanctioned with which she opened a Grocery Store. Today, both Laxmi and her family are very happy with her decision of being financially independent as her income has increased by three times.

Aneeta Patva : Lives in Itwara Bazar with her husband and two children. Aneeta was a housewife and her children were unable to get education. Aneeta was then introduced to SCNL by her neighbour and got her first loan of Rs. 40,000 in 2016 to open a cosmetic and bangle shop. Soon her business started doing well and this increased the family's income that led to an enhanced standard of living. Aneeta is now confident and optimistic about the future of her family.

Sanjana Thakur : Lives in Mahaveer Colony, Mandideep (Bhopal) with her family. She got associated with SCNL in 2015 wherein with her first loan amount of Rs. 15,000 she purchased a sewing machine and started her own business of tailoring ladies suit and blouse. Sanjana now has a major financial contribution from her business that is now the main source of family income.

Mamta Bai : Lives in Kurawar, Bhopal with her husband and children. She got associated with SCNL in 2014 to get financially liberated and provide her children with better education and future. She took a loan of Rs.15,000 to open a small grocery shop in Kurawar. Soon her business started to grow and she took another loan of Rs. 25,000 and Rs. 35,000 from SCNL to put more stock in her shop and expand it. Mamta Bai is a happy self-sufficient woman looked upon by her peers.



Sarita : Lives in Shahpura, Jabalpur with her husband. In 2015 she took a loan from SCNL of Rs. 15,000 to open a grocery store. She took another loan of Rs. 30,000 to put stock in her grocery store that started doing good business. Later in 2016 Sarita applied for her third loan of Rs. 40,000 to purchase a photocopy machine. Now the whole worth of her shop is Rs.2,00,000. Over the last two years Sarita's husband is very happy and proud of her success and expansion of her business.

Saroj : Lives in Jagmohan Ward (Panagar). Saroj is a member of SCNL for the past 2 years. She took a loan of Rs. 25,000 for establishment of small business outside her home to earn a livelihood. Through this, her family is able to earn more. She is very happy with the company and continues to stay associated with the organization.

Rita Devi : Aged 32 years is a resident of Lariya village in Bihar where she lives with her husband and three children. Rita's financial position unstable with her husband's mere earning of Rs. 100 - Rs. 120 per day. She then got associated with SCNL in 2014 and her first loan was sanctioned which she invested in her grocery shop . She then invested her next two loans to expand her business. Rita now earns about Rs. 800 – 1,000 per day and is looking forward to grow her business. She is overcoming with her financial crisis and is able to fulfil all small needs of her family members.

Devanti Devi : Aged 35 Years lived in Aharav, Bihar with her husband and two children. Devanti got associated with SCNL in 2015 to get financial support. She took a loan of Rs. 20,000 to invest in her agricultural farming. Soon her business started to grow and she took another loan of Rs. 30,000 to grow her farming land and to stock it with fertilizers and equipments. Today, Devanti's two children study in private school. She supplies good quality vegetables and has a good market. Devanti will soon acquire more land to grow her business for seasonal vegetables.

Gurvindar Kaur : Aged 42 Years lives in Shikanderpur, Sirsa (Haryana) with her husband and three children. Gurvindar got associated with SCNL in 2016 to get financially independent. A contribution of Rs. 25,000 was given to her to open a small grocery shop in Shikanderpur. Gurvindar worked hard and was determined to improve the financial status of her family. Soon her business started to grow. Today, Gurvindar's three children study in private schools.

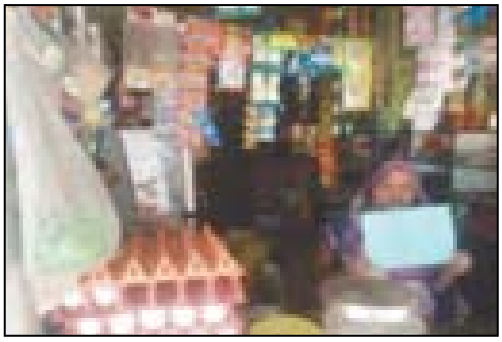
Kulvindar : Aged 35 years is a resident of Hisar region where she lives with her husband who is a labour and two children. An year back Kulvindar bought a Cow with her savings & the money contribute to her by SCNL. Today, Kulvindar is not only a proud owner of two Cows but is also running a successful business of supplying milk to the local milkman. She is a source of inspiration to many women in her village.

Shanti Devi : Aged 47 years lives in Indira Nagar, Aligarh with her husband and two children. She got associated with SCNL three years back where a contribution Rs.20,000 was given to her tostart her bangle selling business. Shanti worked hard and purchased a molding machine for electronic socket with her second loan amount of Rs.35,000. Today, she is very happy with her decision of being financially independent as her income has increased.

Sabnam : Aged 32 year lives in Shahganj, Aligarh with her husband and two children. She got associated with SCNL three years back with her first loan amount of Rs. 25,000 with which she started her work of doing stainless polish of products made of iron. Two year later she took her second loan of Rs.35,000 from SCNL to put more stock in her shop. She also purchased some machines for Glass runner. Today, Sabnam financially supports her family.

Guddi : Aged 36 years is a resident of Gorakhpur City where she lives with her husband who was daily wage labourer and her children. Guddi got associated with SCNL and with her first loan of Rs. 15,000 she got a push kart for her husband to sell vegetables. With her second loan of Rs. 30,000 she stocked the push kart with both fruits and vegetables. With her third loan of Rs. 40,000 she intends to open a fruit and vegetable shop in Gorakhpur. Guddi's financial condition has improved over the years and now her children study in good schools.

Samina Khatoon : Aged 42 years lives in Sumera village in Muzaffarpur with her husband. Both Samina and her husband worked as "Seasonal Labor" due to which they did not have any regular income.Saminawanted to do something of her own but due to lack of funds and not being able to get loan from bank or any other financial institution; she was unable to do so. Samina then got associated with SCNL in 2014 through a friend who was an existing member and got her first loan of Rs.15,000 with which she started the business of making "Bhallah Bangles". With her second loan of Rs.30,000 she expanded her business and now she supplies these banglesto vendors in different cities like Delhi, Kolkata, Mumbai, Goa etc. Today, Samina is happy that she has a regular source of income to support her family's day to day needs.



Preeti Patel : Was going through financially tough time in her life when she got associated with SCNL in 2014 when her first loan of Rs. 15,000 was sanctioned with which she opened a small grocery store to sell items of daily use. Preeti's hard work soon started to pay off. She bought a house and shop and is currently, in her third cycle with the organization. Preeti is happy that she took this leap of faith and her family's socio-economic condition has improved in these three years.

Corporate Information

BOARD OF DIRECTORS

Mr. Harvinder Pal Singh	Chairman cum Managing Director
Mr. Satvinder Singh	Director
Mr. Rakesh Sachdeva	Independent-Director
Mr. Davis Frederick Golding	Independent-Director
Mr. Ramesh Ji Dharmaji	Nominee-Director
Mr. Sundeep Kumar Mehta	Independent-Director
Mr. Richard Benjamin Butler	Nominee-Director
Mrs. Sangeeta Khorana	Independent-Director
Mr. Arthur Sletteberg	Nominee-Director
Mr. Goh Colin	Independent-Director
Mr. Sanjay Kumar Bhatia	Independent-Director
Mr. Suramya Gupta	Nominee-Director
Mr. Anil Kumar Kalra	Independent-Director

COMMITTEES OF BOARD OF DIRECTORS

Audit Committee	Mr. Rakesh Sachdeva (Chairman) Mr. Satvinder Singh (Member) Mr. Sundeep Kumar Mehta (Member)
Corporate Social Responsibility	Mr. H P Singh (Chairman) Mr. Rakesh Sachdeva (Member) Mrs. Sangeeta Khorana (Member)
Nomination & Remuneration Committee	Mr. Sundeep Kumar Mehta (Chairman) Mr. Rakesh Sachdeva (Member) Mr. H P Singh (Member) Mrs. Sangeeta Khorana (Member) Mr. Davis Fredrick Golding (Member)
Risk Management Committee	Mr. Rakesh Sachdeva (Chairman) Mr. Satvinder Singh (Member) Mr. Sundeep Kumar Mehta (Member)
Stakeholders Relationship Committee	Mr. Sundeep Kumar Mehta (Chairman) Mr. Satvinder Singh (Member) Mr. Sanjay Kumar Bhatia (Member)
Working Committee	Mr. H P Singh (Chairman) Mr. Satvinder Singh (Member)

CHIEF FINANCIAL OFFICER: **Mr. Jugal Kataria**

COMPANY SECRETARY & COMPLIANCE OFFICER: **Choudhary Runveer Krishanan**

AUDITORS:

STATUTORY AUDITORS:
A. K. Gangaher & Co.
Chartered Accountants
401, Kundan Bhawan
Azadpur Commercial Complex
Delhi-110033

SECRETARIAL AUDITOR:
S. Behera & Co.
Company Secretaries
B-304, Ansal Chamber-I
Bhikaji Cama Place,
New Delhi-110066

BANKERS & OTHER LENDERS

1. Abu Dhabi Commercial Bank
2. Andhra Bank
3. Au Financiers (India) Limited
4. Axis Bank Limited
5. Bajaj Finance Limited
6. Bandhan Bank
7. Bank Of Baroda
8. Bank Of Maharashtra
9. Bhartiya Mahila Bank
10. Capital First Pvt Ltd
11. CTBC Bank Ltd.
12. DCB Bank Ltd
13. Dena Bank
14. Dhanlaxmi Bank
15. Doha Bank
16. L & T Finance Ltd
17. Federal Bank
18. HDFC Bank
19. HDFC Ltd
20. Hero Fincorp
21. ICICI Bank Limited
22. IDBI Bank Limited
23. IDFC Limited
24. Indian Bank (New Branch)
25. Indusind Bank
26. Karnatka Bank
27. Kotak Mahindra Bank
28. Maanaveeya Development & Finance Private Limited
29. Mas Financial Services Limited
30. Mudra
31. National Bank For Agricultural And Rural Development (Nabard)
32. Oriental Bank Of Commerce
33. Punjab & Sind Bank
34. Punjab National Bank
35. Religare Finvest Limited
36. SBER Bank
37. SBM Bank (Mauritius) Ltd
38. Shinhan Bank
39. Small Industries Development Bank Of India
40. Societe Generale
41. South Indian Bank Limited
42. Standard Chartered Bank
43. State Bank Of India
44. State Bank Of Patiala
45. Sundaram Finance Ltd.

46. Syndicate Bank
47. Tata Capital Financial Services Pvt. Ltd.
48. The Hongkong And Shanghai Banking Corporation Limited
49. The Rbl Bank Limited
50. Union Bank Of India
51. United Bank Of India
52. Vijaya Bank
53. Yes Bank
54. The Nainital Bank Limited
55. Nabkisan Finance Limited
56. State Bank Of Bikaner And Jaipur
57. Canara Bank
58. The Catholic Syrian Bank Ltd

REGISTRAR & TRANSFER AGENT (EQUITY SHARES & PREFERENCE SHARES)	**Link Intime India Pvt. Ltd.** 44, Community Center, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028 Phone: 011-41410592-94
REGISTRAR & TRANSFER AGENT (NON CONVERTIBLE DEBENTURES)	**Karvy Computershare Pvt. Ltd.** Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034
DEBENTURE TRUSTEES (NON-CONVERTIBLE DEBENTURES)	**1. IDBI Trusteeship Services Limited** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400001 **2. GDA Trusteeship Limited** B-22, Ansal Chambers-1, 3, Bhikaji Cama Place, New Delhi-110066 **3. Axis Trustee Services Limited** 2nd Floor 'E', Axis House Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025
REGISTERED OFFICE	**Satin Creditcare Network Limited** 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033, India
CORPORATE OFFICE	**Satin Creditcare Network Limited** 909-914 ABC, 9th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001, India Ph: 011-4754-5000 Fax: 011-2332-8951 (With effect from August 12, 2015)
CORPORATE IDENTITY NUMBER	L65991DL1990PLC041796
WEBSITE	www.satincreditcare.com

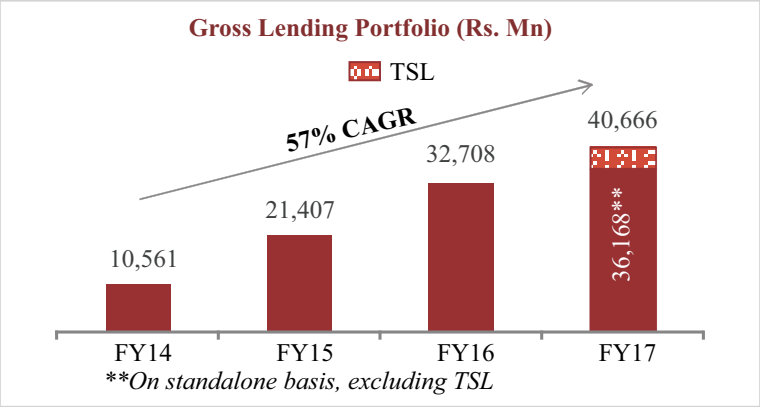
Product Portfolio

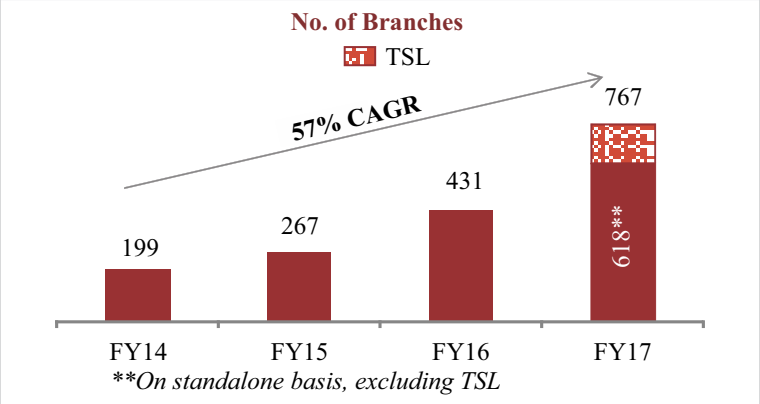
	MFI Segment[1]		Non-MFI Segment	Business Correspondent services[2]
Product features as on Mar'17	**MFI Lending**	**Product Financing (Loan for Solar lamps)**	**Loans to MSME[3]**	**TSL[4]**
Start Date	May'08 (JLG)	Oct'15	Apr'16	May'12[4]
Ticket Size Range	Rs. 5,000 - Rs. 50,000	Rs. 695	Rs. 100,000 - Rs. 1,000,000	Rs. 15,000 - Rs. 35,000 (JLG - Microfinance)
Tenure	12 - 24 months	9 - 12 months	24 - 60 months	12 - 24 months
Frequency of Collection	Bi-Weekly / 2 Bi-Weekly	Bi-Weekly / 2 Bi-Weekly	Monthly	Bi-Weekly / 2 Bi-Weekly
No. of States/UTs	16	3	5	8
No. of Branches	615*		8*	149
Gross Loan Portfolio (Rs. mn)	35,844.70	1.22	322.41	4,497.65
No. of Loan Accounts	2,553,049	7,495	329	349,090
Avg. Ticket Size During FY17	Rs. 23,000 (JLG)	Rs. 695	Rs. 1,050,000	22,500

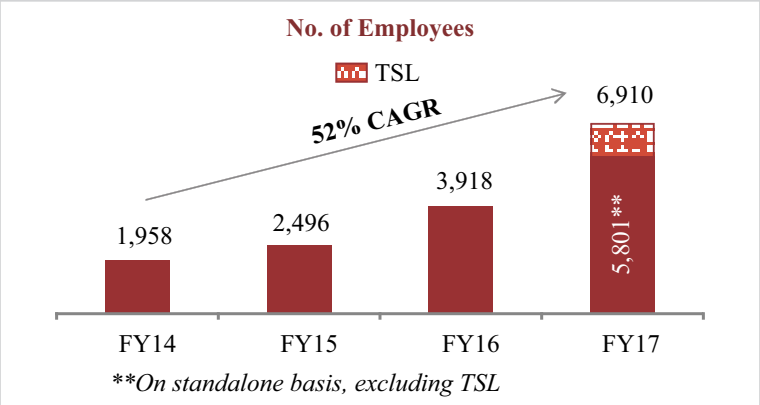
Notes - (1) As on Mar'17, MFI Segment included MFI Lending (loans under JLG model, water & sanitation loans and loans to individual businesses) and Product Financing (Loans for solar lamps); (2) Other service offerings have been discussed in subsequent slide; (3) MSME: Micro, Small & Medium Enterprises; (4) TSL acquisition is effective Sep 1, 2016

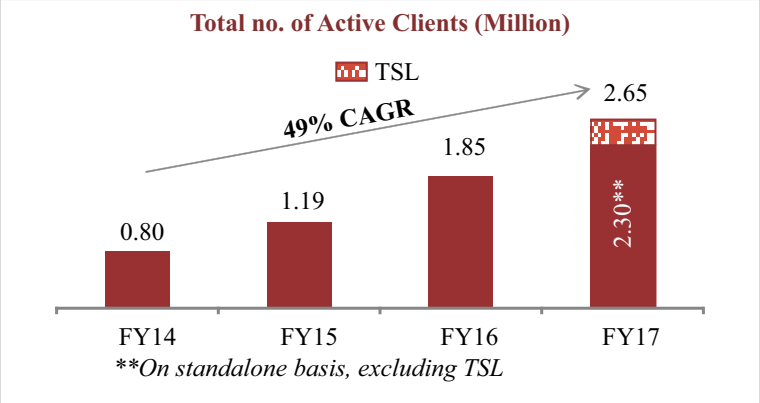
** Of the total branches of MSME, there are 3 unique branches while 5 are common with the MFI segment as company is able to leverage its infrastructure*

Operational Highlights





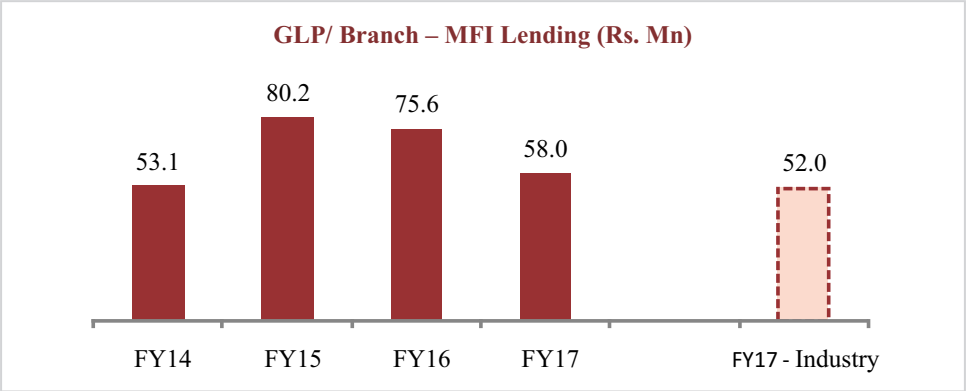


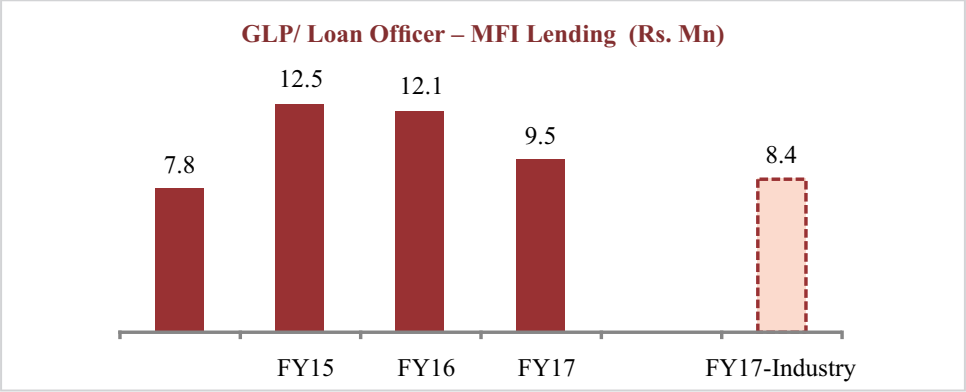


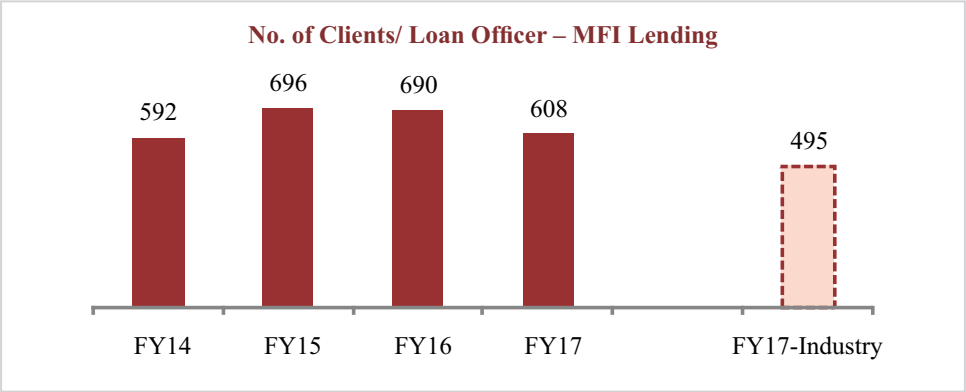
**Active clients refer to unique number of clients and not to number of loan accounts as on a date, since in some cases, a single client has availed more than one offering from SCNL or TSL. The definition of Active Client base is valid for each of the entities respectively, however there could be customers who might have availed a loan from both SCNL and TSL.*

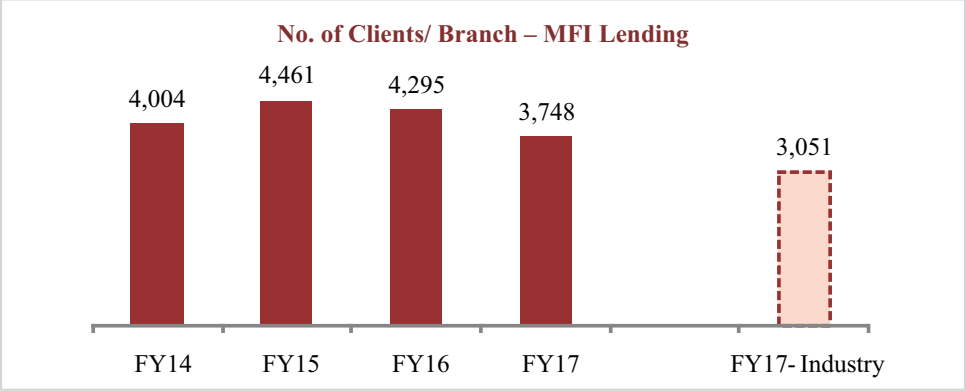
Taraashna Services Limited (TSL) is an 88% subsidiary of SCNL - acquisition effective Sep 1, 2016

Operational Highlights (On Standalone Basis)









Note: Industry data is from MFIN Micrometer publication - Mar'17

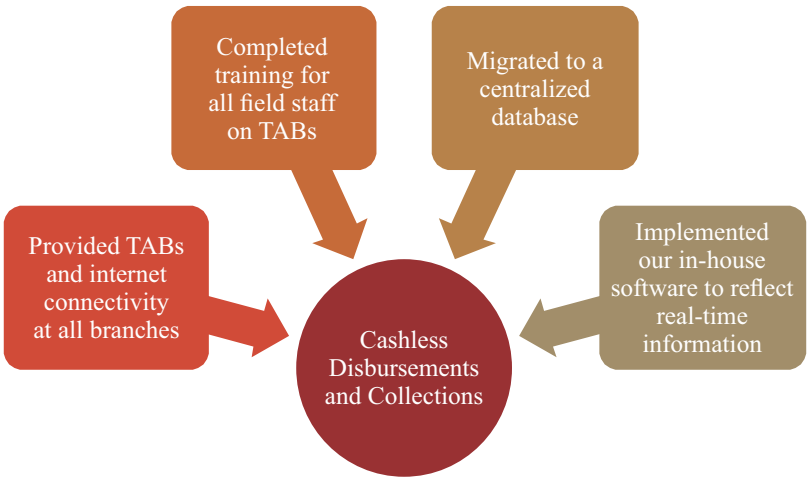
Gross AUM by Economic Activity

Gross AUM by Economic Activity (Rs. Mn)	Mar'16	% Mix Mar'16	Mar'17	% Mix Mar'17
Satin Creditcare – Standalone				
Agri/ Allied Activities	20,550.34	62.83%	17,658.51	48.82%
Service/ Trade	9.485.31	29.00%	11,711.13	32.38%
Production	2,556.38	7.82%	1,848.56	5.11%
Other	115.57	0.35%	4,627.73	12.79%
MSME	-	-	322.41	0.89%
TOTAL	**32,707.60**	**100.00%**	**36,168.33**	**100.00%**
Taraashna Services Limited				
Agri/ Allied Activities	-	-	3,686.84	81.97%
Service/ Trade	-	-	627.29	13.95%
Production	-	-	183.52	4.08%
Other	-	-	-	-
TOTAL	-	-	4,497.65	100.00%

Taraashna Services Limited (TSL) is an 88% subsidiary of SCNL - acquisition effective Sep 1, 2016

Digital Transformation of SCNL

Digital Transformation Underway



ADVANTAGES OF NEW SYTSTEM – Implemented across 180 branches

- Real Time reporting from the field
- A major step towards full automation

Software has the capability to track every client, group, center, branch, territory, region, zone and the company in its entirety

Will enable business in taking right actions at the right time based on real time information

Significant productivity improvement through automations and cutting down on paperwork

Cashless Disbursements Strategy

85% clients have Aadhaar cards, and ~50% have Aadhaar linked bank accounts

Aadhaar linked bank accounts sourced for APBS* disbursement

Cashless disbursements started in Feb'17 – Live across 27 branches

Plan to go cashless from inception in all new branches

**Aadhaar Payment Bridge System (APBS) - A centralized system implemented by NPCI, which uses Aadhaar Numbers as a unique key for all electronic benefits transfer schemes.*

This system is used by Government Departments and Agencies to transfer benefits & subsidies to the intended beneficiary.

Complete Revamp of our Cashless Disbursements – To help realize operational efficiencies

Cashless Disbursements Methodology

Previous System

KYC and Bank Information

CSO collects clients and bank account information

Loan Processing at RO

Entry of KYC and bank details. Post CB check printing of agreements

Confirmation by BM

BM approves the clients disbursement

Disbursement by HO Team

HO team transfers money through digital mode to clients

Client

UTR no. of transactions shared with clients.

New System

Center meeting

CSO checks willingness for a new loan

Proposal on Tab

Client details will be captured through TAB

Instant Credit Bureau

Instant credit worthiness/ eligibility check of the Customer

Bank account Validation

Beneficiary Account Validation through API

Demand Generation

Demand Generated for cashless disbursement

Clients

Clients get the disbursement confirmation through a message

Benefit of Cashless Disbursements

- **Reduces Paperwork:** Most of it has been inducted in TAB
- **Cashless:** System facilitate smooth functioning of cash-less transaction from branch itself.
- **Greater Control:** Branch, Regional Offices and Head Offices will all have real-time access oDeposit Centref the same information
- **Enhances Productivity :** Centre meetings through TAB will save the time which can be utilized for other important activity to improve portfolio quality. Real time CB status will help branches to serve members on the same day.
- **Service Quality:** Transparency and reduction in disbursement TAT will be provided to customers

Building upon the Success of Cashless Collections

Centre Meeting

Post centre meeting, collected money reaches collection points

Deposit Centre

Cash deposit at vendor location

Fund Transfer

Funds realized in SCNL's account on the same day

SCNL's Empowerment and Social Initiatives

SCNL's Empowerment and Social Initiatives

Keeping in sync with SCNL's mission, our approach to alleviate poverty is framed by Social Performance Management (SPM), which is about effectively translating our social mission into reality. SPM ensures that we understand our clients' needs that equips us to design products and services that will enable them to most effectively transform their future and their communities.

Responsible Positioning

SCNL had approx. 5801 employees, 2.55 million active clients and 615 branches spread across 16 states, as on 31st March 2017. We have a strong presence in under-penetrated and financially excluded regions of Uttar Pradesh, Bihar, Madhya Pradesh, Uttrakhand and West Bengal. Our strength lies in our ground level knowledge and the strong bond that we have created with our stakeholders. SCNL is reaching its borrowers through a suite of financial services, including lending under Joint Liability Group model, loans to individual businesses, Individual Micro Loan, product financing, loans for solar lanterns, water and sanitation, financial literacy, tailored to meet their needs – almost 100% of SCNL clients are women, based in rural hinterlands of India. Around 50% of the clients are from BPL category. This goes well with the SCNL's mission of reaching out to the bottom of the pyramid and provide them access to the financial services.

Designing Products to Meet Clients' Needs

SCNL strives to make a difference in quality of lives of its clients, through facilitating their access to clean energy, safe water and sanitation facilities. SCNL gives loan for Clean Energy Solar Lamps to its clients at a subsidised interest rate of 22% and Water & Sanitation loans at an interest rate of 21%.

Clean Energy Loan- SCNL is financing the solar lanterns at affordable rates to suit the economic conditions of the villagers without any financial constraint. With a vision to make villages more independent and progressive, the clean energy loan initiative will further reduce the dependence on kerosene oil for lighting purpose. During the FY 2016-17, SCNL facilitated purchase of 32,504 solar lanterns through provision of loan with a total disbursement of Rs. 2.25 Crores (approx.).

Water and Sanitation (Wash) Loan- Except some urban centers, almost all the places where SCNL operates, have low access to safe water and sanitation facilities. Hence, there is huge potential for providing water and sanitation loans in almost all the regions where SCNL operates. Thus, we are offering loans to our clients so as to enable them to establish water and sanitation facilities at their households. During the FY 2016-17, SCNL disbursed a total of 1810 Water and Sanitation loans with a total disbursement of Rs. 2. 63 Crores (approx.).

Client Protection

SMART Certification- The Smart Campaign, a global initiative to incorporate strong client-protection practices into the microfinance industry has recognized SCNL as Client Protection Certified for meeting strong standards of client protection. The company earned its Smart Certification in July 2016. With this, SCNL joined the group of 59 certified institutions from different countries across the globe including Latin America, Eastern Europe and South Asia that have been certified, since the program was launched in January 2013.

The Smart Campaign's Client Protection Certification program publicly recognizes those institutions providing financial services to low-income households whose standards of care uphold the Smart Campaign's seven Client Protection Principles. These principles covers important areas such as pricing, transparency, fair and respectful treatment and prevention of over-indebtedness.

Fair Collection Practices Post Demonetisation

In the wake of demonetisation, SCNL's collection was affected due to an acute shortage of new currency, especially in the rural areas, where majority of our clients are based. It adopted a number of Fair Collection Practices to improve its collection as narrated below.

SCNL worked closely with industry associations such as MFIN, in addition to having extensive consultations and meetings with district administration, police, political and local leaders. It worked closely with district administration in the poll bound states in organising and running campaigns on ethical and fair voting. SCNL ran customer education campaigns/ programs in print media, radio and television, urging MFI clients to repay their instalments. It also organised activities such as health camps, animal health camps, educational activities, across its operational area, to re-engage its clients. During this difficult time, SCNL never resorted to aggressive recovery and instead made attempts to connect with local opinion leaders and centre leaders through workshops and consultations. We also helped our clients to have additional liquidity to meet their daily requirements by providing them with "Emergency Loan" and "Aapki Madad Loan" (for your Assistance). Measures such as recruitment of female CSOs, strengthening crisis management team were taken to ensure improvement in repayment collection. Close monitoring of the situation especially repayment collection scenario was done at all levels with weekly conference calls involving all line departments and top management.

Social Initiatives

In the FY 2016-17, SCNL undertook a number of social initiatives to re-engage its clients. Here is the snap shot of activities undertaken:

Activity & Brief	Date	No of Beneficiaries	District
Free Health Camp at Ambedkar Park, Kheda Colony- Check up by Dr. M.L. Bathla & his team and distribution of medicines.	24/12/2016	125	Rudrapur
Free Health Camp at Amantran Vatika- Check up by Dr. Sunil Kumar (Eye Specialist), Dr. Shailendra Kumar(Dentist) and Dr. Anoop Kumar (General Physician)	27/01/2017	60	Deoghar
Free Health Camp at Panchayat Bhawan- Check up by Dr. Pankaj Viraji (General Physician), Dr. Rajesh Roshan(Dentist), Dr. Abhishek(General Physician).	04/02/2017	115	Dumka
Free Health Camp at Viilage Bharnai, Makrana- Check up by Dr. P. M. Meena, Dr. Chetana Meena and Dr. Rajesh Khandera and distribution of medicines.	08/02/2017	206	Nagore
Elementary Education Support Program was organised in the Government Primary School at Tel Gaon, Khandawa, where SCNL distributed pencils, erasers, sharpener and note book to all the students, as part of spreading awareness on Sarva Siksha Abhiyaan among villagers.	08/02/2017	105 students	Khandawa
'Swacchha Bharat' awareness campaign at Bichoula Gaon, Harda - Objective of this program was to spread awareness among villagers about Swaccha Bharat Abhiyaan by explaining the importance of cleanliness and also distributed hand wash to all villagers.	09/02/2017	Village Bichoula	Harda
Stationary (Rubber, pencil, exam board and pen) distribution in the Government Primary School, Nagar Parishad Prathamik school, Chandur Bazar.	10/02/2017	150 Students	Amrawati
Stationary (Rubber, pencil, exam board and pen) distribution in the Government Primary School, Z.P. Prathamik school, Dhanowi Warud.	14/02/2017	89 Students	Amrawati
Stationary (Rubber, pencil, exam board and pen) distribution in the Government Primary School, Loksatta Rotary Primary School, Mowad, Narkhed.	14/02/2017	55 Students	Amrawati
Training camp for embroidery, stitching, make up and mehendi at Macchian Kala	16/02/2017	200	Ludhiana
Free Animal Heath Camp	17/02/2017	-	Alwar
Free Health Camp –Shaskiya Utkrishth Vidyalaya, Sai Kheda, Gadarwara - Check up by Dr. Pankaj Tharwani and Dr. U.K. Varstrakar. Free medicines were distributed to the needy. Municipal Head Dr. Dwarika Prasad was the Chief Guest.	18/02/2017	465	Itarasi
A rally on 'Swacchh Bharat, Swasth Bharat' was organized with participation from more than 134 students of the Urdu Prathmik Vidyalaya, Laliana. A general knowledge competition was organized for class 3, 4 and 5of the same school after the rally. Top 3 students from each class were given geometry boxes as prize, where as other students were given stationary and copy. School was also given a sports kit by SCNL.	28/02/2017	134 students	Hapur
A free Health check-up camp was organized at Kharkha village, Kaithal. Village Sarpanch - Mr. Mukhatyar Singh, People Relations Officer - Mr. Navneet Singh and Kharka Police Chauki Incharge were invited as the guests.	28/02/2017	300	Kaithal

Our Corporate Social Responsibility

Name of the Organisation/Trust:

Maharaja Agrasen Hospital Charitable Trust (MAHCT)

Background:

For growing Corporate Social Responsibility (CSR), the Company had proposed to spend for CSR activities through MAHCT, a Society Registered under the Societies Act 1860. MAHCT is running a hospital under the name of Maharaja Agrasen Hospital on no profit/ no loss basis, through which it is providing the medical aid to every deserving human being as in-patient as well as out-patient by implementing various projects to provide better treatment to economically weaker section of the Society for promoting healthy environment.

Objective of CSR through MAHCT:

To set up a Medical University, at NoonaMazra, Tehsil- Bahadurgarh, Jhajjar, Haryana to increase the admission opportunities for students in Medical colleges that enhance the professional and general job opportunities and will promote higher education and better medical treatment for needy people.

Amount spent on the project:

Rs. 1,05,00,000

Project Overview:

The project will undertake establishment of Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute and Maharaja Agrasen Management Institute. The estimated project cost is around Rs. 100 Cr. The medical college will have a separate section for economically weaker section category patients, wherein patients will be treated free of cost including provision of free medicines and diet. This section will run through CSR funds.

Update on project undertaken:

First phase of construction is over.

Notice

Notice is hereby given that the Twenty Seventh Annual General Meeting of Satin Creditcare Network Limited will be held on Thursday, July 06, 2017 at 11:00 A.M. at **"Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001"**, to transact the following businesses:

ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Financial Statements, including Audited Consolidated Financial Statements for the financial year ended on March 31, 2017 and the Report of Board of Directors of the Company and Independent Auditors' report thereon.

2. To declare Final Dividend on Preference Shares.

3. To appoint a Director in place of Mr. Satvinder Singh (DIN: 00332521), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014 including any statutory enactments or modifications thereof, M/s Walker Chandiok & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013) be and is hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Thirty Second Annual General Meeting of the Company subject to ratification by the Members of the Company at every Annual General Meeting on such remuneration including out of pocket expenses and other expenses as may be fixed and determined by the Board of Directors of the Company in consultation with the said Auditors."

SPECIAL BUSINESSES

5. TO APPOINT MR. DAVIS FREDERICK GOLDING (DIN: 00440024) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, read with Schedule IV of the Companies Act, 2013, and as per Articles of Association of the Company, Mr. Davis Frederick Golding (DIN: 00440024), appointed by the Board of Directors on August 30, 2016 as an Additional Director in the capacity of Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from August 30, 2016 or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and he shall not be liable to retire by rotation and at such remuneration (including commission) as may be determined by the Board from time to time in accordance with Section 197 of the Companies Act, 2013 and other applicable provisions, if any."

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

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

"RESOLVED THAT in supersession of the earlier special resolution passed at the Annual General Meeting held on July 30, 2016 and pursuant to the provision of Section 42 and 71 of the Companies Act, 2013 and Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactments thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute), to issue/offer/invite for subscription of secured/unsecured, rated/unrated, listed/unlisted non- convertible debentures ("Debentures") by way of Private Placement, in one or more tranches, from time to time, to any category of investors eligible to invest in the

Debentures, aggregating upto Rs. 2,000 Crores (Rupees Two Thousand Crores only) on such terms and conditions and at such times whether at par/premium/discount, as may be decided by the Board to such person or persons including one or more company(ies), Body Corporate(s), Statutory Corporation(s), Commercial Bank(s), Lending Agency(ies), Financial Institution(s), Insurance Company(ies), Mutual Fund(s) and Individual(s), as the case may be or such other Person/Persons as the Board may decide for a period of one year from the date of approval of the shareholders, within the overall borrowing limits of the Company, as approved by the members of the Company from time to time.

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

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

7. APPROVAL FOR TERMINATION OF EARLIER EMPLOYEE STOCK OPTION PLAN (ESOP) SCHEMES

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

"RESOLVED THAT pursuant to the powers vested under Clause 27 of the Satin Employee Stock Option Plan 2009, 2010 (I) and 2010 (II) and the approval of Board of Directors in this regard, the consent of the Company be and is hereby accorded to terminate the Satin Employee Stock Option Plan 2009, 2010 (I) and 2010 (II) with immediate effect.

RESOLVED FURTHER THAT the aforesaid termination of Satin Employee Stock Option Plan 2009 shall not, in any manner, affect the validity of the grant of options made under the said Plan and the vesting and exercise of options shall continue with same effect as if the Satin Employee Stock Option Plan 2009 was never terminated.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Nomination & Remuneration Committee (collective referred to as the "Board"), be and are hereby authorized to do all such acts, deeds, and things, as they may, in their absolute discretion deem necessary to the termination of Satin Employee Stock Option Plan 2009, 2010 (I) and 2010 (II) and also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard."

8. APPROVAL OF SATIN EMPLOYEE STOCK OPTION SCHEME 2017

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the member(s) of the Company be and is hereby accorded to the formulation and implementation of 'Satin Employee Stock Option Scheme 2017' (hereinafter referred to as "ESOS 2017" or the "Scheme") through Trust Route, authorizing the Board of Directors of the Company (here in after referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, grant, offer, issue and allot from time to time, in one or more tranches, options not exceeding 361,400 representing 0.96% of the paid-up Capital of the company as on March 31, 2017 [or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOP 2009, 2010 (I) and 2010 (II)] to or for the benefit of permanent employees of the Company and its subsidiaries whether working in India or outside India; Directors of the Company, whether a Whole-time Director or not but not an Independent Director; and such other employees and persons as may be permitted under the applicable laws and as may be approved by the Committee, from time to time, on such terms and conditions, as contained in the Scheme and summarized in the Explanatory Statement and to provide for grant and subsequent vesting and exercise of options by eligible employees in the manner and method contained in the Explanatory Statement as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOS 2017.

RESOLVED FURTHER THAT the equity shares to be issued and transferred as mentioned here in before shall rank *pari-passu* with the existing equity shares of the Company for all purposes.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to ESOS 2017.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate ESOS 2017 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may think in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of ESOS 2017 and do all other things incidental to and ancillary thereof.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things as it may in its absolute discretion deem necessary including authorizing the Board to appoint Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOS 2017 as also to make applications to the appropriate Authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard."

9. APPROVAL OF GRANT OF STOCK OPTIONS TO THE EMPLOYEES OF SUBSIDIARY COMPANY(IES) (PRESENT & FUTURE) UNDER THE SCHEME

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

"**RESOLVED THAT** pursuant to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the member(s) of the Company be and is hereby accorded to grant the stock options under the Satin Employee Stock Option Scheme, 2017 ("ESOS 2017" or the "Scheme") to the present and future, permanent employees of the subsidiary Company(ies) and their director(s), whether Whole-time director or not, but excluding independent directors, if any, from time to time as contained in the Scheme, on such terms and conditions, as set out in the Scheme and summarised in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Nomination & Remuneration Committee (collective referred to as the "**Board**"), be and are hereby authorized to do all such acts, deeds, and things as they may in their absolute discretion deem necessary including authorizing the Board to appoint Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOS 2017 as also to make applications to the appropriate Authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard."

10. FURTHER ISSUANCE OF SECURITIES

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

"**RESOLVED THAT** pursuant to the provisions of Sections 42 and 62, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) and the applicable Rules thereunder and also including any relevant provisions of the Companies Act, 1956 to the extent that such provisions of the Companies Act, 1956 have not been superseded by the Companies Act, 2013 (the "**Companies Act**"), the provisions of the Memorandum of Association and Articles of Association of the Company, and in accordance with any other applicable laws or regulations, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), the Listing Agreements entered into with the respective Stock Exchanges where the shares of the Company are listed (the "**Stock Exchanges**"), the provisions of the Foreign Exchange Management Act, 1999, as amended ("**FEMA**"), including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, the Consolidated Foreign Direct Investment Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, and in accordance with the

rules, regulations, guidelines, notifications, circulars and clarifications issued from time to time by the Government of India ("**GOI**"), the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), the Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**ROC**"), the Stock Exchanges, and/or any other competent authorities and subject to any required approvals, consents, permissions and/or sanctions from the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce and Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), SEBI, the ROC, the RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and / or sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "**Board**" which term shall be deemed to include any committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by this Resolution) to create, issue, offer and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons including employees of the Company, as may be permitted under applicable law), either in India or in the course of international offering(s) in one or more foreign markets, equity shares of the Company with a face value of Rs. 10/- each (Rupees Ten only) (the "**Equity Shares**"), Global Depository Receipts ("**GDRs**"), American Depository Receipts ("**ADRs**"), Foreign Currency Convertible Bonds ("**FCCBs**") and/or other financial instruments convertible into or exchangeable for Equity Shares (including Warrants, or otherwise, in registered or bearer form), Fully Convertible Debentures, Non-Convertible Debentures with Warrants and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares pursuant to a Green Shoe Option, if any (all of which are hereinafter collectively referred to as the "**Securities**") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, through public and/or private offerings and/or on preferential allotment basis, including without limitation through a Qualified Institutions Placement ("**QIP**") in accordance with Chapter VIII of the SEBI ICDR Regulations, or any combination thereof or by issue of prospectus and/or placement document and/or other permissible/requisite offer document to any eligible person(s), including but not limited to Qualified Institutional Buyers (as defined in the SEBI ICDR Regulations) ("**QIBs**") in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian), Alternative Investment Funds, Foreign Institutional Investors, Foreign Portfolio Investors, Indian and/or bilateral and/or Multilateral Financial Institutions, Non-Resident Indians, Stabilizing Agents, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds and/or any other categories of investors whether or not such investors are members of the Company (collectively referred to as the "**Investors**"), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores only) or equivalent thereof in any foreign currency, inclusive of such premium as may be fixed on such Securities at such a time or times, in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and / or underwriter(s) and / or other advisor(s) for such issue. The number and /or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

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

RESOLVED FURTHER THAT in the event that the Equity Shares are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or the Committee of directors duly authorised by the Board of directors decides to open the proposed issue

of Equity Shares or such other time as may be permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations as amended from time to time.

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

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

b) any Equity Shares that may be created, offered, issued and allotted by the Company shall rank *paripassu* with the existing Equity Shares of the Company in all respects.

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

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

RESOLVED FURTHER THAT for the purpose of giving effect to the resolutions described above, the Board or Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, including the private placement offer letter, creation of mortgage/ charge in accordance with the provisions of the Companies Act in respect of any Securities as may be required either on *paripassu* basis or otherwise, as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the ROC, the lead managers, or other authorities or agencies involved in or concerned with the issue of Securities and as the Board or Committee thereof may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this Resolution may be exercised by the Board or Committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

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

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

11. AMENDMENTS IN THE ARTICLES OF ASSOCIATION OF THE COMPANY UNDER SECTION 14 OF THE COMPANIES ACT, 2013

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

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), the new set of altered articles of association in substitution of existing articles of association of the Company be and is hereby adopted.

RESOLVED FURTHER THAT Mr. H P Singh, Chairman cum Managing Director (DIN: 00333754) and Choudhary Runveer Krishanan, Company Secretary & Compliance Officer be and are hereby singly and severally authorised, to sign, execute, file all the requisite documents with Registrar of Companies, NCT of Delhi and Haryana and other authorities as may be required and to do all such other acts, deeds, matters and things as deem necessary, proper or expedient to give effect to the above resolution."

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

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS:7437

Place: Delhi
Dated: May 26, 2017

Notes:

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of the special business specified above is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

4. The register of members and share transfer books of the Company shall remain closed from June 30, 2017 to July 06, 2017 (both days inclusive) for determining the names of members eligible for voting at the Meeting. The members whose names appear on the Company's Register of Members as on June 29, 2017 will be eligible to attend and vote at the Meeting.

5. The notice is being sent to all the members of the Company, whose names appear on the register of members/ record(s) of depositories as on Friday, the June 02, 2017.

6. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for year ended March 31, 2017 will also be available on the Company's website **www.satincreditcare.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: **"investors@satincreditcare.com"**. The Company has a dedicated e-mail address **"investors@satincreditcare.com"** for shareholders to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest.

7. Electronic copy of the Notice of the aforesaid Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members, whose email IDs are registered with the Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the aforesaid Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

8. Members are requested to send their queries, if any, at least 10 days in advance of meeting so that the information can be made available at the meeting.

9. Members are requested to bring their copy of the Annual Report to the Meeting and no copy would be provided at Annual General Meeting venue.

10. Voting Rights: Shareholders holding Equity Shares shall have one vote per share as shown against their holding and shareholders.

11. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.

12. Members can inspect the register of director and key managerial personnel and their shareholding, required to be maintained under Section 170 of the Companies Act, 2013 during the course of the meeting at the venue. Further, the Register of Contract or Arrangements as maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the course of the meeting at the venue.

13. **Pursuant to the prohibition imposed vide Secretarial Standard on the General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and the Ministry of Corporate Affairs (MCA) Circular, no gifts/coupons shall be distributed at the Annual General Meeting**.

14. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

15. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The request for registration of e-mail address can be sent to **"investors@satincreditcare.com".**

16. **VOTING THROUGH ELECTRONIC MEANS**

i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide to its' members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

ii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

iii. The Board of Directors of the Company has appointed Mr. Rajeev Bhatia, a Practicing Chartered Accountant (ICAI Membership No. 089018), proprietor of M/s Rajeev Bhatia & Associates, as Scrutinizer to scrutinize the voting at Annual General Meeting and remote e-voting process in a fair and transparent manner and has communicated his willingness to be appointed and will be available for same purpose.

iv. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. Thursday, June 29, 2017.

v. The e-voting period commences on Monday, July 03, 2017 (10.00 A.M. IST) and ends on Wednesday, July 05, 2017 (5.00 p.m. IST). During this period, Members may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

vi. The instructions and other information for e-voting are as under:

(i) The shareholders should log on to the e-voting website **www.evotingindia.com.**

(ii) Click on Shareholders.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form :	
Permanent Account Number (PAN)	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank **OR** Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the **EVSN** for the relevant "**170531004-Satin Creditcare Network Limited**" on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same there is an option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app **m-Voting** available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **Note for Non – Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

17. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.satincreditcare.com** and on the website of CDSL immediately after the declaration of result by the Chairman and communicated to the Stock Exchanges (if any), where the shares of the Company are listed.

18. The route map showing direction to reach the venue of the Annual General Meeting is annexed as **Appendix 1** and form part of the Notice.

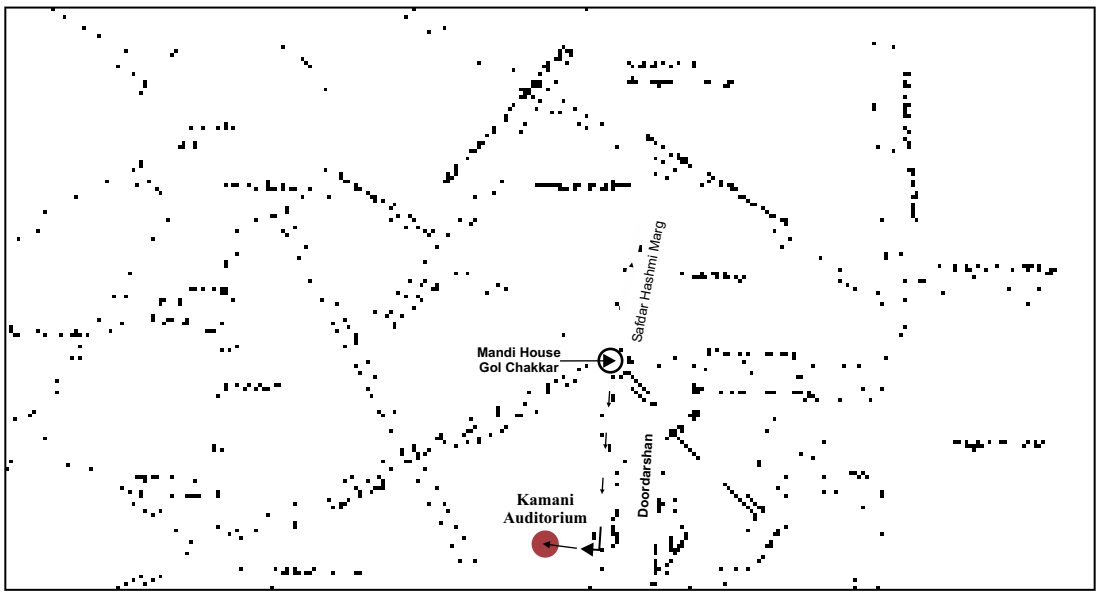
By Order of the Board of Directors
For Satin Creditcare Network Limited

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS:7437

Place: Delhi
Dated: May 26, 2017

Appendix: I

Route Map: Venue of 27th Annual General Meeting of Satin Creditcare Network Limited



Venue:
Kamani Auditorium
1, Copernicus Marg, New Delhi-110001

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONG WITH THE NOTICE DATED MAY 26, 2017

Item No. 5

The Nomination & Remuneration Committee of the Board of Directors of the Company has recommended appointment of, Mr. Davis Frederick Golding (DIN: 00440024), who was appointed vide resolution passed by the Board on August 30, 2016 as additional director and in capacity of Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, holds office only upto the date of this Annual General Meeting and not liable to retire by rotation. The Board of Directors are of the opinion that Mr. Davis Frederick Golding possesses relevant expertise and experience and are eligible for the position of Independent Directors of the Company and fulfills the conditions specified by the Companies Act, 2013 and the Uniform Listing Agreement with the Stock Exchanges and also in terms of applicable guidelines from Reserve Bank of India. The Board considers that his association as Independent Directors will be beneficial and in the best interest of the Company.

The nature of expertise of Mr. Davis Frederick Golding, including his, educational and professional qualifications, nature of working experience, achievements, name(s) of the companies in which he holds directorships (if any), memberships and chairmanships in various Committees, his shareholding (if any) in the Company, relationship between directors inter-se are provided in Corporate Governance Report forming part of the Annual Report and also at **Annexure A** of the Notice. This statement may also be regarded as a disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Davis Frederick Golding as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Davis Frederick Golding as an Independent Director, for the approval by the shareholders of the Company. The Board also recommends the aggregate remuneration payable to Mr. Davis Frederick Golding which shall not exceed the overall ceilings laid down in Sections 197 and other applicable provisions of the Companies Act, 2013 or any other law for the time being in force, if any. For clarity, the remuneration aforesaid shall be exclusive of remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board and to the extent, permissible under applicable laws.

Except for Mr. Davis Frederick Golding, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommend the Resolution for approval of the members of the Company.

Item No. 6

Pursuant to Section 42 of the Companies Act, 2013 and other applicable provisions read with the relevant rules thereunder requires every issuance of securities/non-convertible debentures of the Company to be authorized by way of a special resolution. It may be noted that Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 42 of the Companies Act, 2013, allows a company to pass a special resolution once in a year for all the offer or invitation for Non-Convertible Debentures/ Bonds to be made during the year through Private placement basis in one or more tranches.

Consent of the Members is therefore sought in connection with the aforesaid issue of Non-Convertible Debentures/ Bonds from time to time and they are requested to authorize the Board (including any committee of the Board) to issue Non-Convertible Debentures/Bonds during the year on private placement basis upto Rs. 2,000 Crores (Rupees Two Thousand Crores only), in one or more tranches. For every issue of non-convertible debentures proposed to be offered during this year, the pricing of the debentures (including premium if any) will be determined on the basis of the prevailing market consideration and as specifically approved by the Board at such time.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommend the Resolution for approval of the members of the Company.

Item No. 7

The Company came up with the Employee Stock Option Plans in the years 2009 and 2010 respectively. These Plans were formulated in accordance with erstwhile SEBI (ESOS & ESPS) Guidelines, 1999. However the new SEBI (Share Based Employee Benefit) Regulations came in the year 2014 which chalked out various governing provisions which were not present under the old guidelines. This made the Employee Stock Options un-aligned with the latest regulatory provisions. Also the Stock Option Plans 2010 and 2010 (II) could not initiated at all due to the Plans being less lucrative to employees as well as the company.

Hence the management of the company is of the view to terminate the old Plans and come with a new ESOP Plan which is comparatively more lucrative to reward the employees and also is in compliance of the latest provisions of the law and regulations. In this regard the approval of members is sought under Resolution no. 7.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) mentioned at Item No. 7, except to the extent of the stock options that have been or may be granted to them under ESOS 2017.

The Board of Directors recommend the Resolution for approval of the members of the Company.

Item No. 8 & 9

The purpose of ESOS 2017 is to attract, reward and retain the following categories of eligible employees of the Company (i) such permanent employees of the Company whether working in India or outside India; (ii) Directors of the Company, whether a Whole-time Director or not; (iii) such permanent employees and Directors of a subsidiary Company(ies) (present & future) whether working in India or outside India; and (iv) such other persons as may from time to time be allowed under applicable laws and as may be decided by Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee which the Board has constituted to , *inter alia*, exercise certain powers with respect to share based benefits schemes formulated by the Company.

ESOS 2017 is drawn in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SBEB'), issued by SEBI and other applicable laws. The Nomination and Remuneration Committee and Board of Directors in their meeting held on May 26, 2017, have approved the Satin Employee Stock Option Scheme 2017 to be implemented through trust route.

As a consequence to the aforesaid, the explanatory statement and relevant resolutions at Item No 8 & 9 of the Notice of Annual General Meeting held on July 06, 2017 which is proposed for approval of the Shareholders are set out in this Notice.

The salient features and other details of the Scheme as per the Regulation 6(2) of SEBI (Share Based Employee Benefits) Regulations, 2014 are as under:

a) Brief description of the Scheme:

The Scheme shall be called as the 'Satin Employee Stock Option Scheme 2017' and shall extend its benefits to the present and/or future permanent employees of the Company, in accordance with the applicable laws. The scheme will be implemented via Trust Route which will transfer the equity shares of the company held by it, for the purpose of extending the benefits of the scheme to the employees.

The benefit of the Scheme shall also be extended to the employees of the Subsidiary Company(s).

b) Total number of Options to be granted:

The total number of options to be granted under ESOS 2017 shall not exceed 3,16,400 options, representing 0.96% of paid-up capital of the Company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOP 2009, 2010 and 2010 (II)). Each option when exercised shall be converted into 1 Equity Share of Rs.10 (Rupees Ten) each fully paid-up. The number of options shall stand adjusted on account of any corporate actions taking place in the company.

c) Identification of classes of employees entitled to participate in ESOP 2017:

a) Permanent employees of the Company, whether working in India or outside India;
b) Director of the Company, whether a whole-time director or not;
c) Employees/directors as enumerated in sub clauses (a) and (b) above, of a Subsidiary Company of the Company (whether existing presently or in the future), whether working in India or outside India; and
d) Such other persons, as may from time to time be allowed under Applicable Laws and as may be decided by the Committee.

Following persons are not eligible to be granted options under the ESOS 2017:

a) an employee who is a Promoter or belongs to the Promoter Group;
b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
c) an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Requirements of vesting and period of vesting:

Options Granted under this Scheme would vest on the vesting dates specified in the Grant Letter, and in any event not earlier than one year from the date of Grant of such Options and no later than a period of 3 (Three) years starting at the end of 1 (One) year from the date of Grant.

e) Maximum period within which the options shall be vested:

All the options granted on any date shall vest over a period of upto 4 (Four) years from the date of such grant, starting from the end of 1 (One) year from the date of grant of such options.

f) Exercise price or pricing formula:

The Exercise price of the shares will be based upon the Market Price of the shares on the Stock Exchange on the date immediately prior to the date of the NRC meeting for grant of options**.** However, if the shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price. Committee can provide suitable discount or charge premium upon the price arrived as per above formula.

g) Exercise period and the process of Exercise:

Eligible Employee will be permitted to exercise vested options within a period of 1 (One) year from respective vestings.

There shall be two routes of exercise under this Scheme:

1. **Shares route**: in this route, the Employee will receive the Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme after he/she has made the payment of the exercise price and the applicable income tax.

2. **Cashless route**: in this case, the Employee will receive the sale proceeds of the Shares equivalent to the number of the Options in accordance with the terms and conditions of the Scheme after deduction of the Exercise Price and the applicable income tax from such sale proceeds.

The vested options shall be exercisable by the employees by a written application to the Trust expressing his/ her desire to exercise such vested options in such manner and on such format as may be prescribed by the Committee. The vested options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under ESOS 2017:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee.

i) Maximum number of Options to be issued per employee and in aggregate:

The maximum number of Options that can be granted to any eligible employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of options unless otherwise approved by the shareholders.

However the aggregate number of options to be issued shall at no time exceed 3, 16,400 options representing 0.96% of the paid up capital of the company as on March 31, 2017 [or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOP 2009, 2010 (I) and 2010 (II)].

j) Maximum quantum of benefits to be provided per employee under the ESOS 2017:

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price of the option and the market price of the shares as on the exercise date.

k) Implementation and administration of the scheme

Trust Route

l) Whether the scheme involves new issue of shares by the company or secondary acquisition by the Trust or both

N.A.- The Trust already holds shares of the company which will be utilized under this Scheme.

m) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Not Applicable

n) Maximum percentage of secondary acquisition:

Not Applicable

o) Accounting and Disclosure Policies:

The Company will confirm to the disclosures and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulation, 2014, or as may be prescribed by regulatory authorities from time to time.

p) Method of option valuation:

The Company shall adopt the 'fair value method' of valuation of options.

q) Declaration:

As the company is adopting fair value method, therefore it is not required to give any declaration.

Consent of the members is being sought by way of Special Resolutions 8 & 9 pursuant to Section 62(1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI (SBEB) Regulations.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) mentioned at Item No. 8 and Item No. 9, except to the extent of the stock options that have been or may be granted to them under ESOS 2017.

Item No. 10

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

Your Directors draw your attention to the fact that the Company requires additional capital in the future to meet the needs of its growing business and to augment the Company's capital base and financial position. Accordingly, it is proposed that equity or equity-linked debt capital raising be undertaken by the Company, which would involve creating, offering, issuing and allotting securities to eligible investors, as stated in the resolution at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at its discretion, taking into consideration market conditions and other relevant factors and wherever necessary in consultation with lead managers and other advisors, either in one or more foreign currencies or Indian Rupees inclusive of such premium as may be determined by the Board, all in accordance with applicable laws. The Company intends to issue securities for an aggregate amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores) or its equivalent in one or more tranches. This is an enabling Resolution and the Company will issue new Securities, subject to applicable law and necessary compliances.

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

Basis or Justification of Price: The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be determined by the Board in accordance with the regulations on pricing of securities determined in accordance with Chapter VIII the SEBI ICDR Regulations. The "Relevant Date" for this purpose, in case of allotment of Equity Shares, will be the date when the Board or the Committee of directors duly authorised by the Board of directors decides to open the issue. The resolution enables the Board of Directors to, in accordance with applicable laws, offer a discount of not more than 5% (five per cent.) or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

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

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

The Board of Directors of the Company recommend the Resolution as set out at Item No. 10 of the accompanying Notice for approval of the members by way of a Special Resolution.

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

Item No. 11

The Company has entered into a Shareholders Agreement dated April 10, 2017 ("**ADB SHA**") and Investment Agreement dated April 10, 2017 with Asian Development Bank and the Promoter Group of the Company. The relevant provisions of the ADB SHA need to be incorporated in the Articles of Association of the Company. In addition, amendments are suggested in order to incorporate provisions of sitting fee and an enabling power to the Company to issue different kind of preference shares in accordance with the provisions of Companies Act, 2013.

Further, the Board in its meeting held on May 26, 2017 has subject to approval by members, approved the above said amendments in the Articles of Association of the Company.

The copy of the new set of Article of Association of the Company is available at the registered office of the Company during between 11:00 A.M. and 4.00 P.M. on all working days from the date of dispatch of the Notice till July 6, 2017 and any Member can send a request for the complete set of the same to Company Secretary & Compliance Officer at runveer.krishanan@satincreditcare.com.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their interest as nominee directors and to the extent of their respective shareholding in the Company.

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

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS:7437

Place: Delhi
Dated: May 26, 2017

(Annexure-A)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN ANNUAL GENERAL MEETING

Name of the Director	Mr. Satvinder Singh	Mr. Davis Frederick Golding
DIN	00332521	00440024
Date of Appointment	October 16, 1990	August 30, 2016
Date of Birth	March 13, 1966	November 18, 1958
Brief Profile/Nature of Expertise	Mr. Satvinder Singh, aged 51 years, is a Non-Executive Director of our Company and has been associated with our Company since incorporation. He has a post graduate diploma in Business Management from Institute of Management Technology, Ghaziabad. He has more than 26 years of experience in consumer marketing and finance.	Mr. Davis Frederick Golding, aged 58 years, holds a bachelor's degree in business administration from Duke University, Durham, North Carolina. He has more than 31years of experience in international finance, banking, and mergers and acquisitions. He has previously served as the executive vice president and chief investment officer of Equator Capital Partners which is the investment manager for ShoreCap II Limited and also as the president and chief executive officer of a Hong Kong based merchant banking company and as the chief operating officer of ShoreBank Pacific and as a director of Textron Financial Corporation.
Names of other companies in which the person also holds the directorship	1) M/s Taco Consultants Private Limited 2) M/s Satin Neo Dimensions Private Limited	1) M/s Chaitanya Rural Intermediation Development Services Private Limited 2) M/s Chaitanya India Fin Credit Private Limited
Names of companies in which the person also holds the membership of Committees of the Board	NIL	NIL
Number of Equity Shares held in the Company	257,011	NIL
Relationship between directors inter-se	Brother of Mr. H P Singh, Chairman cum Managing Director of the Company	None

Board's Report

Dear Members,

Your Directors take pleasure in presenting the Twenty Seventh Annual Report of Satin Creditcare Network Ltd. (SCNL/Satin/Company) together with the Audited Accounts for the financial year ended March 31, 2017.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

Amount in Rs. (Crores)

Particulars	Current Year	Previous year
Gross Income	776.67	558.52
Expenses	732.78	467.60
Profit before Depreciation and tax	43.89	90.92
Depreciation and amortization expenses	5.63	2.88
Profit Before Exceptional, Corporate Social Responsibility Expense, Extraordinary Items And Tax	38.25	88.04
Exceptional Items	-	-
Profit Before Extraordinary Items, Corporate Social Responsibility Expense And Tax	38.25	88.04
Corporate Social Responsibility Expense	1.05	0.51
Extraordinary Items	-	-
Profit Before Tax	37.20	87.53
Tax Expense	12.70	29.59
Profit after Tax	24.50	57.94
Brought forward from Previous Year	92.76	47.00
Profit available for appropriation	117.26	104.94
Transfer to Statutory Reserve Fund	4.90	11.59
Proposed Dividend-Preference Share Capital @12.34%	-	0.49
Dividend Distribution Tax	-	0.10
Surplus carried to Balance Sheet	112.36	92.76

Figures based on standalone results;

OPERATIONS, PROSPECTS AND FUTURE PLANS

The Company disbursed 1,566,368 loans totalling Rs. 3,594.03 Crores during the year ended March 31, 2017 against Rs. 3,606.11 Crores during the previous year. The net outstanding portfolio (including managed portfolio and net of provisions) as at March 31, 2017 is Rs.3,555.98 Crores. The total number of branches are 618 as at March 31, 2017 as against 431 as at March 31, 2016. Satin started its JLG operations in May 2008 from the state of Uttar Pradesh, and since then has diversified its JLG lending operations to Madhya Pradesh, Jammu & Kashmir, Uttarakhand, Bihar, Maharashtra, Himachal Pradesh, Rajasthan, Punjab, Haryana, Chandigarh, Chhattisgarh, Jharkhand, West Bengal, Delhi and Gujarat. During the financial year 2016-2017, the Company has raised Rs. 110.00 Crores as sub debt during the financial year 2016-17.

Your Company acquired 7,977,239 Equity Shares of M/s Taraashna Services Limited (erstwhile Taraashna Services Private Limited) (TSL/Taraashna) equivalent to 87.83% stake of TSL. By virtue of acquisition of 7,977,239 Equity Shares, TSL became subsidiary of your Company. TSL initially incorporated as private limited company, became a deemed public limited company after acquisition of 87.83% stake by Satin Creditcare Network Limited, consequent upon change in constitution, Taraashna has received a fresh certificate of incorporation on May 12, 2017. Pursuant to the acquisition of Taraashna by Satin, the Board of Directors of Satin had allotted 1,087,456 Equity Shares of Rs. 10 each at an issue price of Rs. 457.82 per share (including premium of Rs. 447.82 per share) on a Preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to

swap of shares of the Company to the shareholders of M/s Taraashna Services Limited in accordance with the provisions of Companies Act, 2013 read with rules made thereunder and also pursuant to the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

Furtherance to this, your Company raised approx. Rs.250 Crores by way of a Qualified Institutional Placement (QIP) and allotted 4,529,970 equity Shares of Rs.10 each to Qualified Institutional buyers (QIBs) at an issue price of Rs.551.88 per equity share on October 03, 2016 under the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, and Section 42 of the Companies Act, 2013 including the rules made thereunder.

In view of expanding business operations, in order to augment the capital base and to meet the capital requirements, the Company has also raised equity capital by way of a Preferential Allotment of 1,543,187 Equity shares of Rs. 10 each to "Asian Development Bank" (ADB) at an issue price of Rs. 416.67 per shares on April 21, 2017 and simultaneously issued and allotted 658,690 Fully Convertible Warrants to an entity under Promoter Category of the Company at an aggregate amount of approx. Rs. 30.00 Crores at an issue price of Rs.455.45 per warrant.

During the year 2016-17, the Company has raised borrowings of Rs. 3,732 Crores by way of Term Loans, Non-Convertible Debentures ("NCDs"), Commercial Papers and Other working capital limits which was 77% higher as compared to Rs. 2,105.45 Crores raised during 2015-16. Further, the Company has raised Rs 795.03 Crores by way of securitisation and assignment of receivables which was 41% lower as compared to Rs 1,355.97 Crores raised during 2015-16 due to demonetisation. The Company has raised Rs. 25 Crores by issuance of 2,50,00,000, 12.10% Rated, Cumulative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of Rs.10 each in accordance with the provisions of Section 42, 55 and 62 of the Companies Act, 2013 read with Rules made thereunder of The Companies (Share Capital and Debentures) Rules, 2014.

The Company already has borrowing arrangement with a large number of lenders and continuing on the track of diversification of sources, the Company has initiated relationship with 13 new lenders.

Operational Highlights:

Particulars	March 2017	March 2016
Number of branches	618	431
Amount disbursed (Rs. in Crores)	3,594.03	3,606.11
Number of active loan	22,98,095	18,51,113
Total Assets under management including securitized and assigned portfolio (Net of Provision) (Rs. in Crores)	3,555.98	3,248.01

Figures based on standalone results;

Company's Prospects, Future Plans and Business Overview:

The business of your Company increased during the year in spite of a challenging environment on account of demonetisation. In order to further its diversification efforts, the Company is expanding into new geographical territories during the current financial year. The Company is hopeful of achieving better performance during the current year on the back of its efforts to diversify its geographic presence along with diversification of its product portfolio to other growth segments.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and Rules made thereunder. Details on loans or investment are mentioned in financial statements of this Annual Report. The Company has not given any guarantees to anybody corporate on behalf of a third party.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.The Company has proper and adequate system of internal control geared towards achieving efficiency in its operations, safeguarding assets,

optimum utilization of resources and compliance with statutory regulations. Testing of such control systems forms a part of Internal Audit (IA) function. The scope and authority of IA function is defined in the IA policy.

The team of Internal Auditors of the Company conduct audits of various departments based on an annual audit plan covering key area of operations. Internal Audit reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them. Your Company has instituted various preventive or control measures in the loan approval process to mitigate the risk of extending loans to non-existent borrowers or fictitious borrower.The Company has continued its efforts to align its processes and controls with best practices and has put in place a process wise internal control framework across the Company.

MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

During the current financial year, the Company has incorporated a wholly owned subsidiary in the name of "Satin Housing Finance Limited" (SHFL) with Authorised Capital of Rs.150,000,000 and paid up Equity share Capital of Rs.100,000,000 with the objective of balancing the risks of your Company by diversification into secured lending and also by diversification of its portfolio from purely rural towards rural / semi urban and urban markets. Company's foray into the housing finance segment will enable the Company to have a diversified customer base and is in line with the Company's strategy to diversify into other financial products. Company's entry into this new business segment and focus on affordable housing will provide another growth engine that will contribute towards the growth of the enterprise as a whole. The Company is in the process of filing an application with the 'National Housing Bank' (NHB) for registration to commence business relating to housing finance. Further, the Board of Directors of the Company have proposed to infuse fresh funds into SHFL to meet the initial business needs of SHFL.

Furtherance to this, your Company intends to issue securities for an aggregate amount not exceeding Rs.300 Crores or its equivalent in one or more tranches. Accordingly, the Board of Directors of the Company vide its meeting held on May26, 2017 approved that equity or equity-linked debt capital raising be undertaken by the Company, which would involve creating, offering, issuing and allotting securities to eligible investors, and recommended same to the members approval at Extraordinary General Meeting at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at its discretion, taking into consideration market conditions and other relevant factors and wherever necessary in consultation with lead managers and other advisors, either in one or more foreign currencies or Indian Rupees inclusive of such premium as may be determined by the Board, all in accordance with applicable laws.

SUBSIDIARY AND ASSOCIATES COMPANIES

By virtue of acquisition of 87.83% equity stake of M/s Taraashna Services Limited (TSL), TSL became subsidiary of your Company. Further, as stated above, Company has incorporated a wholly owned subsidiary "Satin Housing Finance Limited" (SHFL) with Authorised Capital of Rs.150,000,000 and paid up Equity share Capital of Rs.100,000,000

In accordance with Section 129(3) of the Companies Act 2013, we have prepared consolidated financial statements of the Company includingits subsidiary which forms part of the Annual Report. Further, a statement containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 as **Annexure-I** also forms part of the Annual Report. SHFL became subsidiary of the Company after March 31, 2017 and hence the same is not considered for the purpose of disclosure.

Further, Company has neither any Associates nor any Joint Ventures as on March 31, 2017.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. Satvinder Singh (DIN: 00332521) retire by rotation and being eligible, offers himself for re-appointment. Further Nomination & Remuneration Committee and the Board of Directors have recommended his re-appointment for consideration of the members.

Mr. Davis Frederick Golding (DIN: 00440024) resigned from the Board as investor Director (Nominee Director for M/s ShoreCap II Limited) w.e.f. August 10, 2016. In view of his rich experience, knowledge and contribution to the organization, he was appointed as Additional Director in the Capacity of Independent Director w.e.f August 30, 2016. Pursuant to Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, and as per Articles of Association of the Company, Mr. Davis Frederick Golding appointed as a Non-Executive and Independent Director of the Company, who have submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013. The Nomination & Remuneration Committee and the Board of Directors have also recommended his appointment for consideration of the shareholders. Mr. Davis Frederick Golding will hold the position (if appointed by members) as Independent Director of the Company to hold office for a period of five years from the date of his appointment as additional director(s) or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and not liable to retire by rotation.

Further, during the year under review Mr. Kasper Svarrer (DIN: 0725247), Nominee Director (Representing Danish Microfinance Partners K/S) and Mr. Sujan Singh Chawla (DIN: 00333619), Non-Executive and Independent Director, resigned from the Company w.e.f July 08, 2016 and August 10, 2016 respectively. The Board has appreciated their contribution on Satin's Board.

Mr. Ramesh Gururaj Dharmaji (DIN: 01186341) appointed by the Board of Directors of the Company as Nominee Director of Small Industries Development Bank of India (SIDBI) w.e.f. July 18, 2016.

Brief resume of Directors, their educational and professional qualifications, nature of their working experience, their achievements, name(s) of the companies in which they hold directorships, memberships and chairmanships in various Committees, their shareholding in the Company, relationship between directors inter-se are provided in Corporate Governance Report forming part of the Annual Report.

During the year 7 (Seven) Board Meetings were held. These Board Meetings were held on April 25, 2016, May 30, 2016, June 30, 2016, August 10, 2016, November 09, 2016, February 10, 2017 and March10, 2017.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

During the year under review, the Board of Directors of the Company carried out Annual Evaluation of its own performance, its Committees and individual directors (including Independent Directors) based on criteria and framework adopted by the Board and in accordance with existing regulations. The manner of evaluation was conducted after consideration of parameters through set of questionnaire(s). The policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) and Senior Management and other Employees contains the methodologies of evaluation criteria. The Board found its own performance of each Director individually and of its various Committees satisfactory.

STATEMENT ON DECLARATION "CERTIFICATE OF INDEPENDENCE" U/S 149 (6) FROM INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. That the directors had prepared the annual accounts on a going concern basis;

5. That the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

6. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INFORMATION ON MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

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

RELATED PARTY TRANSACTIONS

During the financial year 2016-17, there is no materially significant Related Party Transaction with the Company's Promoters, Directors, the Management or Relatives which may have potential conflict with the interest of the Company at large. The Company has also formulated a policy on dealing with the Related Party Transactions (including for material related party transactions) and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The details of such policies for dealing with all related party transactions are disseminated on the website of the Company, **www.satincreditcare.com**.

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

JUSTIFICATION FOR ENTERING INTO RELATED PARTY TRANSACTIONS

At the time M/s Taraashna Services Limited (TSL) was set up, NBFCs were neither permitted to act as Business Correspondent (BC) for Banks, nor were permitted to take a stake in a for-profit NBFC. Hence, due to regulatory constraints TSL was created, with no shareholding from SCNL. To avoid any conflict of interest and for the benefit of the minority shareholders of SCNL, given the common promoter in SCNL and TSL, the management team took a call to share some part of the TSL's revenue with SCNL, irrespective of TSL's profitability. The revenue sharing agreement was signed in FY13. In June 2014, the RBI (vide its circular no. RBI/2013-14/653 DBOD.No. BAPD.BC.122/122.01.009/2013-14 dated 24.06.2014) permitted banks to appoint Non-Deposit taking NBFC as their BCs. As per these new rules, microfinance institutions operating as NBFCs (NBFC-MFIs) could operate as BCs. This was done with a view to help extend banking services to remote areas. In view of the change in regulations and keeping interest of all stakeholders; your Company acquired 7,977,239 Equity Shares of TSL equivalent to 87.83 % stake of TSL. By virtue of acquisition of 7,977,239 Equity Shares, TSL became subsidiary of your Company. Further, Board of Directors of the Company had allotted 1,087,456 Equity Shares of Rs. 10 each at an issue price of Rs. 457.82 per share including premium of Rs. 447.82 per share on preferential basis to persons and entities belonging to Promoter and Non-Promoter group pursuant to swap of shares of the Company to the shareholders of M/s Taraashna Services Limited in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

Further, during the current financial year, your Company has planned to enter into new business segments that can be beneficial for the enterprise as a whole. In April 2017, the Company has incorporated a wholly owned subsidiary in the name of M/s Satin Housing Finance Limited (SHFL) with Authorised Capital of Rs. 150,000,000 and paid up Equity share Capital of Rs. 100,000,000 with the objective of balancing the risks of your Company by diversification into secured lending and also by diversification of its portfolio from purely rural towards rural/semi urban and urban markets. Company's foray into the housing finance segment will enable the Company to have a diversified customer base and is in line with the Company's strategy to diversify into other financial products.. Company's entry into this new business segment and focus on affordable housing will provide another growth engine that will contribute towards the growth of the enterprise as a whole.

Further, the remuneration paid to Shri H P Singh, Chairman cum Managing Director and the sitting fee payment to Non-Executive Directors (other than Investor's Nominee) for each Board/Committee meeting(s) attended are shown under Related party disclosures segment under "Notes to the account" of Balance Sheet in terms of Accounting Standard 18 issued by The Institute of Chartered Accountants of India.

AUDITORS & THEIR REPORTS

Statutory Auditors & their Report

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. A.K. Gangaher & Co. (Firm Registration No. 004588N), Chartered Accountants, New Delhi as the Statutory Auditors of the Company expires at the conclusion of 27th Annual General Meeting of the Company.

The Board of Directors of your Company has recommended appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants (ICAI Registration 001076N/N500013) as the Statutory Auditors of the Company on the recommendation of the Audit Committee, for an initial term of 5 years in their meeting held on May 26, 2017. Accordingly, a resolution, proposing appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants (ICAI Registration 001076N/N500013) as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013 and the matter forms part of the Notice of the 27th Annual General Meeting of the Company. The Company has received their written consent and

a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

M/s. A.K. Gangaher & Co. over many years (since inception of the Company) have successfully met the challenges that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, ethical standards and quality in their audit. The Board placed on record its appreciation for the services rendered by M/s. A.K. Gangaher & Co. as the Statutory Auditors of the Company.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

Secretarial Auditors & their Report

In terms of Section 204 of the Companies Act, 2013 and Rules framed thereunder and on the recommendation of the Audit Committee, the Board of Directors of the Company had appointed M/s S. Behera & Co. Company Secretaries (ICSI PCS Registration No. 5980) as the Secretarial Auditor of the Company for the financial year 2016-17. Secretarial audit report as provided by M/s S. Behera & Co. Company Secretaries is also annexed to this Report, in the prescribed Form No.-MR-3, is annexed as **Annexure-III**.

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

The Company has received consent from M/s S. Behera & Co. Company Secretaries, for their re-appointment and appointed them as Secretarial Auditor in Board meeting held on May 26, 2017 for the financial year 2017-18.

Qualifications in Audit Reports

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

AUDIT COMMITTEE

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

DIVIDEND

Directors of your Company have recommended a final dividend of Rs.24,448,630 (excluding dividend distribution tax) which is subject to your approval. The total dividend pay-out for the financial year will amount to Rs.24,448,630. Further, in order to undertake and carry on future plans, it is necessary to conserve the resources. Your directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend on equity shares for the year ended March 31, 2017.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors has constituted the Corporate Social Responsibility Committee vide resolution passed in its meeting held on May 26, 2014. As per Section 135 of the Companies Act, 2013, all companies having net worth of Rs. 500 Crore or more, or turnover of Rs.1,000 Crore or more or a net profit of Rs. 5 Crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) committee of the Board of Directors comprising three or more directors, at least one of whom will be an Independent Director. The CSR Committee vide its meeting dated November 07, 2016 approved and recommended to Board for its approvala CSR policy with some necessary modifications in previously approved policy which indicates the activities to be undertaken by the Company as specified under Schedule VII and the rules made thereunder of Companies Act, 2013. Further, the Company in its Board meeting dated November 09, 2016 approved the same.

Further, the composition of the CSR committee and the details of meetings attended by the Directors are provided in Corporate Governance Report section of this Annual Report.

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

E-VOTING

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015. The above Rule 20 of the Companies (Management and Administration) Rules, 2014 have been amended on March 19, 2015 to introduce a new concept of e-voting i.e. E-Voting at general meeting through an electronic voting system. To comply with the requirements of new Companies Act, 2013 and to ensure good governance for its members, your Company has provided e-voting facility for its general meetings to enable its members to participate in the voting electronically. The instruction(s) for e-voting for ensuing Annual General Meeting is also provided with notice to shareholders of this Annual Report. The Company has signed necessary agreements with National Securities Depository Limited and Central Depository Services Limited to facilitate e-voting for member approval in their general meetings or through postal ballots.

EMPLOYEES STOCK OPTION PLAN

In order to develop and implement a long term incentive program to attract, motivate and retain the talent in a competitive environment, the Company has formulated and implemented "Employees Stock Option Schemes (the Schemes)" which provides for grant of equity shares of Satin Creditcare Network Limited to employees of the Company. These schemes provide for grant of options to employees of the Company that vest in a graded manner and that are to be exercised within a specified period.

The Company had allotted 425,000 equity shares to Satin Employees Welfare Trust at Rs. 20 each (including premium of Rs. 10 each) on November 27, 2009. The Company had further allotted 100,000 shares to Satin Employees Welfare Trust at Rs. 22 each (including premium of Rs. 12 each) on June 22, 2010. The Company had further allotted 150,000 shares to Satin Employees Welfare Trust at Rs. 25 each (including premium of Rs. 15 each) on April 21, 2011. These shares were allotted at a value which is over the fair market value of these share at the time of allotment and thus no expense has been recognized. As against 425,000 Equity Shares issued to Satin Employees Welfare Trust under Satin ESOP 2009, the Company granted 150,000 Options to two employees of the company as per the terms of Satin ESOP 2009 on January 12, 2010. These options are vested and exercised as per terms set out under ESOP 2009. Further, the Company granted 98,300 Options out of remaining 275,000 Equity Shares to various employees as per the terms of Satin ESOP 2009 on December 02, 2013. Out of 98,300 shares granted, 29,090 options were vested and 25,824 were exercised on December 02, 2014 and 29,100 options were vested and 22,633 were exercised on December 03, 2015 and 29,100 options were vested and 27,243 were exercised on December 03, 2016. The exercised shares are in lock in period of one year from the date of transfer of shares from Satin Employees Welfare Trust to employees, further, the Company granted 87,900 Options out of remaining 199,300 Equity Shares to various employees as per the terms of Satin ESOP 2009 on December 02, 2016.

DISCLOSURE UNDER SECTION 62 OF THE COMPANIES ACT, 2013, RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE YEAR ENDED MARCH 31, 2017

A. The Board of Directors of your Company has approved an Employees' Stock Option Scheme (ESOS) during the Year 2009 and 2010 in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Regulations") with the objective of strengthening employee bonds with the Company and creating a sense of ownership. Your Board felt it appropriate to extend ESOPs to permanent employees in the management staff in order to motivate and retain the best talent. Further, during the year the Company has not made any amendments in the scheme. Your Company is providing below disclosures in terms of applicable laws.

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

1. The Company had 'Nil' share-based payment arrangements during the year ended March 31, 2017.

2. The estimated fair value of each stock option granted in the general employee stock option plan is Rs.420.75. This was calculated by applying Black Scholes pricing model. The model inputs were as follows

Inputs	Satin ESOP 2009		
	First Grant	Second Grant	Third Grant
Share Price at grant Date	N.A	N.A	N.A.
Exercise price	20.00	20.00	20.00
Expected Volatility	-	-	-
Expected Dividends	-	-	-
Contractual Life	1.17	2.17	3.17
Risk Free Interest Rate	6.09%	6.04%	6.03%

3. The estimated fair value of each share granted in the executive stock plan is Rs.420.75.

4. Other information regarding employee share-based payment plans is as below:

Particular	Year ended March 31, 2017 (Amount in Rs.)	Year ended March 31, 2016 (Amount in Rs.)
Expense arising from employee share-based payment plans	5,203,662.00	3,780,469.00
Expense arising from share and stock option plans	Nil	Nil
Closing balance of liability for cash stock appreciation plan	Nil	Nil
Expense arising from increase in fair value of liability for cash stock appreciation plan	Nil	Nil

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Diluted EPS is Rs. 7.05.

Effects of Share Options on Diluted Earnings per Share (Accounting year April 01, 2016 to March 31, 2017)

Net profit for the year ended 2017	**Rs.244,992,050.45**
Weighted average number of equity shares outstanding during the year ended 2017	**34,343,902 Shares**
Average fair value of one equity share during the year ended 2017	**Rs.420.75**
Weighted average number of shares under option during the year ended 2017	**421,392 Shares**
Exercise price for shares under option during the year ended 2017	**Rs.20.00**

Computation of earnings per share

Particulars	Earnings (Amount in Rs.)	Shares	Earnings Per Share (Amount in Rs.)
Net profit for the year ended 2016 (Rs.)	**244,992,050.45**	-	-
Weighted average number of shares outstanding during year ended 2016	-	**34,343,902**	-
Basic earnings per share (Rs.)	-	-	**7.13**
Number of shares under option	-	**449,300**	-
Number of shares that would have been issued at fair value:	-	**(27,908)**	-
Diluted earnings per share (Rs.)	**244,992,050.45**	**34,765,294**	***7.05**

*Average fair value of one equity shares for the year ended 2017- Rs. 420.75

C. Details related to ESOS

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

S. No.	Particular	Satin ESOP 2009 (Remarks)	Satin ESOP I 2010 (Remarks)	Satin ESOP II 2010 (Remarks)
a)	Date of shareholders' approval	June 01, 2009	March 26, 2010	December 15, 2010
b)	Total number of options approved under ESOS	425,000	100,000	150,000
c)	Vesting requirements	-	-	-
d)	Exercise price or pricing formula	Rs. 20/- being the Fair Value of the shares of the Company (Computed on the basis of Audited result FY 2008-09).	Rs. 22/- being the Fair Value of the shares of the Company. (Computed on the basis of Audited result FY 2009-10)	Rs. 25/- being the Fair Value of the shares of the Company. (Computed on the basis of Audited result FY 2009-10)
e)	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
f)	Variation in terms of options	Not Applicable	Not Applicable	Not Applicable

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

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

Particulars	Satin ESOP 2009 (Remarks)	Satin ESOP I 2010 (Remarks)	Satin ESOP II 2010 (Remarks)
Number of options outstanding at the beginning of the period	226,543	100,000	150,000
Number of options granted during the year	87,900	0	0
Number of options forfeited / lapsed during the year	11,167	0	0
Number of options vested during the year	29,110	0	0
Number of options exercised during the year	27,243	0	0
Number of shares arising as a result of exercise of options	27,243	0	0
Money realized by exercise of options (INR/Rs.), if scheme is implemented directly by the company	Rs. 544,860	0	0
Loan repaid by the Trust during the year from exercise price received	Rs. 544,860	0	0
Number of options outstanding at the end of the year	199,300	0	0
Number of options exercisable at the end of the year	26,200	0	0

(iv) Weighted-average exercise prices :
- when the exercise price is equal/exceeds to market price.
- when the exercise price is less than market price- Rs. 20.00.

Weighted-average fair values
- when the exercise price is equal/exceeds to market price.
- when the exercise price is less than market price- Rs. 420.75

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

(a) Senior managerial personnel

Details of Shares vested to Senior Managerial Personnel during this financial year				
S. No.	**Name of Employee**	**Designation**	**Number of Option granted during the year**	**Exercise Price (Amount in Rs.)**
1	Choudhary Runveer Krishanan	Company Secretary & Compliance Officer	6,000	Rs. 20 each
Total			**6,000**	

(b) Following employees has received a grant in the reporting year of option amounting to 5% or more of option granted during that year;

S. No.	Name of Employee	Designation	No of Options granted
1.	Mr. Dev Verma	Chief Operating Officer	12,000
2.	Choudhary Runveer Krishanan	Company Secretary & Compliance Officer	6,000
3.	Mr. Manoj Kumar	Deputy Chief Operating Officer	6,000
4.	Mr. Mukund Madhav	Deputy Chief Operating Officer	6,000
5.	Mr. Ashish Gupta	Head-Finance	6,000
6.	Mr. Kanhaiyalal Brijkishore Agarwal*	Head-Internal Audit & Risk	6,000

*Note: *Resigned on May 05, 2017*

(c) There is no identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

(iv) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

(b) the method used and the assumptions made to incorporate the effects of expected early exercise were,

(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;

(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.

The details pursuant to SEBI (Share Based Employee Benefit) regulations, 2014 has been placed on the website and weblink of the same is **www.satincreditcare.com**.

POLICIES

Vigil Mechanism/Whistle Blower Policy:

The Company has established a vigil mechanism policy vide incorporating and adopting a Whistle Blower Policy for directors & employees pursuant to the requirement under Section 177(9) of Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board & its Powers) Rules, 2014 and pursuant to Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. The aforesaid policy was revised and adopted on February 10, 2016 in view of enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy empowers the blower to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The detailed vigil mechanism is communicated to all the directors and employees and is also disclosed on the website of the Company **www.satincreditcare.com**. The employees are free to report violations of laws, rules, regulations or unethical conduct to the whistle and ethics officer of the Company

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

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and other Employees of the Company, to have diversified Board, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time and Rules/Regulations/Guidelines/Notifications issued by Securities and Exchange Board of India (SEBI) from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management which includes within its a policy for having a Diversified Board and Familiarization Programme for Independent Director has been formulated and approved by the Board of Directors vide its meeting dated February 09, 2015. The aforesaid policy was last revised on February 10, 2016 in view of enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of Directors, diversification of the Board, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other Employees of the Company. The Company shall periodically conduct familiarization Programme for the Independent Directors, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarization programmes is disclosed on the Company's website i.e., **www.satincreditcare.com**.

Corporate Social Responsibility Policy:

Your Company has recognized importance of **"Corporate Social Responsibility"** (hereinafter referred to as 'CSR') therefore it has vide resolution passed in its Board Meeting dated May 26, 2014 has constituted the Corporate Social Responsibility Committee. During the year under review CSR Committee vide its meeting dated November 07, 2016 again reviewed and adopted the CSR policy with required modification. The Board of Directors of the Company adopted revised CSR policy on November 09, 2016 pursuant to the requirement of Section 135(1) & (3) of the Companies Act, 2013 along with The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. In the aforesaid backdrop, policy on Corporate Social Responsibility of the Company is broadly modified taking into account the welfare measures for the community at large, so as to ensure the poorer section of the society deriving the maximum benefits. It also aims to contribution to the society at large by way of social and cultural development, healthcare, imparting education, training and social awareness especially with regard to the economically backward class for their development and generation of income to avoid any liability of employment. With a vision of transforming the lives of people from socially weaker and economically disadvantaged sections of society, the Company is committed to 'building possibilities' to enable them to improve by supporting them through programs in the domains of education, healthcare and environment. As a part of its commitment to Corporate Social Responsibility, during the year, your Company initiated projects for health improvement by contributing to eligible trust and other agencies.

During the year under review, your Company has spent Rs.1.05 Crores on CSR projects/programs. Your Company is in compliance with the statutory requirements in this regard.

Risk Management Policy:

The Company has framed a policy as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to evaluate and monitor company risks and develop comprehensive strategy to mitigate various type of risks and take corrective actions in order to prevent adverse events. The risks involved are Financial Risks, Operational Risks and External Risks. The Internal Audit Team directly reports to the Audit Committee of the Company. Significant audit

observations and follow up actions thereon are also reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Related Party Transaction Policy:

Related Party Transaction Policy adopted by the Board of Directors of the Company vide its meeting dated February 09, 2015 pursuant to the compliances under the provisions of the Section 188 of the Companies Act, 2013 read with Rule 15 of The Companies (Meetings of Board and its Powers), Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. However, same was reviewed and approved by the Board on February 10, 2017 to enhance the objective behind framing the policy and to ensure that Related Party Transactions are managed and disclosed in accordance with the strict legal and accounting requirements to which the Company is subject.

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

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

Your Company is in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and had adopted a Sexual Harassment Policy on February 09, 2015 which ensure a free and fair enquiry process with clear timelines. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Your Company is the fourth largest microfinance institution in terms of Gross Loan Portfolio (GLP) as on December 31, 2016 (Source: MFIN, Micrometer Dec 2016)) with a strong presence in 16 states. As of March 31, 2017, your Company had 618 branches and approximately 2,298,007 active clients, compared to 431 branches and 1,851,113 active clients as of March 31, 2016, a growth of 48 % and 24% respectively. Satin started its operations in 1990 as a provider of individual and small business loan and savings services to urban shopkeepers. The Company was registered as an NBFC with the RBI in 1998 and converted into an NBFC-MFI in November, 2013. The business of your Company is primarily based on the joint liability group model of lending ("**JLG Model**") for providing collateral free, microcredit facilities to economically active women in both rural and semi-urban areas, who otherwise have limited access to mainstream financial service. The Company also offer loans to individual businesses, loans to micro, small and medium-sized enterprises ("**MSMEs**"), product loans for financing purchase of solar lamps and loans for development of water connection and sanitation facilities. The Company has incorporated a wholly owned subsidiary in the name of "Satin Housing Finance Limited" ("**SHFL**"). SHFL is in the process of filing an application with the 'National Housing Bank' ("**NHB**") for registration to commence business relating to housing finance.

Resources and Liquidity

From fiscal 2016 to 2017, the Company has its (i) total income increased from Rs. 558.52 Crores to Rs. 776.67 Crores, a growth of 39.06%; (ii) profit after tax from continuing operations decreased from Rs. 57.94 Crores to Rs. 24.50 Crores, a decline of 57.71% (iii) net worth increased from Rs. 324.01Crores to Rs. 662.22 Crores, a growth of 104.38%. Your Company's funding requirement has increased with the growth of its business. Its total borrowings increased by 40% from Rs.2,748.32 Crore as on March 31, 2016 to Rs. 3,855.35 Crore as on March 31, 2017. Satin meets its funding requirements through a diverse set of sources which includes Loans from Banks and Financial Institutions, Non-Convertible Debentures, External Commercial Borrowings, Commercial Papers and other Sub-Debts. Satin has also securitized some of its future receivables resulting in a reduction in its debt servicing cost. Satin's capital needs have also been supplemented by equity infusions, and the Company has raised several rounds of Equity Capital with the continued support of its existing and new investors. Satin's continued business growth, liquidity and profitability will depend on its ability to obtain adequate funding on acceptable terms from relatively stable and cost-effective sources of funds, which in turn depends on its financial performance, capital adequacy levels, credit ratings and relationships with lenders and investor. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase Satin's cost of borrowings and make it difficult for the Company to access financing in a cost effective manner.

Nature of Business

Your Company's operations are spread across 16 states and union territories in India including Uttar Pradesh, Bihar, Madhya Pradesh, Punjab, Uttarakhand, Rajasthan, Haryana, Maharashtra, Delhi and NCR, Jharkhand, Chhattisgarh, Gujarat, West Bengal, Jammu and Kashmir, Himachal Pradesh and Chandigarh, with a focus on rural and semi urban areas. Satin has adopted a client centric operations methodology that involves direct contact with clients through group trainings and various meetings of group members with center leader which occur at regular intervals. The Company's operations methodology also includes various pre-defined criterions for area selection, village selection and client selection which we believe helps us mitigate and minimize our operational risks. It has been our strategy to maximize our reach to financially excluded population, which we intend to achieve with the support of our technology-enabled business model. As a part of our effort to improve efficiency and reduce business risks, we are moving towards cashless collections in partnership with ItzCash, a payment solutions company.

Your Company has recently acquired TSL as subsidiary, pursuant to a special resolution passed by the shareholders on July 30, 2016. TSL acts as a business correspondent for banks and provides similar services to other financial institutions in rural and semi-urban areas. As on March 31, 2017, TSL has 155 branches across Madhya Pradesh, Gujarat, Bihar, Rajasthan, Chhattisgarh, Maharashtra, Punjab and Uttar Pradesh. As on March 31, 2017, TSL has provided services in respect of outstanding gross loans aggregating to Rs.449.76 Crores. TSL has partnered with four private sector banks and two NBFCs to provide such services and seeks to expand its association with other banks and financial institutions.The Board of Directors of the Company vide its approval through circulation on August 30, 2016, allotted 1,087,456 Equity Shares of Rs. 10/- each at an issue price of Rs. 457.82 per share including premium of Rs. 447.82 per share on preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to swap of shares of the Company to the shareholders of M/s Taraashna Services Limited in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

Further, the Company has significantly increased its branch network and intends to continue adding new branches during the current financial year. Company's total branches increased form 431 in fiscal 2016 to 618 in fiscal 2017, a growth of 48%. Company's current operations are focused in certain regions in India, namely Uttar Pradesh, Madhya Pradesh, Bihar and Punjab. Your Company intends to further increase its penetration in some of these regions as well as expand in other states in India where it historically had no operations. Such further expansion will increase the size of its business as well as the scope and reach of its operations and will involve some start-up costs to establish such branches.

As of March 31, 2017, Satin's long term borrowing was Rs. 2,020.12 Crores and short term borrowing was Rs. 167.56 Crores, compared to long term borrowing of Rs. 1333.49 Crores and short term borrowing of Rs. 144.71 Crores as of March 31, 2016. Total borrowings of the Company as at March 31, 2017 include subordinate debt of Rs. 249 Crores compared to subordinate debt of Rs. 162.22 as of March 31, 2016.

In over 26 years of operation, Satin has developed partnerships with over 77 public sector banks, private sector banks, foreign banks and other domestic and overseas financial institutions. During the year, the Company has been availing various credit facilities from Banks, domestic and international lenders and from institutions for its microfinance operation which is the main activity of the Company.

Your Company has also raised Rs. 250 Crores of Equity Capital by way of Qualified Institutional Placement and had allotted 4,529,970 Equity Shares of Rs. 10/- each to Qualified Institutional Buyers (QIBs) at an issue price of Rs. 551.88 per Equity Share on October 03, 2016. In view of expanding business operations and to augment capital base to meet capital requirement also to maintain resource liquidity your Company also raised Equity capital by way of Preferential Allotment of Equity Shares Rs. 10/- each to "Asian Development Bank" (ADB) at an issue price of Rs. 416.67 per shares on April 21, 2017 and simultaneously issue and allot Fully Convertible Warrants to an entity in the Promoter Category of the Company at an aggregate amount of Rs. 30 Crores at an issue price of Rs. 455.45. Further, out of entire consideration payable towards Equity Warrants i.e. Rs. 30 Crores the Company has received Rs. 75,000,000/- i.e., 25% of issue price before allotment of Equity Warrants. Balance 75% shall be infused within 18 months at the time of Conversion of equity warrants.

Credit Analysis and Research Limited (CARE) had upgraded the Long Term Facilities Rating of SCNL to CARE A- (Care A minus) aggregating Rs.2,200 Crores in the month of October, 2016. Further in the month of March, 2017 the rating was revised to BBB+ attached with a negative outlook

The Company has been awarded by the Chamber of Indian Micro Small and Medium Enterprises ("**CIMSME**") for **"MSME Banking & NBFC Excellence Awards-2016"** as the Best NBFC-MFI (NBFC-MFI Category) and as CSR Initiatives & Business Responsibility Award– Runner-up- (NBFC-MFI Category) on January 12, 2017.

The overall liquidity and funding position of the Company is comfortable. The Company has been regular in repayment to all its lenders and has excellent relationship with all the financial institutions and banks.

Industry Scenario

The MFIs have built a large distribution network in urban and rural India which they are leveraging to distribute financial and non-financial products of other institutions to its members at a cost lower than competition. While these MFIs continue to focus on their core business of providing micro-credit services, they seek to diversify into other businesses by scaling up certain pilot projects involving fee-based services and secured lending, and will gradually convert them into separate business verticals or operate them through subsidiaries. The Reserve Bank of India (RBI) has issued a number of circulars and provided the required regulatory clarity. A major outcome of the guidelines was the involvement of credit bureaus to record and monitor the creditworthiness of borrowers. More and more use of Aadhaar as KYC by the industry. RBI had issued license for the formation of SFBs and payment banks to some NBFC-MFI and other entities. We feel that there will be more opportunities for NBFC-MFIs in the financial inclusion space.

During Quarter third of the financial year under review Government of India on November 8, 2016, ceased to recognize Rs. 500 and Rs. 1000 rupee denominated bank notes as legal tender with effect from November 9, 2016.

Impact of Demonetisation:

MFI sector adversely affected due to demonetization and due to dependency on cash transaction. During the year under review, your Company has done satisfactorily on all parameters and grown the business considering the challenges posed by demonetisation. As your Company is in microfinance business, accordingly largely depends on cash transactions. Due to demonetization there is some negative impact on operations of Company post demonetization. Although RBI suggested number of measures to minimize the negative impact of demonetization and also came up with the notification dated December 21, 2016 and December 28, 2016 with respect to provisioning norms which stated that MFIs has permitted to defer the classification of loan as substandard by additional 90 days during demonetization period to minimize the impact of the same. This was misinterpreted by the local media and by the local agents which led to rumours of loan waivers / re-schedulements and that fuelled by hopes of loan waivers. The overall caps on withdrawal of cash from bank accounts also impacted disbursements and collection. Your Company worked closely with MFIN Focused Action Task Force and met with the local administration in various states to help and educate the customers about the MFI industry and to dispel the rumours aired. Your Company has also educated the customers and helped them to fill the forms for exchange of old currency notes. The Company has also started disbursements to existing borrowers from the amount collected and started digitization drive by rolling out TABs across all branches of the Company. Further, due to increased negative impact of Demonetization, your company has also initiated cashless collections and disbursement to boost the collection and disbursement during demonetization period and to minimise the operational cost.

While the Board of your Company feels that in long run, demonetisation will be beneficial for the growth of the MFI sector and the Country with curbs on corruptions, money laundering and by ensuring transparency in future, there are also many positives for the MFI sector from demonetisation, for instances:

- **Budgetary boost for the sector**: Allocation for MUDRA scheme doubled, and SIDBI refinancing for unsecured loans at reasonable rates.

- **Regulatory clarity**: Fear of state intervention for regulated MFIs has been put to rest - RBI is the sole regulator for companies registered as NBFC-MFIs

- Recognition from Central and State governments for the vital role played by MFIs in providing timely credit for the rural population

- **Funding available for large established players**: Debt funding is available at attractive rates as banks are flushed with liquidity

- **Greater awareness about the MFI sector**: The event resulted in a massive educational exercise across all levels and all strata of the society

- Impetus on digitization and cashless transactions to benefit all stakeholders

Business Review

Despite the negative impact of demonetization on company's operations, your Company has done satisfactorily during the financial year 2016-17. The Company has disbursed 1,566,341 loans totalling Rs. 3,593.64 Crores during the year ended March 31, 2017 against Rs. 3,606.11 Crores during the previous year. The net outstanding portfolio (including managed portfolio and net of provisions) as at March 31, 2017 is Rs. 3,555.98 Crores. Presently, total number of branches are 618 as on March 31, 2017 as against 431 as on March 31, 2016.

Post demonetization, from November 09, 2016 to March 31, 2017, the Company has raised Rs. 1348 Crores through Debt/NCDs including Sub Debt of Rs. 35 Crores.

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

Opportunities

We believe there is significant business opportunity and regulatory push in the areas, with the RBI actively supporting NBFC-MFIs, the business correspondent model, MSME segment and affordable housing finance etc. as a means to achieve the objective of financial inclusion for all. We believe there is significant potential for growth in the north, central and eastern states in India, which remain under served by financial institutions or other MFIs. Our primary strategy is to continue to leverage our experience, leadership position and presence in these markets, where there is substantial need, demand and opportunity for microfinance. We intend to expand our reach and operations in the states where we are currently present, both by increasing business transacted through existing branches, and by establishing new branches across the north, central and eastern regions of India. Our primary objective is to have diversified presence across geographies in India with significant growth opportunities for microfinance, which we believe will allow us to maintain stable and sustainable growth of our business and mitigate political and state-specific risks. In addition, our focused expansion in regions with limited availability of financial services will enhance financial inclusion and have a positive social impact, thereby creating goodwill for our Company, which we believe will further our growth. We will continue to evaluate opportunities for alliances, collaborations and partnerships, that meet our strategic and financial return criteria, and to strengthen our portfolio of product.

Challenges

While the regulatory environment has improved the stakeholder's confidence still continue to be exposed to inherent risks in business model. During Quarter third of the financial year under review Government of India on November 8, 2016, ceased to recognize Rs.500 and Rs.1000 rupee denominated bank notes as legal tender with effect from November 9, 2016. Due to this, there is de-growth in loans by 5% in terms of volumes and 7% in terms of values compared with the Second Quarter of FY 2016-17 and significant downfall in disbursements also (by 48% in terms of volumes and 52% in terms of value) in the industry as a whole (*Source: Report on Demonetization-MFIN*). Although Reserve Bank of India came up with the notification dated December 21, 2016 and December 28, 2016 with respect to provisioning norms which stated that MFIs has permitted to defer the classification of loan as substandard by additional 90 days during demonetization period. Given that the microfinance borrowers belong to low income segment, customers are more prone to default. Moreover, with MFI operations concentrated in specific geographies, geographic concentration risks persist, these risks include natural disasters, social unrests, or political upheavals. As the Company target to tap the opportunities by entering into new geographical areas, the Company encounter with some key challenges with respect to meeting its expansion plans. Considering changes in state laws and with new partners in industry, opening of new branches and split of existing branches is challenging task before the management. Further, as industry is looking for more partners in coming time, talent acquisition and retention is also one of the major challenges. Training and development for employees and security risk are other potential challenge for the management. We are in the process of changing the entire technology platform for the company by providing tablets to all our field staff. This will bring lot of operational efficiency in the system. However; training a large workforce is a challenging task.

Outlook

The overall outlook for the Microfinance Industry has improved during the financial year 2016-17. There is greater emphasis today on credit score prior to disbursement of loans, and subsequent data sharing with credit bureaus. The credit bureau checks enable MFIs to assess the extent of leverage of prospective customers, and their repayment track record. The Microfinance Institutions Network ("MFIN") was officially recognised as a self-regulatory organization ("SRO") for NBFC Microfinance Institutions in India in June 2014. As an SRO, MFIN has been authorised by the RBI to exercise control and regulation on its behalf in ensuring compliance to regulatory prescriptions and the industry code of conduct. MFIN's role as SRO also includes research and training responsibilities and submission of MFI financials to the RBI. With various schemes launched by Government for financial inclusion there is greater opportunities in microfinance sectors in the years to come. The focus of government on digital transaction will help in bringing down the operating and administrative cost and in long run, digitalisation in transaction will bring transparency and good governance in financial system.

On the regulatory side, the Ministry of Corporate Affairs (MCA) vide its notification dated February 16, 2015, and amendments thereon from time to time, provided the road map for Companies (Indian Accounting Standards) Rules, 2015 (**'Ind AS Rules/Ind-AS'**). For FY 2016-17, Non-Banking Finance Companies (NBFCs) are not required to apply Ind AS. The Company has its applicability from FY 2018-19 with the comparative figures for FY 2017-18. The other important reform on indirect tax regime is 'Goods and Service Tax' which will subsume various indirect taxes including central excise duty, services tax, additional customs

duty, surcharges and state-level value added tax. Your Company is looking forward to enhanced challenges and increased opportunity from such regulatory reforms.

Risk & Concerns

As you may aware that your Company is exposed to financial, operational and political risks. Our financial performance is exposed to interest rate risk, and an inability to manage our interest rate expenses may have a material adverse effect on our business prospects and result of operations. Our microfinance loans are unsecured and therefore exposed to operational and credit risks. If we are unable to control the levels of our NPAs in future, our financial condition and result of operations may be adversely affected. Further, our clients mainly consist of low income generating women who are economically active and who have limited access to mainstream financial service. While we have developed an operations methodology pursuant to which we follow specific client selection criteria and ensure strict adherence to our internally developed risk policy framework, our clients may, at times, not be able to provide us with accurate or complete information, which may impact our clients sourcing and KYC procedures. Microfinance poses unique risks not generally associated with other forms of lending since it involves transactions with relatively high risk borrowers, and, as a result, we may experience increased levels of nonperforming loans and related provisions and write-offs that negatively impact our results of operations. Our clients are typically poor and illiterate women who have limited sources of income, savings and have limited access to formal banking channels, and therefore may not have any credit history. As a result, our borrowers pose a higher risk of default than borrowers with greater financial resources and more established credit history and better access to employment opportunities and social services. We have also recently introduced MSME financing and venturing in to housing finance business through a wholly owned subsidiary for which we do not have past data on the borrower's behavior.

While we believe we have adequate risk management controls and have standardized operations methodologies to confirm the creditworthiness of clients, some of our clients may be able to furnish very limited information for us to be able to make accurate assessment. Additionally, our Subsidiary TSL, in its ordinary course of business, has entered into service agreements with financial institutions and banking companies, which require TSL to undertake certain default obligations, specified under the terms of the agreements if the borrowers default in payment of loan over a specified number of days. We require certain statutory and regulatory approvals and licenses for conducting our business and an inability to obtain or maintain such approvals and licenses in a timely manner, or at all, may adversely affect our operations. The industry in which we operate is highly regulated. Regulations governing us may in future become more stringent and onerous and the changes introduced may adversely affect our business prospects and financial performance. An inability to manage our growth or our proposed expansion activities, including new financial products or businesses, could disrupt our business and reduce our profitability. We operate in a highly competitive market and face competition from the organized and the unorganized sector across as well as from state-sponsored social programs, which could adversely affect our business prospects and financial performance. We face significant competition from other MFIs, non-MFI NBFCs, banks and other financial institutions. Our clients are also prone to borrowing from unregulated local money lenders and non-institutional lenders which may lend at higher rates of interest. The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings.

As on March 31, 2017, we had a network of 618 branches spread across 16 states and union territories in India. As a consequence of a large branch network, we may also be exposed to certain risks, including, amongst others:

- difficulties arising from operating a large and multi-location organization;
- difficulties arising from coordinating and consolidating corporate and administrative functions;
- delay in transfer of data from various location to the management;
- higher technology support services cost to achieve last mile connectivity and operational risks including integration of internal controls and procedures;
- failure to efficiently and optimally allocate management, technology and other resources across our branch network;
- failure to manage third-party service providers in relation to any outsourced services;
- difficulties in the integration of new branches with our existing branch network;
- difficulties in supervising local operations from our centralized locations;
- difficulties in hiring skilled personnel in sufficient numbers to operate the new branches locally and management to supervise such operations from centralized locations;
- failure to maintain the level of client service at all branches; and
- unforeseen legal, regulatory, property, labour or other issues

To prepare for these risks, Company usually hold in reserve certain percent of assets in cash and in short-term assets. The Company maintain reserves and provisions in its financials for meeting expected or unexpected future contingencies. The Company follows a conservative financial approach by following prudent business and risk management practices.

Your Company is subject to various reporting requirements laid down by RBI including annual filing of certificate from the statutory auditor in relation to compliance with the conditions stipulated for an NBFC-MFI, quarterly return on branch information, reporting on change in directors, auditors, etc. and other reporting requirement under laws applicable to companies in India including under the Indian foreign exchange regulations. We are also required to comply with the directions applicable to systemically important NBFCs. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector. We believe we are materially in compliance with regulations applicable to our Company as an NBFC listed Company.

Adequacy of internal controls

The Company has proper and adequate internal controls systems to ensure that all activities are monitored and controlled against any unauthorised use or disposition of assets, misappropriation of funds and to ensure that all the transactions are authorised, recorded, reported and monitored correctly. For the purpose of correctness and accuracy the process of job rotation is followed in different departments. The Company has adequate working infrastructure having computerization in all its operations including accounts and MIS. The Company is in the process of implementing new technology which will help to have accurate and timely information to take informed decisions.

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

Human Resource Development

The Company has young, capable, experienced and dedicated manpower and various professionals support from in house and external sources with expertise in different areas leading the growth of Company towards better operational and financial position. The number of employees as at March 31, 2017 stood at 5,801 (Previous Year 3864).

DEPOSITS

The Reserve Bank of India in exercise of its powers under The Reserve Bank of India Act, 1934, has granted NBFC-MFI (Serial No. B-14.01394) status to the Company and the Company has no public deposit. The Board of Directors of the Company has passed a resolution that the Company will not accept public deposit during 2017-18.

RESERVE BANK OF INDIA-REGISTRATION AND DIRECTIONS

Your Company has been following all relevant guidelines issued by Reserve Bank of India from time to time. Further, your Company has Capital Adequacy Ratio of 24.14% as on March 31, 2017. The Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) – Directions, 2011 ("NBFC-MFI Directions") were issued in December 2011 by the Reserve Bank of India (RBI) pursuant to the Reserve Bank of India Act, 1934 ("RBI Act"). The Company satisfies these conditions and was re-classified as a Non-Banking Financial Company - Micro Finance Institution ("NBFCMFI") on November 6, 2013. As a result, the Company is required to comply with the NBFC-MFI Directions. These Directions include guidelines on qualifying assets criteria, asset classification and provisioning, pricing of credit, capital adequacy, multiple lending, over-borrowing, compliances and fair practices. The Company generally complies all conditions and directions issued by RBI from time to time.

CORPORATE GOVERNANCE

As required under Regulation 17 to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Equity Listing Agreements executed with the Stock exchanges, a detailed report on corporate governance has been provided in a separate Section which forms part of this annual report. The Company has complied with the requirements of Corporate Governance that have to be made in this regard. The requisite certificate from M/s A. K. Gangaher & Co., the statutory auditors of the company regarding compliance with the conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report.

PARTICULARS OF EMPLOYEES

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

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on Calcutta Stock Exchange (CSE), BSE Limited (BSE) and National Stock Exchange Limited (NSE).

In view of 'nil' trading at CSE, the Board of Directors of the Company as approved for voluntary delist from CSE, as the continued listing there is not serving any benefit to the shareholders. It only adds to the cost of the Company in terms of money and efforts. BSE & NSE have large trading volumes and trading turnover. In view of this, Board of Directors of the Company decided to get the Company delisted from Calcutta Stock Exchange and continue listing with Nationwide Stock Exchanges, i.e., NSE and BSE.

The application for voluntary delisting is pending before CSE.

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

EXTRACT OF ANNUAL RETURN

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

OTHER INFORMATION

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

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

FOREIGN EXCHANGE TRANSACTIONS			
S. No.	**Particulars**	**Current Year (Amount in Rs.)**	**Previous Year (Amount in Rs.)**
I	**Expenditure/Remittances (Outward) in Foreign Exchange**		
1	Travelling Expenses	6,978,353.80	4,932,852.80
2	Fees and Subscription	-	566,249.00
3	Professional Fee	11,316,229.30	8,684,241.00
4	Interest Payment – External Commercial Borrowing	35,504,242.34	33,246,237.00
5	Principal Payment - External Commercial Borrowing	26,412,499.58	-
6	Sitting Fees	20,000.00	30,000.00
7	Business Promotion	256,004.00	505,420.00
8	Share/ Debenture Issue Expenses	6,804,618.00	-
	Total	**87,291,947.02**	**47,964,999.80**
II	**Earning/Remittances (Inward) in Foreign Exchange**		
	Share Application Money/Share Capital Received	-	414,700,000.00
	Reimbursement of Expenditure	1,317.72	-
	Total	**1,317.71**	**414,700,000.00**

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Delhi
Date: May 26, 2017

H P Singh
(Chairman Cum Managing Director)
DIN: 00333754

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

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2017.

Place: Delhi
Date: May 26, 2017

H P Singh
(Chairman and Managing Director)
DIN: 00333754

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

A) We, have reviewed the year to date financial statements/results for the year ended March 31, 2017 and to the best of our knowledge and belief:

(1) These statements/results for the year ended March 31, 2017 do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.

(2) These statements/results for the year ended March 31, 2017 together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2017 which are fraudulent, illegal or violative of the Company's Code of Conduct for all members of Board of Directors and senior management of the Company.

Place: Delhi
Date: May 26, 2017

H P Singh
(Chairman and Managing Director)
DIN: 00333754

Jugal Kataria
(Chief Financial Officer)

Annexure-I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part- A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	**S. No.**	:	One
2.	**Name of the subsidiary**	:	Taraashna Services Limited
3.	**The date since when subsidiary was acquired**	:	September 01, 2016
4.	**Reporting period for the subsidiary concerned, if different from the holding company's reporting period-** N.A		
5.	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries-** N.A.		
6.	**Share capital**	:	90,827,320.00
7.	**Reserves and surplus**	:	96,511,096.37
8.	**Total assets**	:	449,163,557.34
9.	**Total Liabilities**	:	261,825,140.97
10.	**Investments**	:	Nil
11.	**Turnover**	:	404,826,564.94
12.	**Profit before taxation**	:	16,685,126.41
13.	**Tax Expenses**	:	6,472,590.00
14.	**Profit after taxation**	:	10,212,535.93
15.	**Proposed Dividend**	:	Nil
16.	**Extent of shareholding (in percentage)**	:	87.83%

A. **Names of subsidiaries which are yet to commence operations:** As on March 31, 2017 Company has only one subsidiary as mentioned above.

B. **Names of subsidiaries which have been liquidated or sold during the year-** N.A.

ANNEXURES TO THE DIRECTOR'S REPORT

Annexure-II

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

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

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2017, which were not at arm's length basis.

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

Name of the Related Party	Nature of Contract	Date of Approval by Board	Nature of Relationship	Duration of Contract	Silent Terms	Amount paid as advance, if any (Amount in Rs.)
M/s Taraashna Services Pvt. Ltd.	Service Agreement	November 12, 2013	Influence of Key Managerial Personnel & Relatives	March 31, 2017	As specified in Service Agreement	Nil
M/s Niryas Food Products Pvt. Ltd.	Rent Agreement	November 04, 2015	Influence of Key Managerial Personnel & Relatives	September 30, 2017	As specified in Rent Agreement	33,775.00

For and on behalf of the Board of Directors

Place: Delhi
Date: May 26, 2017

H P Singh
(Chairman Cum Managing Director)
DIN: 00333754

Annexure III

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
Satin Creditcare Network Limited
5th Floor, Kundan Bhawan,
Azadpur Commercial Complex
Azadpur, Delhi - 110033

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

Based on our verification of the Satin Creditcare Network Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

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

We have also examined compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

For S. Behera & Co.
Company Secretaries

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

Date: May 17, 2017
Place: Delhi

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

Annexure-A of Secretarial Audit Report

To,
Satin Creditcare Network Limited
5th Floor, Kundan Bhawan,
Azadpur Commercial Complex
Azad Pur, Delhi - 110033

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our examination.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records, we believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, and standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. Behera & Co.
Company Secretaries

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

Date: May 17, 2017
Place: New Delhi

Annexure IV

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARDS' REPORT

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

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

The Corporate Social Responsibility of SCNL is broadly framed taking into account the following measures:

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

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

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

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

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

Implementation:

a) The investment in CSR should be project based.
b) Project activities identified under CSR are to be implemented by specialized agencies. Specialized agencies could be made to work singly or in tandem with other agencies.
c) Such specialized agencies would include:

- Community based organization whether formal or informal.
- Elected local bodies such as Panchayats
- Voluntary Agencies (NGOs)
- Institutes/Academic Organizations
- Trusts, Mission etc.
- Self-help groups
- Government, Semi Government and autonomous Organizations.
- Mahila Mondals/Samitis and the like
- Professional Consultancy Organization etc.
- Any other organization/agency as notified by government or under any law.

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

(B) Overview of the CSR projects undertaken in FY 2016-17:

Organization	Brief profile of the organizations	Project undertaken	Project Overview
Maharaja Agrasen Hospital Charitable Trust (MAHCT)	MAHCT is a charitable trust established for running a Hospital under the name of Maharaja Agrasen Hospital through which it is providing medical aid to every deserving human being as in-patient as well as out-patient. MAHCT was registered in the year 1988 as a Society under the Societies Act 1860 in terms of Registration Certificate given by The Registrar of Societies dated 11-08-1980 bearing registration No.S-11107 of 1980. The main objective for which the society was registered, was to carry out the charitable activities as defined U/s 2(15) of the IT Act'1961 which consists mainly of establishing hospitals and giving medical services on charitable basis to public at large without any restriction of caste, creed and religion.	Establishing Maharaja Agrasen Medical University at Jajjhar District of Haryana.	The project will undertake establishment of Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute and Maharaja Agrasen Management Institute. The estimated project cost is around 100 Cr. **The medical college will have a separate Section for economically weaker Section category patients, wherein patients will be treated free of cost including provision of free medicines and diet. This Section will run through CSR funds.**

2. The Composition of the CSR Committee.

Name of Committee Member	Designation
Mr. H P Singh	Non Independent Director (Chairman)
Mr. Rakesh Sachdeva	Independent Director (Member)
Ms. Sangeeta Khorana	Independent Director (Member)

3. Average net profit of the company for last three financial years: "**Rs.52.47 Crore"**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **"Rs. 1.05 Crore"**

5. Details of CSR spent during the financial year.

   a. Total amount to be spent for the financial year; "**Rs. 1.05 Crore"**

   b. Amount unspent, if any; **NIL (**Entire fund disbursed to project implementation partner)

c. Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project or activity Identified**	**Sector in which the Project Is covered**	**Projects or programs 1) Local area or (2) Specify the State and projects or programs was undertaken**	**Amount outlay (budget) Project or Programs wise (Amount in Rs.)**	**Amount spent on the projects or the programs Sub-heads: (l) Direct expenditure on projects or programs- (2) Overheads (Amount in Rs.)**	**Cumulative expenditure up to the reporting period (Amount in Rs.)**	**Amount spent Direct or through implementing agency (Amount in Rs.)**
1.	Establishing Maharaja Agrasen Medical University at Jajjhar District of Haryana.	Health	The project will undertake establishment of Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute, Maharaja Agrasen Management Institute **Project implementation area:** Jajjhar District of Haryana.	10,500,000/- (One crore five lac). Entire fund disbursed to project implementatio n partner.	10,500,000/-	10,500,000/-	Amount spent by implementing agency

Details of implementing agency are as follows:

Name of Trust:
Maharaja Agrasen Charitable Trust

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

Contact Person:
CA Ritu Bhatia

Contact Info:
011-40777777, Extension- 5011

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

   Company has disbursed entire CSR fund of FY 2016-17 to its project implementing partner. The allotted CSR fund has been utilised by both the organizations step by step.

7. Our CSR responsibilities:

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

H P Singh
(Chairman cum Managing Director &
Chairman of Corporate Social Responsibility Committee)
DIN: 00333754

Place: Delhi
Date: May 26, 2017

Annexure-V

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

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

S. No.	Name of Director(s)	Annual Remuneration (In Rs.) for Financial Year 2016-17	Median Annual Remuneration of Employees for the Financial Year 2016-17 (In Rs.)	Ratio of remuneration of each director to the median remuneration of the employees for Financial Year 2016-17
1	Mr. H P Singh	19,013,770.00	421,000.00	45:1

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

S. No.	Name of Director(s) Chief Financial Officer, Company Secretary	Annual Remuneration during Financial Year 2015-16 (Amount in Rs.)	Annual Remuneration during Financial Year 2016-17 (Amount in Rs.)	Percentage increase in remuneration since last Financial Year
1	Mr. H P Singh Chairman cum Managing Director	15,049,990.00	19,013,770.00	26.33%
2	Mr. Jugal Kataria Chief Financial Officer	5,130,400.00	6,971,750.00	35.89%
3	Choudhary Runveer Krishanan Company Secretary & Compliance Officer	1,030,000.00	2,022,500.00	96.35%

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

Median Annual Remuneration (In Rs.) of employees for the Financial Year 2015-16	Median Annual Remuneration (In Rs.) of employees for the Financial Year 2016-17	Percentage increase in Median Annual remuneration (In Rs.) of employees
378,000.00	421,000.00	11.37%

(iv) Number of permanent employees on the rolls of the Company – **5,801**

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – The Average increase in the salaries of employees was 8% and the average increase in the Managerial Remuneration was 12%.

(vi) Names of the top ten employees in terms of remuneration drawn and the name of every employee, who-

(a) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: **None**

(b) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month: **None**

(c) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee;	Date of commencement of employment;	Age	last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company	Relation with any director or manager of the company
Mr. Sanjay Mahajan	Chief Information Officer	7,766,732.00	Permanent	PGDCSA-IT, 24 Years	January 06, 2016	49	M/s Bata India Ltd.	-	None
Mr. Subir Roy Chowdhury	Head - HR & OD	7,086,023.00	Permanent	PGDM-HR, 18 Years	April 04, 2016	44	M/s Magma Fincorp Ltd.	0.01%	None
Mr. Jugal Kataria	Chief Financial Officer	6,971,750.00	Permanent	ICWA,CS,CA, 25 Years	April 01, 2000	49	M/s Berger Paints Ltd	0.20%	None
Mr. Dev Verma	Chief Operating Officer	3,708,078.00	Permanent	PGDBM, 19 Years	September 14, 2016	45	M/s SKS Microfinace	-	None
Mr. Ashish Gupta	Head Finance	3,563,336.00	Permanent	CA, MBF, 10 Years	September 25, 2015	34	M/s New Habitat Housing Finance & Development Limited	-	None
Mr. Partha Mukherjee	DY. COO	3,512,084.00	Permanent	MBA, 16 Years	April 18,2016	45	M/s NCDEX e Markets Ltd	0.00%	None
Mr. Amit Kumar Gupta	Vice President - Account & Finanace	2,938,100.00	Permanent	CA, LLB, 12 Years	May 12, 2008	37	M/s Lea Associate South Asia Pvt. Ltd	0.01%	None
Mr. Udai Kumar Sehra	Head - Corporate Infrastructur & Facility	2,767,967.00	Permanent	PGDM, 18 Years	April 4, 2016	39	M/s DEN Networks Ltd	-	None
Mr. Ramkumar Gunasekaran	Senior Vice President	2,410,399.00	Permanent	MBA, 16 Years	October 19, 2016	41	M/s Tata Motors Finance	-	None
Mr. Sanjay Bharti	Head - Product	2,363,000.00	Permanent	PGDRM, 17 Years	September 07, 2016	42	M/s Simpa Energy Pvt Ltd.	-	None

(vii) The Board herby affirm and declare that the remuneration being paid to the employees(s), director(s), key managerial personnel(s) is as per the Nomination & Remuneration policy for directors, key managerial personnel (KMP) & senior management and other employees approved by the Board.

Annexure VI

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2017

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

I. REGISTRATION & OTHER DETAILS:

1.	Corporate Identification Number (CIN)	L65991DL1990PLC041796
2.	Registration Date	October 16, 1990
3.	Name of the Company	Satin Creditcare Network Limited
4.	Category/Sub-category of the Company	Public Limited Company/Limited by Shares
5.	Address of the Registered office & contact details	5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033 Phone: 011-47545000 Fax: 011-23328351
6.	Address of the Corporate office & contact details	909-914 ABC, 9th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001 Phone: 011-47545000 Fax: 011-23328351
7.	Whether listed company	Listed Company
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**a) Equity Shares:** Link Intime India Pvt Limited 44, Community Center, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028 Phone: 011-41410592-94 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in **b) Non-Convertible Debentures:** Karvy Computershare Pvt. Ltd. 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034 Phone: 040-44655041

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/~~GLN~~	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1.	**M/s Taraashna Services Private Limited*** Flat No.301, 3rd Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi Central Delhi - 110001	U74140DL2012PTC236314	Subsidiary of Satin Creditcare Network Limited	87.83	Section 2(87)
2.	**M/s Satin Housing Finance Limited#** Flat No. 905, ABC, 9th Floor Kanchenjunga Building, 18 Barakhamba Road, New Delhi Central Delhi - 110001	U65929DL2017PLC316143	Wholly owned Subsidiary of Satin Creditcare Network Limited	100	Section 2(87)

* With effect from May 12, 2017 the name of "Taraashna Services Private Limited" has changed to "Taraashna Services Limited".

"Satin Housing Finance Limited" is incorporated on April 17, 2017.

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

i) Category-wise Share Holding:

S. No.	Category of Shareholders	Shareholding at the beginning of the year [As on April 01, 2016]				Shareholding at the end of the Year [As on March 31, 2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	1,628,258	-	1,628,258	5.60	1,701,603	-	1,701,603	4.53	(1.07)
(b)	Central Government / State Government(s)	-	-	-	0	-	-	-	0	0
(c)	Financial Institutions / Banks	-	-	-	0	-	-	-	0	0
(d)	Any Other (Specify)									
	Bodies Corporate	8,466,470	-	8,466,470	29.11	10,712,378	-	10,712,378	28.51	(0.60)
	Sub Total (A)(1)	10,094,728	-	10,094,728	34.71	12,413,981	-	12,413,981	33.04	(1.67)
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	0	-	-	-	0	0
(b)	Government	-	-	-	0	-	-	-	0	0
(c)	Institutions	-	-	-	0	-	-	-	0	0
(d)	Foreign Portfolio Investor	-	-	-	0	-	-	-	0	0
(e)	Any Other (Specify)									
	Sub Total (A)(2)	-	-	-	0	-	-	-	0	0
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**10,094,728**	**-**	**10,094,728**	**34.71**	**12,413,981**	**-**	**12,413,981**	**33.04**	**(1.67)**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	-	-	-	0	2,256,951	-	2,256,951	6.01	6.01
(b)	Venture Capital Funds	-	-	-	0	-	-	-	0	0
(c)	Alternate Investment Funds	-	-	-	0	-	-	-	0	0

S. No.	Category of Shareholders	Shareholding at the beginning of the year [As on April 01, 2016]				Shareholding at the end of the Year [As on March 31, 2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Foreign Venture Capital Investors	-	-	-	0	-	-	-	0	0
(e)	Foreign Portfolio Investor	27,643	-	27,643	0.10	5,445,818	-	5,445,818	14.50	14.40
(f)	Financial Institutions / Banks	-	-	-	0	53,088	-	53,088	0.14	0.14
(g)	Insurance Companies	-	-	-	0	-	-	-	0	0
(h)	Provident Funds/ Pension Funds	-	-	-	0	-	-	-	0	0
(i)	Any Other (Specify)									
	Sub Total (B)(1)	27,643	-	27,643	0.10	7,755,857	-	7,755,857	20.64	20.55
[2]	**Central Government/ State Government(s)/ President of India**									
	Sub Total (B)(2)	-	-	-	0	-	-	-	0	0
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	645,665	308,824	954,489	3.28	2,967,453	249,671	3,217,124	8.56	5.28
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	183,681	113,800	297,481	1.02	488,456	48,000	536,456	1.43	0.41
(b)	NBFCs registered with RBI	-	-	-	0	-	-	-	0	0
(c)	Employee Trusts	-	-	-	0	-	-	-	0	0
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	0	-	-	-	0	0
(e)	Any Other (Specify)									
	Trusts	482,043	-	482,043	1.66	58,102	-	58,102	0.15	(1.50)
	Foreign Nationals	-	4,700	4,700	0.02	-	3,200	3,200	0.01	(0.01)
	Hindu Undivided Family	19,298	-	19,298	0.07	195,339	-	195,339	0.52	0.45
	Foreign Companies	14,246,632	-	14,246,632	48.99	9,571,433	-	9,571,433	25.48	(23.51)
	Non Resident Indians (Non Repat)	209,467	-	209,467	0.72	150,904	-	150,904	0.40	(0.32)
	Non Resident Indians (Repat)	56,701	-	56,701	0.20	167,394	-	167,394	0.45	0.25
	Clearing Member	46,224	-	46,224	0.16	344,339	-	344,339	0.92	0.76
	Bodies Corporate	2,627,155	14,800	2,641,955	9.08	2,690,958	14,400	2,705,358	7.20	(1.88)

S. No.	Category of Shareholders	Shareholding at the beginning of the year [As on April 01, 2016]				Shareholding at the end of the Year [As on March 31, 2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Sub Total (B)(3)	18,516,866	442,124	18,958,990	65.19	16,634,378	315,271	16,949,649	45.12	(20.08)
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**18,544,509**	**442,124**	**18,986,633**	**65.29**	**24,390,235**	**315,271**	**24,705,506**	**65.76**	**0.47**
	Total (A)+(B)	**28,639,237**	**442,124**	**29,081,361**	**100**	**36,804,216**	**315,271**	**37,119,487**	**98.80**	**(1.20)**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	-	-	-	0	-	-	-	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	0	449,300	-	449,300	1.20	1.20
	Total (A)+(B)+(C)	**28,639,237**	**442,124**	**29,081,361**	**100**	**37,253,516**	**315,271**	**37,568,787**	**100**	

ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year [As on April 01, 2016]			Shareholding at the end of the Year [As on March 31, 2017]			
		No. of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	% change in shareholding during the year
1	M/s Parishek finance Pvt Ltd.	2,150,880	7.40	0	2,150,880	5.73	3.32	(1.67)
2	M/s Parinita Investments Pvt Ltd.	1,305,320	4.49	0	1,765,720	4.70	0.00	0.21
3	M/s Niryas Food Products Private Limited	1,223,420	4.21	0	1,468,420	3.91	0.00	(0.30)
4	M/s Satin (India) Ltd	1,203,410	4.14	0	1,669,209	4.44	0.00	0.31
5	M/s Taco Consultants Private Limited	997,660	3.43	0	1,242,660	3.31	0.00	(0.12)
6	M/s Uv Associates Private Limited	850,820	2.93	0	1,095,820	2.92	0.00	(0.01)
7	M/s Satin Media Solutions Ltd.	734,960	2.53	0	1,319,669	3.51	0.00	0.99
8	Mr. H P Singh	415,123	1.43	1.4	415,123	1.11	1.10	(0.32)
9	Mr. Harbans Singh	406,402	1.40	0.68	406,402	1.08	0.00	(0.32)
10	Mr. Satvinder Singh	257,011	0.88	0.88	257,011	0.68	0.68	(0.20)
11	Mr. Krishan Kumar Sharma	215,400	0.74	0.74	-	0.00	0.00	(0.74)
12	Ms. Anureet H P Singh	196,611	0.68	0.68	485,356	1.29	0.00	0.62
13	Ms. Neeti Singh	137,711	0.47	0.47	137,711	0.37	0.37	(0.11)
	Total	**10,094,728**	**34.71**	**5.48**	**12,413,981**	**33.04**	**5.48**	**(1.67)**

(iii) Change in Promoters' Shareholding:

S. No.		Shareholding at the beginning of the year [As on April 01, 2016]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2017]	
	Name & Type of Transaction	No. of Shares Held	% of total shares of the company	Date of Transaction	No. of shares	No of Shares Held	% of total shares of the company
1	M/s Parishek Finance Pvt. Ltd.	2,150,880	5.73			2,150,880	5.73
	At the end of the year					2,150,880	5.73
2	M/s Parinita Investments Pvt Ltd.	1,305,320	3.47			1,305,320	3.47
	Increase			June 24, 2016	460,400	1,765,720	4.70
	At the end of the year					1,765,720	4.70
3	M/s Satin (India) Ltd	1,203,410	3.20			1,203,410	3.20
	Increase			June 24, 2016	245,000	1,448,410	3.86
	Increase			September 23, 2016	220,799	1,669,209	4.44
	At the end of the year					1,669,209	4.44
4	M/s Niryas Food Products Private Limited	1,223,420	3.26			1,223,420	3.26
	Increase			June 24, 2016	245,000	1,468,420	3.91
	At the end of the year					1,468,420	3.91
5	M/s Satin Media Solutions Ltd.	734,960	1.96			734,960	1.96
	Increase			June 24, 2016	245,000	979,960	2.61
	Increase			September 23, 2016	339,709	1,319,669	3.51
	At the end of the year					1,319,669	3.51
6	M/s Taco Consultants Private Limited	997,660	2.66			997,660	2.66
	Increase			June 24, 2016	245,000	1,242,660	3.31
	At the end of the year					1,242,660	3.31
7	M/s Uv Associates Private Limited	850,820	2.26			850,820	2.26
	Increase			June 24, 2016	245,000	1,095,820	2.92
	At the end of the year					1,095,820	2.92
8	M/s Anureet H P Singh	196,611	0.52			196,611	0.52
	Increase			September 23, 2016	288,745	485,356	1.29
	At the end of the year					485,356	1.29
9	Mr. H P Singh	415,123	1.11			415,123	1.11
	At the end of the year					415,123	1.11
10	Mr. Harbans Singh	406,402	1.08			406,402	1.08
	At the end of the year					406,402	1.08
11	Mr. Satvinder Singh	257,011	0.68			257,011	0.68
	At the end of the year					257,011	0.68
12	Ms. Neeti Singh	137,711	0.37			137,711	0.37
	At the end of the year					137,711	0.37
13	Mr. Krishan Kumar Sharma	215,400	0.57			215,400	0.57
	Decrease			June 17, 2016	(215,400)	-	0.00
	At the end of the year					-	0.00

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 37,568,787 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

S. No.		Shareholding at the beginning of the year [As on April 01, 2016]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2017]	
	Name & Type of Transaction	No. of Shares Held	% of total shares of the company	Date of Transaction	No. of shares	No of Shares Held	% of total shares of the company
1	M/s MV Mauritius Limited	3,495,520	9.30			3,495,520	9.30
	Decrease			March 03, 2017	(10,000)	3,485,520	9.28
	At the end of the year					3,485,520	9.28
2	M/s SBI FMO Emerging Asia Financial Sector Fund Pte Ltd	1,790,000	4.76			1,790,000	4.76
	Increase			June 24, 2016	1,400,000	3,190,000	8.49
	Increase			September 23, 2016	123,609	3,313,609	8.82
	At the end of the year					3,313,609	8.82
3	M/s NMI Fund III Ks	2,657,710	7.07			2,657,710	7.07
	Increase			September 23, 2016	114,594	2,772,304	7.38
	At the end of the year					2,772,304	7.38
4	M/s Morgan Stanley Mauritius Company Limited	0	0.00			-	0.00
	Increase			July 08, 2016	300,000	300,000	0.80
	Decrease			July 15, 2016	(27,000)	273,000	0.73
	Decrease			July 29, 2016	(12,000)	261,000	0.69
	Increase			August 05, 2016	1,534,000	1,795,000	4.78
	Decrease			August 12, 2016	(91,000)	1,704,000	4.54
	Decrease			September 30, 2016	(72,820)	1,631,180	4.34
	Decrease			October 07, 2016	(137,586)	1,493,594	3.98
	Increase			October 21, 2016	43,883	1,537,477	4.09
	Increase			December 02, 2016	470,002	2,007,479	5.34
	Increase			December 09, 2016	3	2,007,482	5.34
	Decrease			December 30, 2016	(21,676)	1,985,806	5.29
	Decrease			January 06, 2017	(59,819)	1,925,987	5.13
	Decrease			January 13, 2017	(15,706)	1,910,281	5.08
	Decrease			February 24, 2017	(17,969)	1,892,312	5.04
	At the end of the year					1,892,312	5.04

S. No.		Shareholding at the beginning of the year [As on April 01, 2016]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2017]	
	Name & Type of Transaction	No. Of Shares Held	% of total shares of the company	Date Of Transaction	No. Of shares	No Of Shares Held	% of total shares of the company
5	M/s DSP Blackrock Equity Fund	-	0.00			-	0.00
	Increase			June 30, 2016	87,340	87,340	0.23
	Increase			July 01, 2016	7,266	94,606	0.25
	Increase			July 08, 2016	666,000	760,606	2.02
	Increase			July 29, 2016	17,755	778,361	2.07
	Increase			August 05, 2016	149,686	928,047	2.47
	Increase			October 07, 2016	407,698	1,335,745	3.56
	Increase			October 21, 2016	2,800	1,338,545	3.56
	Decrease			November 04, 2016	(4,681)	1,333,864	3.55
	At the end of the year					1,333,864	3.55
6	M/s Bhawani Finvest Pvt Ltd	833,600	2.22			833,600	2.22
	Increase			May 20, 2016	5,000	838,600	2.23
	Increase			June 10, 2016	593	839,193	2.23
	Decrease			June 17, 2016	(40,000)	799,193	2.13
	Decrease			June 30, 2016	(4,000)	795,193	2.12
	Decrease			July 01, 2016	(3,391)	791,802	2.11
	Decrease			July 08, 2016	(5,000)	786,802	2.09
	Decrease			July 22, 2016	(5,000)	781,802	2.08
	Decrease			July 29, 2016	(86,590)	695,212	1.85
	Decrease			September 23, 2016	(97,772)	597,440	1.59
	At the end of the year					597,440	1.59
7	M/s Government Pension Fund Global	-	0.00			-	0.00
	Increase			August 05, 2016	427,000	427,000	1.14
	Increase			October 07, 2016	163,000	590,000	1.57
	At the end of the year					590,000	1.57

S.No.		Shareholding at the beginning of the year [As on April 01, 2016]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2017]	
	Name & Type of Transaction	No. Of Shares Held	% of total shares of the company	Date Of Transaction	No. Of shares	No Of Shares Held	% of total shares of the company
8	M/s Rajsonia Consultancy Services Private Limited	722,745	1.92			722,745	1.92
	Decrease			April 15, 2016	(1,000)	721,745	1.92
	Decrease			April 22, 2016	(737)	721,008	1.92
	Decrease			April 29, 2016	(600,000)	121,008	0.32
	Increase			May 06, 2016	598,462	719,470	1.92
	Decrease			May 13, 2016	(771)	718,699	1.91
	Decrease			May 20, 2016	(886)	717,813	1.91
	Decrease			May 27, 2016	(1,000)	716,813	1.91
	Decrease			June 03, 2016	(7,583)	709,230	1.89
	Decrease			June 10, 2016	(356,700)	352,530	0.94
	Increase			June 17, 2016	193,330	545,860	1.45
	Decrease			June 24, 2016	(499)	545,361	1.45
	Decrease			June 30, 2016	(8,200)	537,161	1.43
	Decrease			July 01, 2016	(5,000)	532,161	1.42
	Decrease			July 29, 2016	(30,000)	502,161	1.34
	Increase			January 27, 2017	900	503,061	1.34
	At the end of the year					503,061	1.34
9	M/s Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Midcap Fund	-	0.00			-	0.00
	Increase			October 07, 2016	471,120	471,120	1.25
	At the end of the year					471,120	1.25
10	M/s Tata Equity Opportunities Fund	-	0.00			-	0.00
	Increase			October 07, 2016	453,000	453,000	1.21
	Decrease			March 03, 2017	(1,033)	451,967	1.20
	At the end of the year					451,967	1.20

Note:
1. **Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 37,568,787 Shares.**
2. **The details of holding has been clubbed based on PAN.**
3. **% of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.**

v) Shareholding of Directors and Key Managerial Personnel:

Name of Directors and Key Managerial Personnel	Shareholding of each Directors and each Key Managerial Personnel	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. H P Singh Chairman Cum Managing Director	**At the beginning of the year**		415,123	1.29	415,123	1.29
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease.	N.A	NIL	NIL	415,123	NIL
	At the end of the year				**415,123**	**1.10**
Mr. Satvinder Singh Director	**At the beginning of the year**		257,011	0.80	257,011	0.80
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease.	N.A	NIL	NIL	257,011	NIL
	At the end of the year				**257,011**	**0.68**
Mr. Rakesh Sachdeva Non- Executive Director	**At the beginning of the year**		7,211	0.02	7,211	0.02
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease.	N.A	NIL	NIL	7,211	NIL
	At the end of the year				**7,211**	**0.02**
Mr. Jugal Kataria Chief Financial Officer	**At the beginning of the year**		100,000	0.31	100,000	0.31
	July 26, 2016	Sale of Shares			10,000	0.03
	November 16, 2016	Sale of Shares			2,000	0.01
	November 31, 2016	Sale of Shares			10,000	0.03
	December 12, 2016	Sale of Shares			2,129	0.01
	December 13, 2016	Sale of Shares			587	0.00
	At the end of the year				**75,284**	0.20

#Note: Percentage calculated on paid up capital of the Company outstanding on the date of transaction
*Note: Percentage calculated on paid up capital of the Company outstanding at the end of financial year.
Note: Expect above, no other directors and/or KMPs owns any shareholding in the Company.

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year April 01, 2016				
i) Principal Amount	24,584,031,666.00	2,368,600,573.00	-	26,952,632,239.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	151,807,404.00	13,482,641.00	-	165,290,045.00
Total (i+ii+iii)	**24,735,839,070.00**	**2,382,083,214.00**	**-**	**27,117,922,284.00**
Change in Indebtedness during the financial year				
Addition	25,225,000,000.00	3,938,606,629.00	-	29,163,606,629.00
Reduction	16,121,827,507.00	1,514,685,679.00	-	17,636,513,186.00
Net Change	9,103,172,493.00	2,423,920,950.00	-	11,527,093,443.00
Indebtedness at the end of the financial year March 31, 2017				
i) Principal Amount	33,687,204,159.00	4,792,521,523.00	-	38,479,725,682.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	284,661,745.00	54,777,737.00	-	339,439,482.00
Total (i+ii+iii)	**33,971,865,904.00**	**4,847,299,260.00**	**-**	**38,819,165,165.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. H P Singh (Chairman cum Managing Director)	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	14,596,940.00	14,596,940.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,665,200.00	2,665,200.00
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	-	-
5	Provident Fund	1,751,630.00	1,751,630.00
	Total (A)	19,013,770.00	19,013,770.00
	Ceiling as per the Act	Approx. Rs. 1.96 Crores (Being 5% of Net Profit calculated as per Section 198 of the Companies Act, 2013	

B. Remuneration to other directors

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors									Total Amount
1	**Independent Directors**	**Rakesh Sachdeva**	**Sujan Singh Chawla***	**Sundeep Kumar Mehta**	**Sangeeta Khorana**	**Goh Colin**	**Sanjay Kumar Bhatia**	**Anil Kumar Kalra**	**Ramesh Gururaj Dharmaji**	**Davis Frederick Golding#**	
	Sitting Fee (Board meetings & Committee Meeting)	320,000.00	20,000.00	340,000.00	130,000.00	80,000.00	90,000.00	140,000.00	20,000.00	40,000.00	1,180,000.00
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	**320,000.00**	**20,000.00**	**340,000.00**	**130,000.00**	**80,000.00**	**90,000.00**	**140,000.00**	**20,000.00**	**40,000.00**	**1,180,000.00**
2	**Other Non-Executive Directors**	**Satvinder Singh**									
	Fee for attending board committee meetings & Committee Meeting	310,000.00									
	Commission	Nil									
	Others, please specify	Nil									
	Total (2)	**310,000.00**									**310,000.00**
	Total (B)=(1+2)										**1,490,000.00**
	Total Managerial Remuneration										**20,503,770.00**
	Overall Ceiling as per the Act										
											Approx. Rs. 4.32 Crores (Being 11% of Net Profit calculated as per Section 198 of the Companies Act, 2013

*** Sujan Singh Chawla resigned from the board w.e.f August 10, 2016; and**
 # Davis Frederick Golding Nominee Director of ShoreCap II Ltd. resigned from the board w.e.f August 10, 2016 and Re-appointed on the board as Independent Director w.e.f August 30, 2016.

C. Remuneration to Key Managerial Personnel Other than Managing Director:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Jugal Kataria, Chief Financial Officer	**Choudhary Runveer Krishanan, Company Secretary & Compliance Officer**	**Total**
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,408,950.00	1,904,180.00	8,313,130.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	562,800.00	118,320.00	681,120.00
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	others, specify…			
5	Others, please specify			
Total		**6,971,750.00**	**2,022,500.00**	**8,994,250.00**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NO PENALTIES, PUNISHMENTS & COMPOUNDING OF OFFENCES WERE IMPOSED ON THE COMPANY DURING FINANCIAL YEAR 2016-17:

There were no material penalties/punishment/compounding of offences for the year ending March 31, 2017

Corporate Governance Report

COMPANY'S PHILOSOPHY AND PRACTICE ON CORPORATE GOVERNANCE

Satin Creditcare Network Limited (SCNL) follows the high standards of governance principles. Our tradition on Corporate Governance always aimed at value creation, keeping interest of all stakeholders protected in most inclusive way. Further, Company's Philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, lenders and statutory authorities and has adopted the best practice of Corporate Governance.

Further, your Company is in the process to implement cashless system/Digitization in all the Branches. Digitization of Microfinance Institutions has emerged as the new wave and persistently working on technology advancement to enhance efficiency and effectiveness. It will enhance the level of the reporting system, improving internal control, ensure transparency, promptness and fairness in disclosures to and communication with all stakeholders including customers, Government authorities, lenders, employees, shareholders and the community at large which ultimately contribute to overall governance. SCNL being a Non-Banking Microfinance listed Company, is committed to ensure Corporate Governance standards according to Companies Act, 2013 read with its allied Rules, SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 (as amended from time to time) and RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016. The Company also believes that good Corporate Governance practices enables the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for its stakeholders. Your Company is committed to transparency in all its dealings, conducts business with integrity and fairness and places high emphasis on business ethics.

BOARD OF DIRECTORS

a) Composition

The Board of Directors of the Company is the body which exercises executive powers and through which Company acts. They play the primary role as the trustees to safeguard and enhance stakeholders' value through its effective decisions and supervision. Broad based and well represented Board with fair mix of Executive, Non-Executive and Independent Directors bringing in expertise in the area of financial inclusion by maximising value for its stakeholders.

The Composition of Board is in compliance with Companies Act, 2013, read with Rules framed thereunder and the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 as amended from time to time. The composition of the Board also meet the criteria for appointment as formulated by Nomination and Remuneration Committee and as approved by the Board. As on March 31, 2017, Board of Directors of the Company comprises of 13 (Thirteen) directors out of which 7 (seven) are Independent and 6 (six) are Non-Independent Directors (including four Nominee Directors and two Promoter Directors). As on the aforesaid date, the Company has 12 (Twelve) Non-Executive Directors and 1 (one) Executive Director. Composition of the Board and category of Directors are as follows:

S.No	Name	DIN	Category	Designation
1	Mr. H P Singh	00333754	Promoter & Executive Director	Chairman cum Managing Director
2	Mr. Satvinder Singh	00332521	Promoter & Non-Executive Director	Director
3	Mr. Richard B. Butler	06574786	Non-Executive and Non-Independent Director	Nominee Director (Representing MV Mauritius Limited)
4	Mr. Arthur Sletteberg	07123647	Non-Executive and Non-Independent Director	Nominee Director (Representing NMI Fund III KS)
5	Mr. Suramya Gupta	06816354	Non-Executive and Non-Independent Director	Nominee Director (Representing SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd)
6	Mr. Ramesh G Dharmaji	01186341	Non-Executive and Non-Independent Director	Nominee Director (Representing SIDBI)
7	Mr. Davis Frederick Golding	00440024	Non-Executive and Independent Director	Additional Director

8	Mr. Rakesh Sachdeva	00333715	Non-Executive and Independent Director	Director
9	Mr. Sundeep Kumar Mehta	00840544	Non-Executive and Independent Director	Director
10	Ms. Sangeeta Khorana	06674198	Non-Executive and Independent Director	Director
11	Mr. Goh Colin	06963178	Non-Executive and Independent Director	Director
12	Mr. Sanjay Kumar Bhatia	07033027	Non-Executive and Independent Director	Director
13	Mr. Anil Kumar Kalra	07361739	Non-Executive and Independent Director	Director

Mr. Kasper Svarrer (DIN: 07252475) Nominee Director of M/s Danish Microfinance Partner K/S and Mr. Sujan Singh Chawla (DIN: 00333619) were resigned from the Board on July 08, 2016 and August 10, 2016 respectively.

Mr. Davis Frederick Golding (DIN: 00440024) Nominee Director of ShoreCap II Limited was resigned with effect from August 10, 2016. In view of his add rich experience and previous contribution at Board level, Board of Directors appointed Mr. Davis Frederick Golding (DIN: 00440024) on August 30, 2016 as Additional Director in the capacity of Independent Director and his appointment is valid till the Conclusion of 27th Annual General Meeting of the Company. However, he being eligible for the appointment as Independent Director and had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013. The Board of Directors have recommended the appointment of Mr. Davis Frederick Golding (DIN: 00440024) as Independent Director of the Company in the 27th Annual General Meeting to hold office for a period of five years from August 30, 2016 or till such earlier date as permissible under applicable laws. His brief profile is enclosed in the Annexure attached to Notice calling Annual General Meeting.

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

As on March 31, 2017, attendance of each director at the Board meetings, last Annual General Meeting and number of other Directorships, memberships and chairpersonships of Committees in various companies, are given below:

Name of Director	No. of Board Meetings		Attendance at the last Annual General Meeting	No.of Director-ships in other Companies *[1]	No. of Membership(s) / Chairmanship(s) of the Board Committees*[2]
	Held	Attended			
Mr. H P Singh	7	7	Yes	2	2
Mr. Satvinder Singh	7	7	Yes	Nil	Nil
Mr. Kasper Svarrer*[3]	7	1	No	Nil	Nil
Mr. Richard B. Butler	7	5	No	Nil	Nil
Mr. Arthur Sletteberg	7	5	No	Nil	Nil
Mr. Rakesh Sachdeva	7	6	Yes	Nil	2
Mr. Sujan Singh Chawla*[4]	7	1	No	Nil	Nil
Mr Sundeep Kumar Mehta	7	7	Yes	1	2
Ms. Sangeeta Khorana	7	5	No	Nil	Nil
Mr. Goh Colin	7	4	No	Nil	Nil
Mr. Sanjay Kumar Bhatia	7	4	No	Nil	Nil
Mr. Suramya Gupta	7	5	No	1	Nil
Mr. Anil Kumar Kalra	7	7	No	Nil	Nil
Mr. Davis Frederick Golding*[5]	7	5	No	Nil	Nil
Mr. Ramesh G. Dharmaji*[6]	7	1	No	2	Nil

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

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

*3 Mr. Kasper Svarrer was resigned on July 08, 2016.

*4 Mr. Sujan Singh Chawla was resigned on August 10, 2016.

*5 Mr. Davis Frederick Golding was resigned on August 10, 2016 and further appointed on August 30, 2016 as an Independent Director.

*6 Mr. Ramesh G. Dharmaji was appointed on July 18, 2016

b) Number of Board Meetings held and the dates of Board meetings

During the year, 7 (Seven) Board Meetings were held. These Board Meetings were held on April 25, 2016, May 30,2016, June 30,2016, August 10, 2016, November 09, 2016, February 10, 2017 and March 10, 2017.

c) Disclosure of relationship between directors inter-se

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

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

e) Web link of the model familiarisation programme imparted to the Independent directors is **www.satincreditcare .com /uploads/1460637748_q1_attachment_Direcror%20Familiarisation_for%20review.pdf**

f) Information on Directors Re-appointment/Appointment

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

Re-appointments/Appointments

1. **Mr. Satvinder Singh (DIN: 00332521)**, aged 51 years, is a Non-Executive Director of our Company and has been associated with our Company since incorporation. He has a post graduate diploma in Business Management from Institute of Management Technology, Ghaziabad. He has more than 26 years of experience in consumer marketing and finance.

2. **Mr. Davis Frederick Golding (DIN: 00440024)**, aged 58 years, is Non-Executive, Independent Director of our Company. He holds a bachelor's degree in business administration from Duke University, Durham, North Carolina. He has more than 31years of experience in international finance, banking, and mergers and acquisitions. He has previously served as the executive vice president and chief investment officer of Equator Capital Partners which is the investment manager for ShoreCap II Limited and also as the president and chief executive officer of a Hong Kong based merchant banking company and as the chief operating officer of ShoreBank Pacific and as a director of Textron Financial Corporation.

g) Meeting of Independent Directors

In compliance with Schedule IV of the Companies Act, 2013 and pursuant to Secretarial Standards issued by the Institute of Company Secretaries of India and applicable provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent directors of the Company met on November 09, 2016.

h) Training and Familiarisation for Independent Directors

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

BOARD DIVERSITY

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

CODE OF CONDUCT

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

A declaration signed by the Company's Chairman cum Managing Director is published in this Report enclosed as **Annexure-1**

ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

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

AUDIT COMMITTEE

The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The Audit Committee comprised of the following directors for the year ended March 31, 2017:

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

The aforesaid composition of the Audit Committee is also disseminated on the website of the Company with the link http://www.satincreditcare.com/board-director.php.

Mr. Rakesh Sachdeva and Mr. Sundeep Kumar Mehta are Independent Directors. Mr. Rakesh Sachdeva, Chairman of Audit Committee is a Chartered Accountant and has expertise in the field of finance, accounting and audit areas. The composition of

Audit Committee is in line with requirements of the Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Statutory Auditor, Internal Auditor, Chief Financial Officer, Head- Internal Audit, Risk & Process Management and VP-Accounts & Finance of the Company are the invitees to the meetings of the Committee held in the financial year 2016-17. The Company Secretary acts as the secretary to the Audit Committee. The Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on July 30, 2016.

During the financial year 2016-17, Audit Committee met four (4) times. The meetings were held on May 27, 2016, August 08, 2016, November 08, 2016 and February 08, 2017.

Details of attendance of each member of the Audit Committee are as follows

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

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

(1) Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

(3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

(4) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to: (a) matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transaction; (g) modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with Internal Auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

(1) Management discussion and analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

(3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) Internal audit reports relating to internal control weaknesses; and

(5) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

(6) Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

RISK MANAGEMENT COMMITTEE

The Company has in place the Risk Management Committee in accordance with RBI guidelines on Corporate Governance and in Compliance with Regulation 21 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Risk Management Committee comprises of following directors as on March 31, 2017:

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

The aforesaid composition of the Risk Management Committee is also disseminated on the website of the Company with the link **http://www.satincreditcare.com/board-director.php**.

During the financial year 2016-17, Risk Management Committee met four (4) times. The meetings were held on May 27, 2016, August 08, 2016, November 08, 2016 and February 08, 2017.

Details of attendance of each members of the Risk Management Committee are as follows:

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

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

(1) Recommend to the Board and then formally announce, implement and maintain a sound system of risk oversight, management and internal control which:

- Identifies, assesses, manages and monitors risk; and
- Allows investors and other stakeholders to be informed of material changes to the Company's risk profile.

(2) Recommend to the Board and then formally announce clear standards of ethical behaviour required of the Senior Management as well as the staff.

(3) In discharging its responsibility, the Committee is to develop and seek Board approval for a range of specific duties that it is to carry out. Such duties will vary depending on the Company's circumstances, the Committee's responsibilities and, in particular, the role of the Board and other Committee(s), such as internal audit, operations, finance etc.

Specific Deliverables

The Committee's deliverables are based on 2 broad categories – Risk Management and Governance.

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

Risk Management deliverables:

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

Governance related deliverables:

(1) Reviewing and recommending to the Board, the changes w.r.t:

- The structure and responsibilities of the Board;
- The proper relationship between the Board and management; and
- The responsibilities of management.

(2) Monitoring legal and regulatory compliance.

(3) Reviewing and recommending to the Board, changes to the Company's Code of Conduct and other policies designed to guide the Company's senior management and other employees as to:

- compliance with legal and other obligations to legitimate stakeholders such as shareholders and employees;
- the ethical standards and practices necessary to maintain confidence in the Company's integrity;
- the behaviour expected of them and the Company's corporate culture generally.

(4) Monitoring compliance with Company Policies and investigating allegations of breaches of those policies.

(5) Reviewing and recommending to the Board, policies to avoid conflicts of interest between the Company and its employees.

NOMINATION AND REMUNERATION COMMITTEE

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has constituted Nomination and Remuneration Committee. As on March 31, 2017, the Nomination and Remuneration Committee consists of following members:

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

The aforesaid composition of the Nomination & Remuneration Committee is also disseminated on the website of the Company with the link http://www.satincreditcare.com/board-director.php .The Company Secretary acts as secretary to Nomination and Remuneration Committee.

During the year under review the Committee was re-constituted on November 09, 2016 due to resignation of Mr. Davis Fredrick Golding on August 10, 2016 as Nominee Director (Representing ShoreCap II Limited) and in view of his appointment as Non-Executive Independent Director on August 30, 2016.

During the financial year 2016-17, Nomination and Remuneration Committee met Three (3) times. The meeting was held on May 30, 2016, August 10, 2016 and November 09, 2016.

Details of attendance of each member of the Nomination and Remuneration Committee are as follows:

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

* Mr. Davis Fredrick Golding was again inducted as Committee member in the Board Meeting held on November 09, 2016

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

(1) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

(2) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

(3) Ensure and determine that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors and size of the Board and its diversity.

(4) Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability and ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and other employees of the company and reviewing its effectiveness.

(5) Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines.

(6) Decide / approve details of fixed components and performance linked incentives (if any) along with the performance criteria.

(7) Identifying and recommending Directors who are to be put forward for retirement by rotation.

(8) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective.

(9) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their Service contract.

(10) Delegating any of its powers to one or more of its members or the Secretary of the Committee.

(11) Recommend any necessary changes to the Board.

(12) Considering any other matters as may be requested by the Board; and to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

(13) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

(14) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

(15) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

(16) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

(17) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

(18) To devise a policy on Board diversity.

(19) To develop a succession plan for the Board and to regularly review the plan.

(20) Formulation of criteria for evaluation of Independent Director and the Board.

(21) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

(22) To implement and monitor policies and processes regarding principles of Corporate Governance.

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

Pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and the Board of Directors of the Company formulated and approved the Policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP) & Senior Management and other Employees and pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 vide its meeting dated February 10, 2016. The policy has been uploaded in the website of the Company at **www.satincreditcare.com**. In accordance with Section 178, aforesaid policy is annexed to this report as **Annexure-2**.

REMUNERATION PAID TO DIRECTORS

The disclosure in respect of remuneration paid/payable to Managing Director/Whole Time Director, of the Company for the financial year 2016-2017 is given below:

Particulars	Mr. H P Singh, Chairman cum Managing Director (Amount in Rs.)
Salary	14,596,940.00
Provident Fund	1,751,630.00
Gratuity	-
Leave Encashment	-
Approximate value of perquisites	2,665,200.00
Total	19,013,770.00
Present period of agreement	October 01, 2015 to September 30, 2020

All Directors except Chairman cum Managing Director and Directors appointed by virtue of Investment agreement and nominated by Investor are paid only sitting fee. Director appointed as nominee Director by public financial institutions are paid sitting fee in applicable laws. The Board of Directors through circulation on January 12, 2016 had revised the structure for sitting fee with effect from February 01, 2016 which is as follows:

Type of Meeting	Sitting Fees Per Meeting (Amount in Rs.)
Board Meeting	20,000.00
Audit Committee/Risk Management Committee Meeting	20,000.00
Other Statutory Committee Meeting	10,000.00

Detail of payments made to Non-Executive Directors towards sitting fees during the financial year 2016-2017 is as under:

S. No.	Name of Non-Executive Directors (Other than Investor's nominees)	Sitting Fees		Total (Amount in Rs.)
		Board Meeting (Amount in Rs.)	Committee Meeting (Amount in Rs.)	
1	Mr. Rakesh Sachdeva	120,000.00	200,000.00	320,000.00
2	Mr. Sundeep Kumar Mehta	140,000.00	200,000.00	340,000.00
3	Mr. Satvinder Singh	140,000.00	170,000.00	310,000.00
4	Mr. Sujan Singh Chawla	20,000.00	-	20,000.00
5	Ms. Sangeeta Khorana	100,000.00	30,000.00	130,000.00
6	Mr. Goh Colin	80,000.00	-	80,000.00
7	Mr. Sanjay Kumar Bhatia	80,000.00	10,000.00	90,000.00
8	Mr. Anil Kumar Kalra	140,000.00	-	140,000.00
9	Mr. Davis Frederick Golding	40,000.00	-	40,000.00
10	Mr. Ramesh G. Dharmaji	20,000.00	-	20,000.00
Total				**1,490,000.00**

There was no pecuniary relationship or transactions of the non-executive Directors vis-a-vis the company during the Financial Year ended March 31, 2017 other than those disclosed in the annual accounts.

DETAILS OF SHAREHOLDING OF DIRECTORS AS ON MARCH 31, 2017

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

S.No.	Name of Director along with designation	Category	Shareholding
1	Mr. H P Singh, Chairman cum Managing Director	Promoter, Executive Director & Non-Independent Director	415,123
2	Mr. Satvinder Singh, Director	Promoter, Non-Executive Director & Non-Independent Director	257,011
3	Mr. Suramya Gupta, Director	Non-Executive & Non-Independent Director	Nil
4	Mr. Richard Benjamin Butler, Director	Non-Executive & Non-Independent Director	Nil
5	Mr. Arthur Sletteberg, Director	Non-Executive & Non-Independent Director	Nil
6	Mr. Ramesh G Dharmaji	Non-Executive & Non-Independent Director	Nil
7	Mr. Rakesh Sachdeva, Director	Non-Executive & Independent Director	7,211
8	Mr. Sundeep Kumar Mehta, Director	Non-Executive & Independent Director	Nil
9	Ms. Sangeeta Khorana, Director	Non-Executive & Independent Director	Nil
10	Mr. Goh Colin, Director	Non-Executive & Independent Director	Nil
11	Mr. Sanjay Kumar Bhatia, Director	Non-Executive & Independent Director	Nil
12	Mr. Anil Kumar Kalra, Director	Non-Executive & Independent Director	Nil
13	Mr. Davis Frederick Golding, Additional Director	Non-Executive & Independent Director	Nil

STAKEHOLDERS' RELATIONSHIP COMMITTEE

As per Section 178 (5) of Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, the Company has reconstituted the Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee is comprises of following directors as on March 31, 2017:

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

The aforesaid composition of the Stakeholders Relationship Committee is also disseminated on the website of the Company with the link **www.satincreditcare.com/board-director.php**.The Committee shall consider and resolve the grievances like share transfers, transmissions, issue of duplicate share certificates, Rematerialization of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, etc. The Stakeholders Relationship Committee shall also consider and resolve the grievances of security holders of the Company. The Company Secretary of the Company is secretary to the Stakeholder Relationship Committee.

No shareholders / Investors complaints were received during the year ended March 31, 2017. However, during the year under review Committee met one time on November 08, 2016.

Name of Director	No. of meetings held during the year	Meetings attended
Mr. Sundeep Kumar Mehta (Independent Director)	1	1
Mr. Satvinder Singh (Non- Independent Director)	1	1
Ms. Sanjay Kumar Bhatia (Independent Director)	1	1

Further, Grievances relating to Stakeholders / Investors may also be forwarded to the Company Secretary and Compliance officer of the Company at **investors@satincreditcare.com**.

Further, during the year under review Committee has adopted Grievance Handling Process of the Company in its meeting held on November 08, 2016 for implementing effective mechanism of Grievances relating to Stakeholders / Investors.

Complaints Received and Redressed During the Year 2016-17 Under Score

There was no complaint received from the Shareholder / Investor during the financial year ended March 31, 2017.

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

WORKING COMMITTEE

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

1. Mr. H P Singh - Chairman
2. Mr. Satvinder Singh - Member

During the financial year 2016-17 working committee met 57 times. These meetings were held on and attended by all the members of the Committee on the following dates:

April 08, 2016, April 25, 2016, May 12, 2016, May 20, 2016, May 24, 2016, May 25, 2016, May 27, 2016 (10:00 AM), May 27, 2016 (04:30 P.M.), June 08, 2016, June 10, 2016, June 15,2016, June 20, 2016, June 27, 2016, June 30, 2016, July 13, 2016, August 02, 2016, August 11, 2016, August 22, 2016, September 01, 2016, September 03, 2016, September 17, 2016, September

19, 2016, September 21, 2016, September 26, 2016, September 29, 2016, October 03, 2016 (02:00 P.M.), October 03, 2016 (08:45 P.M.), October 05, 2016, October 18, 2016, October 27, 2016, November 01, 2016, November 03, 2016, November 04, 2016, November 11, 2016, November 17, 2016, November 23, 2016 (10:30 A.M.), November 23, 2016 (5:00 P.M.), November 24, 2016, December 03, 2016, December 15, 2016, December 20, 2016, December 23, 2016, December 26, 2016, December 29, 2016, January 13, 2017, January 24,2017, February 03,2017, February 08, 2017, February 21, 2017, March 01, 2017, March 07, 2017, March 14, 2017, March 18, 2017, March 23, 2017, March 25, 2017, March 29, 2017 (10:00 A.M.), March 29, 2017 (05:30 P.M.).

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with Section 135 of Companies Act, 2013 and the rules made thereunder the Board has constituted a CSR Committee in its meeting held on May 26, 2014 and CSR Committee was reconstituted on August 10, 2016 due to resignation of Mr. Kasper Svarrer w.e.f. July 08, 2016.

After reconstitution the CSR committee members are as follows:

1.	Mr. H P Singh	-	Chairman
2.	Mr. Rakesh Sachdeva	-	Member
3.	Ms. Sangeeta Khorana	-	Member

The aforesaid composition of the Corporate Social Responsibility (CSR) Committee is also disseminated on the website of the Company with the link **http://www.satincreditcare.com/board-director.php**. During the financial year 2016-17, Corporate Social Responsibility Committee met One (1) time. The meeting were held on November 07, 2016.

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

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

The Corporate Social Responsibility (CSR) Committee and Board of Directors of the Company vide their meeting dated February 09, 2015 has approved CSR policy, which indicates the activities to be undertaken by the Company as specified under schedule VII of Companies Act, 2013.

Further, during the year, Company has adopted revised CSR Policy vide Board Meeting approval dated November 09, 2016.

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

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

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

In line with the RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 Company also has in place ALCO Committee with requisite Composition of Members.

The functions of the ALM Committee include addressing concerns regarding asset liability mismatches, interest rate risk exposure, and achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects and adhering to the relevant policies and regulations.

During the year under review Committee has met two times on May 21, 2016, and October 21, 2016.

DISCLOSURES

WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Company vide Board meeting dated February 10, 2016 had adopted Whistle Blower Policy/Vigil Mechanism (version2-10.02.2016) applicable for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The company affirms that no personnel has been denied to access the audit committee. In order to ensure the proper functioning of vigil mechanism Audit Committee of the Company on Quarterly basis take note of the same.

The Whistle Blower Policy/Vigil Mechanism is also placed on website of the Company, i.e., **www.satincreditcare.com**.

RELATED PARTY TRANSACTION

There have been no materially significant related party transactions with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding related party transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy. The revised Policy on the same was approved and adopted by the Board on February 10, 2017.The policy has been uploaded in the website of the Company at **http://www.satincreditcare.com**.

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

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

ANNUAL GENERAL MEETINGS, EXTRAORDINARY GENERAL MEETING AND POSTAL BALLOT

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

Annual General Meetings:

Year	Location	Date	Time	Whether any Special Resolution passed
2013-2014	'Tyagi Farms', Plot No. 7, Bhawani Nagar, Dhinpur, Near JhatikraMorh, Brijwasan Road, New Delhi – 110 043	September 05, 2014	10.00 A.M	No
2014-2015	'Tyagi Farms', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	July 08, 2015	10.00 A.M	1) To increase the Borrowing limit u/s 180(1)(c) of the Companies Act,2013 2) To increase the Borrowing limit u/s 18(1)(a) of the Companies Act, 2013 3) To increase the limit u/s 42 of the Companies Act,2013
2015-2016	'Shri Ram Center-Auditorium' 4, Safdar Hashmi Marg, Mandi House, New Delhi-110001	July 30, 2016	10.00 A.M	1) Reclassification of the Authorised Share Capital 2) Acquisition of wholly owned Subsidiary 3) Further issuance of Securities 4) Raising Foreign Portfolio Investment Limit 5) Issuance of Non-Convertible Debentures u/s 42 of the Companies Act, 2013

Extraordinary General Meetings

Year	Location	Date	Time	Whether any Special Resolution passed
2017-2018	'Aiwan-e-Ghalib Auditorium', Aiwan-e-Ghalib Marg, Mata Sundari Lane, ITO, New Delhi-110002	April 07, 2017	3.00 P.M.	1) Issuance of Fully Convertible Warrants to Promoter Category 2) Issuance of Equity Shares to Promoter Category

Postal Ballot

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

S. No	Date of Declaration of Postal Ballot Result	Description of the resolutions	Votes cast in favour of the resolution		Votes cast against resolution	
			No. of votes	% to total valid votes	No. of votes	% to total valid votes
1.	June 03, 2016	A. Issuance of 2,50,00,000 Rated, Non-Convertible, Redeemable, Cumulative Preference Shares ("NCRCPS") on a private placement basis.	15,216,690	99.99	54	0.01
		B. To Increase the maximum number of Directors of the Company from existing Fifteen to Twenty	15,216,665	99.99	79	0.01

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

Procedure for Postal Ballot

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

E-VOTING

The Company had provided e-voting facility to the members of the Company for the Annual General Meeting held on July 30, 2016. Company has also provided e-voting facility for the Postal Ballot events starting from April 30, 2016 to May 29, 2016 respectively for the following purposes:

1. Issuance of 2,50,00,000 Rated, Non-Convertible, Redeemable, Cumulative Preference Shares ("NCRCPS") on a private placement basis, and

2. To Increase the maximum number of Directors of the Company from existing Fifteen to Twenty.

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

SHAREHOLDERS' COMMUNICATION

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

Means of Communication

Quarterly results and other relevant information: The Company's quarterly results are normally published in Economic Times, Business Standard, Financial Express, Jansatta, etc. and are also displayed along with other relevant information viz., notices, shareholder communications, policies, directors profile, annual report, other official news etc. on its corporate website i.e. **www.satincreditcare.com**.

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

Website: The Company's website **www.satincreditcare.com** contains a separate dedicated "investors' section" where shareholders' information is available.

GENERAL SHAREHOLDER INFORMATION:

a) Ensuing Annual General Meeting:

Date and time:	Thursday, July 06, 2017 (11.00 A.M.)
Venue:	'Kamani Auditorium', 1, Copernicus Marg, New Delhi-110001

b) Financial Year: April 01, 2017 to March 31, 2018

c) Dividend payment date:

Directors of your Company have recommended a final dividend of Rs. 24,448,630/- (excluding dividend distribution tax) on 12.10% Rated, Cumulative, Non-Convertible and Compulsorily Redeemable Preference Shares which is subject to member's approval.

Further, in order to undertake and carry on future plans, it is necessary to conserve the resources. Your directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend on Equity shares for the year ended March 31, 2017.

However the following dividend on 12.10% Rated, Cumulative, Non-Convertible and Compulsorily Redeemable Preference Shares recommended by the Board of Directors in their meeting held on May 26, 2017.

S.No.	Name of the Security	Type of Dividend	Period of Dividend	Date of declaration	Amount of dividend
1	12.10% Rated, Cumulative, Non-Convertible and Compulsorily Redeemable Preference Shares	Final Dividend	June 10, 2016 to March 31, 2017	July 06, 2017	Rs. 24,448,630/- (Rupees Two Crores Forty Four Lakhs Forty Eight Thousand Six hundred and Thirty Only)

d) Listing of Shares

Equity Shares Listed on Stock Exchanges : The Equity Shares of the Company are listed on

- **National Stock Exchange of India Limited** (NSE) [Scrip Code: SATIN]
  Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
  Bandra East, Mumbai-400051
- **BSE Ltd (BSE)** [Scrip Code: 539404]
  Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400023
- **The Calcutta Stock Exchange Limited (CSE)**** [Scrip Code: 30024]
  7, Lyons Range, Kolkata 700001

** In view of 'nil' trading at CSE, the Board has approved the proposal of voluntary delisting from CSE, and subsequently filed delisting application with CSE on November 26, 2016. However, the same is pending before CSE.

Annual Listing Fee: The Annual Listing fees for upto the financial year 2016-17 has already been duly paid to all the Stock Exchanges where Shares and Debentures of the Company are listed.

e) Demat ISIN Number in NSDL & CDSL:

For Equity Shares -		INE836B01017		
For Non- Convertible Debentures (NCD) are as follows:				
S. No.	**Name/Details of Trustee**	**ISIN**	**No. of Debentures**	**Amount***
1	**IDBI TRUSTEESHIP SERVICES LIMITED** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400001	INE836B07048	75	187,500,000.00
		INE836B07071	72	180,000,000.00
2	**AXIS TRUSTEE SERVICES LIMITED** 2nd Floor, 'E', Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400025	INE836B08038	130	130,000,000.00
		INE836B07162	20	20,000,000.00
3	**CATALYST TRUSTEESHIP LIMITED** **(formerly known as GDA Trusteeship Limited)** GDA House, Plot No. 85, Bhusari Colony (Right) Paud Road, Pune 411038	INE836B08012	84	210,000,000.00
		INE836B07097	200	500,000,000.00
		INE836B07139	515	515,000,000.00
		INE836B08020	150	150,000,000.00
		INE836B08046	250	250,000,000.00
		INE836B07170	270	270,000,000.00
		INE836B07188	300	300,000,000.00
		INE836B07196	500	500,000,000.00
		INE836B08053	2,628	262,800,000.00
		INE836B07204	4,644	464,400,000.00
		INE836B08061	250	250,000,000.00
		INE836B07212	125	125,000,000.00
		INE836B08079	125	125,000,000.00
		INE836B08087	67,489	337,445,000.00
		INE836B07220	680	680,000,000.00
		INE836B08095	100	100,000,000.00
		INE836B08137	100	100,000,000.00
		INE836B08129	100	100,000,000.00
		INE836B08111	100	100,000,000.00
		INE836B08103	100	100,000,000.00
		INE836B07253	200	200,000,000.00
		INE836B07246	200	200,000,000.00
		INE836B07238	200	200,000,000.00
		INE836B07261	260	260,000,000.00
		INE836B07279	250	250,000,000.00
		INE836B08145	250	250,000,000.00
		INE836B07287	250	250,000,000.00
		INE836B08152	150	150,000,000.00
		INE836B08160	350	350,000,000.00

*Note- Nominal value is taken into consideration (i.e. Paid up value for which allotment was made).

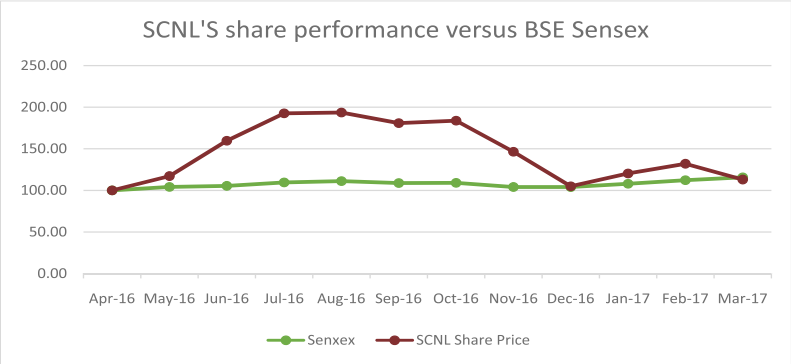
f) Stock Market price data(In Rs.)

Month	BSE Limited		National Stock Exchange of India Ltd.		The Calcutta Stock Exchange Ltd.*	
	High	Low	High	Low	High	Low
Apr-16	350.00	290.00	348.00	297.10	NA	NA
May-16	400.00	299.90	390.30	299.00	NA	NA
Jun-16	543.50	359.30	543.00	356.55	NA	NA
Jul-16	716.70	454.05	716.00	465.00	NA	NA
Aug-16	659.00	556.75	660.00	554.60	NA	NA
Sep-16	635.00	535.00	633.25	543.05	NA	NA
Oct-16	605.00	550.00	607.40	551.20	NA	NA
Nov-16	582.35	323.50	582.90	323.40	NA	NA
Dec-16	459.50	293.15	458.00	294.05	NA	NA
Jan-17	399.90	333.00	395.80	333.10	NA	NA
Feb-17	477.10	375.00	469.90	375.10	NA	NA
Mar-17	425.70	353.00	426.00	351.00	NA	NA

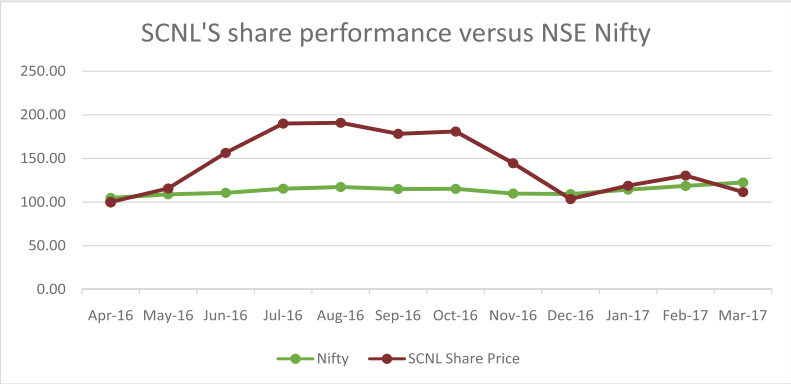
***Equity Shares are not traded on The Calcutta Stock Exchange Limited.**

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

Performance in comparison to BSE Sensex
(Closing value of SATIN share price v/s BSE Sensex on the last trading day of the month)
Base is considered to be 100 as at April 01, 2016



Performance in comparison to NSE Nifty
(Closing value of SATIN share price v/s NSE Nifty on the last trading day of the month)
Base is considered to be 100 as at April 01, 2016



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

i) Registrar and Share Transfer Agents

Sl. No.	Name of Security	Registrar and Transfer Agents
1	Equity Shares & Preference Shares (Share Transfer and communication and change of address.)	**Link Intime India Pvt. Ltd.** 44, Community Centre, 2nd floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028
2	Non-Convertible Debentures	**Karvy Computershare Pvt. Ltd.** 46, Karvy House, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034,

j) Share transfer system

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

k) Shareholding Pattern as on March 31, 2017

Category	Shareholding	% of Holding
Promoters	12,413,981	33.04
Clearing Members	344,339	0.92
Other Bodies Corporate	2,705,358	7.20
Directors	7,211	0.02
Foreign Company	9,571,433	25.48
Financial Institutions	30,706	0.08
Foreign Inst. Investor	165,000	0.44
Hindu Undivided Family	195,339	0.52
Mutual Funds	2,256,951	6.01
Non Nationalised Banks	22,382	0.06
Foreign Nationals	3,200	0.01
Non Resident Indians	318,298	0.85
Public	3,746,369	9.97
Trusts	58,102	0.15
Employee Welfare Trust / ESOP	49,300	1.20
Foreign Portfolio Investors (Corporate)	5,280,818	14.06
TOTAL	**37,568,787**	**100.00**

DISTRIBUTION OF SHAREHOLDING BASED ON SHARES HELD							
All (NSDL+CDSL+PHYSICAL)							
S. NO.	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF PAID UP CAPITAL
1	1	to	500	13,271	88.82	1,437,923	3.84
2	501	to	1,000	779	5.21	613,740	1.63
3	1,001	to	2,000	415	2.78	623,816	1.66
4	2,001	to	3,000	167	1.12	418,717	1.11
5	3,001	to	4,000	64	0.43	227,239	0.60
6	4,001	to	5,000	52	0.35	240,496	0.64
7	5,001	to	10,000	85	0.57	617,965	1.65
8	10,001	and	Above	108	0.72	33,388,891	88.87
Total				**14,941**	**100.00**	**37,568,787**	**100.00**

l) **Dematerialization of Shares:** 99.16% of the Equity Shares have been dematerialized upto March 31, 2017. Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. April 28, 2001 as per notification issued by the Securities and Exchange Board of India (SEBI).

m) **The Company has not subscribed in any of the Global Depository Receipts or American Depository Receipt or Warrants or any convertible instruments.**

n) **There is no commodity price risk or foreign exchange risk and hedging activities involved or applicable.**

o) **Company is into the business of Non-Banking Finance Company (Micro Finance Industry), hence no plant information can be provided as such.**

p) **Address for correspondence**

- **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.

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

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

r) **Request to Investors**

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

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the Depository Participants (DP) to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.

- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.

- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credit being obtained by unauthorized persons.

s) Reconciliation of Share Capital Audit

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

t) Information to Shareholders

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

u) Any query on Annual Report : Satin Creditcare Network Ltd.
5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi –110033

v) Compliance Certificate by Auditor

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

w) CEO/CFO certification

The requisite certification from the Chairman cum Managing Director and Chief Financial Officer for the Financial Year 2016-17 required to be given under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 was placed before the Board of Directors of the company at its meeting held on May 26, 2017 the same is annexed to the report as **Annexure-3**.

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

Date: May 26, 2017
Place: New Delhi

Annexures To Corporate Governance Report

Annexure-1

DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended March 31, 2017.

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

Date: May 26, 2017
Place: New Delhi

Annexure-2

POLICY ON NOMINATION & REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) & SENIOR MANAGEMENT AND OTHER EMPLOYEES:

Introduction :

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

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

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

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

Applicability:

The Policy shall be applicable to:

(a) Directors (Executive and Non-Executive);

(b) ***Key Managerial Personnel (KMP)***, which means all personnel as defined under Section 2 (51) of the Companies Act, 2013 or as defined under any other applicable laws as amended from time to time;

(c) ***Senior Management***, which means personnel of the Company who are members of its core management team excluding Board of Directors. This would also include all members of management one level below the Executive Directors including all functional heads, for the purpose of Regulation 16(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

(d) ***Other Employees*** of the Company.

Effective date for Implementation of the policy:

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

Nomination and Remuneration Committee:

In terms of Section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Nomination and Remuneration Committee will consist of three or more Non-Executive Directors, out of which at least one-half shall be Independent Director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee. The Chairperson of the Nomination & Remuneration Committee shall be an Independent Director. The Committee will meet at such

intervals as deems fit to carry out the objectives set out in the Policy. The Chairperson of the Nomination & Remuneration Committee may be present at the Annual General Meeting, to answer the shareholder's queries, however, it shall be up to the chairperson to decide who shall answer the queries.

Secretary:

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

Objectives and Functions of the Nomination and Remuneration Committee:

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

(1) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance

(2) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees

(3) Ensure and determine that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors and size of the Board and its diversity;

(4) Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability and ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and other Employees of the company and reviewing its effectiveness;

(5) Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines

(6) Decide/approve details of fixed components and performance linked incentives (if any) along with the performance criteria;

(7) Identifying and recommending Directors who are to be put forward for retirement by rotation.

(8) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

(9) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their Service contract;

(10) Delegating any of its powers to one or more of its members or the Secretary of the Committee;

(11) Recommend any necessary changes to the Board;

(12) Considering any other matters as may be requested by the Board; and to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;

(13) To approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;

(14) Approving the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

(15) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan;
- Formulation of criteria for evaluation of Independent Director and the Board
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To implement and monitor policies and processes regarding principles of corporate governance.

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

➢ **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

4. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.

5. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.

➢ **Personal Specification for Directors:** The Company shall ensure that selection criteria for inducting any person on Board of the Company as approved by Board in its meeting held on August 09, 2013. The following additional specification shall be required:

1. ***Qualification:*** Degree holder in relevant disciplines (e.g. management, accountancy, legal)

2. ***Experience:*** Experience of management in a diverse organisation
Experience in accounting and finance, administration, corporate and strategic planning or fund management
Demonstrable ability to work effectively with a Board of Directors

3. ***Skills:*** Excellent interpersonal, communication and representational skills
Demonstrable leadership skills
Extensive team building and management skills
Strong influencing and negotiating skills
Having continuous professional development to refresh knowledge and skills

4. ***Abilities and Attributes:***

Commitment to high standards of ethics, personal integrity and probity
Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace

5. ***Political inclinations and opinions.***

➢ **Policy for Board Diversity**

PREAMBLE

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

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

Devising a policy on Board diversity;

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

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

Building a Board of diverse and inclusive culture is integral to the success of Satin Creditcare Network Limited (hereinafter referred to as "Company"). Ethnicity, Age, Education, Competency and Gender Diversity are areas of strategic focus to the composition of our Board.

NEED & OBJECTIVE OF THE POLICY

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

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

SELECTION OF MEMBERS OF BOARD

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

OBSERVANCE AND REPORTING

A. It is sole responsibility of the Nomination and Remuneration Committee (among other things) to:

- Assess the present composition of the Board in light of the alight diverse skill factors.
- Ensure that in terms of Sub section 1 of section 149 of Companies Act 2013, one woman director must be appointed on the Board of every Listed Company and every other public Company having paid up capital of Rs. One Hundred Crores or more or turnover of Rs. Three Hundred Crore and more.
- To prepare a requisition required for having a proper blend of directors in terms of diverse skills i.e. in terms of gender, age, cultural, educational background, ethnicity, professional experience etc.
- Making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to

maintain an appropriate mix of diversity in terms of gender, age, cultural, educational background, ethnicity, professional experience etc. on the Board; and
- Reviewing and reporting to the Board in relation to Board Diversity.

B. The Nomination and Remuneration Committee will report to the Board on:

- The programme undertaken by this Committee pertaining to have a proper blend of Board of Director in terms of its diverse skills and to achieve the objectives.
- Progress in achieving the Objectives and to make recommendations to the Board on the same.

C. The Nomination and Remuneration Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the Policy.

➢ **Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Regulation 16 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended from time to time) and Companies Act, 2013.

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

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

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

a) *The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes;*

b) *The details of such familiarization programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report;*

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

Particulars	Modules required to be Inducted with Independent Director	Time specified for Inducting	Authority responsible for Induction
ORIENTATION PROGRAMME	Nature of Industry and overview of business (business model) as a whole in which the Company operates. I.e. the whole gamut of Industry in light of economic legislations & enactments.	Half Day	CMD/CFO
	Financial Performance, Budgeting, Planning& control processes.	Half Day	CFO
	Familiarisation on Statutory compliances including their roles, rights and responsibilities in the Company as a Board Member covering Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.	Half Day	CS

	Operations overview in light of different product portfolio and visit to various branch/operation offices.	One Day and more as required	COO
	Induction with and into various branches pertaining to the risk factors associated.		Head-Audit & Risk
	Overview of Human resources, MIS system (IT) and Social performance management including Corporate Social Responsibility	One Day	HODs of Functional Departments

DISCLOSURE OF FPID:

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

- **Term/Tenure of Appointment:**

a) Managing Director/whole-time Director

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

b) Independent Director

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

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

- **Removal & Retirement:**

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

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

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

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

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

a) Fixed pay:

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

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

b) Sitting Fees:

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

c) Commission:

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

d) Stock Options:

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

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

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

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

- Leadership & stewardship abilities
- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets

- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

Review and Amendment

i. The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.

ii. The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

iii. This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

Annexure-3

CEO/CFO CERTIFICATION

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

Sub: Certificate under Regulation 17 (8) and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We, the undersigned, certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design and operations of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year,

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	H P Singh	**Jugal Kataria**
Place: Delhi	**(Chairman cum Managing Director)**	**(Chief Financial Officer)**
Date: May 26, 2017	**DIN: 00333754**	

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR ENDING MARCH 31, 2017 UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREEMENTS) REGULATIONS, 2015

To,

The Members of
Satin Creditcare Network Limited, Delhi.

We have examined the compliance of Corporate Governance procedures by **Satin Creditcare Network Limited (the 'Company')** for the year ended March 31, 2017, as per Regulations 17 to 27, clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the said Company, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated under Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable provisions of the said Regulations have been complied with in all material respect by the Company.

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrar and Transfer agent of the company have certified as on March 31, 2017, 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 Reg. No.004588N

Place: Delhi
Dated: May 26, 2017

Auditor's Report

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SATIN CREDITCARE NETWORK LIMITED,

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Satin Creditcare Network Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2017, 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. (hereinafter referred to as "Standalone Financial Statements")

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow statement comply with the accounting standards specified under section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

(e) On the basis of written representations received from the Director as on 31st March 2017 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March 2017, from being appointed as a director in terms of section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) There are no pending litigations which would have an impact on the financial position of the company.

(ii) The company does not have any material foreseeable losses in respect of outstanding long term contracts including derivative contracts as at 31st March 2017.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) The company has provided requisite disclosures in the standalone statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 24 to the Standalone financial statement.

For A.K. Gangaher & Co.
Chartered Accountants

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

Place : Delhi
Dated : 26th May, 2017

SATIN CREDITCARE NETWORK LIMITED

Annexure A to the Independent Auditor's Report - 31st March, 2017 on Standalone Financial Statements

(Referred to our report of even date)

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the management in a phased periodic manner in accordance with a regular 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) According to information and explanations given to us, there are certain cases where the title deed of immovable properties are not in the name of the Company. The fixed assets acquired on amalgamation of Satin Intellicomm Limited with the company with the appointed date of 1.4.2006 and the effective date as on 3.12.2007 are still in the name of the erstwhile company, Satin Intellicomm Limited – Refer Note No. 11(3).

(ii) The Company's business does not deal with inventories and accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other party covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the order are not applicable to the company.

(iv) The Company has not granted any loans and provided any guarantees or security to the parties covered under section 185 of the Act. The company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year under section 73 to 76 or any other relevant provisions of the Companies Act, 2013. The company is a registered 'Non-Banking Financial Company-Micro Finance Institution' (NBFC- MFI) with Reserve Bank of India.

(vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, value added tax, customs duty, excise duty and cess were in arrears as at 31.03.2017 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of value added tax, custom duty, service tax, excise duty and cess which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to banks or to any financial institutions or debenture holders or government.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of public offer or further public offer and hence not commented upon. Further, the monies raised by the Company through debt instruments and term loans (both secured and unsecured) availed by the company were, prima facie, applied by the company during the year for the purposes for which they were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid assets, payable on demand.

(x) We have been informed that during the year there were four instances of misappropriation of cash by the employees of the company aggregating to Rs. 2,816,201 (Previous year Rs. 8,507,000) out of which in the Current Year Rs. 2,339,000 (Previous Year Rs. 7,500,000) has been recovered. For the remaining amount, the company has not made provision in its books of account during the year being certain of recovery. The company has initiated legal action against the employees - Refer Note No. 30(9)(A)(xvi)(g)

(xi) Based on our audit procedures and according to information and explanations given to us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

(xii) In our opinion and according to information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

(xiii) Based on our audit procedures and according to information and explanations given to us, transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standard.

(xiv) Based on our audit procedures and according to information and explanations given to us, the company has made preferential allotment / private placement of shares during the year under review and it has complied with requirements of Section 42 of the Act. The amount raised have been used for the purposes for which the funds were raised.

(xv) Based on our audit procedures and according to information and explanations given to us, the company has not entered into non-cash transactions with directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The company being a NBFC (MFI) is registered under section 45-IA of the Reserve Bank of India Act, 1934

For A.K. Gangaher & Co.
Chartered Accountants

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

Place: Delhi
Dated: 26th May, 2017

SATIN CREDITCARE NETWORK LIMITED.

Annexure B to the Independent Auditors' Report - 31 March 2017 on Standalone Financial Statements

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

Report on the Internal Financial controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Satin Creditcare Network Limited ("the Company") as of 31 March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For A.K. Gangaher & Co.
Chartered Accountants

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

Place: Delhi
Dated: 26th May, 2017

Balance Sheet as at 31st March 2017

Particulars	Note No.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	**621,429,370.00**	314,982,680.00
(b) Reserves and Surplus	4	**6,000,761,856.93**	2,925,077,499.64
Sub-Total Shareholders' Funds		**6,622,191,226.93**	3,240,060,179.64
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	**20,201,207,181.63**	13,334,957,392.96
(b) Long Term Provisions	6	**77,599,295.00**	28,859,376.00
Sub-Total Non-Current Liabilities		**20,278,806,476.63**	13,363,816,768.96
(3) Current Liabilities			
(a) Short Term Borrowings	7	**1,675,574,852.65**	1,447,101,029.96
(b) Trade Payable	8		
-Total outstanding dues of micro enterprises and small enterprises		**-**	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		**92,394,068.00**	130,774,764.00
(c) Other Current Liabilities	9	**18,192,000,665.42**	14,621,653,207.01
(d) Short Term Provisions	10	**622,992,096.33**	230,862,106.54
Sub-Total Current Liabilities		**20,582,961,682.40**	16,430,391,107.51
TOTAL EQUITY & LIABILITIES		**47,483,959,385.96**	33,034,268,056.11
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets - Property, plant and equipments	11	**342,994,590.19**	118,542,129.89
(ii) Intangible Assets	12	**34,559,750.40**	22,223,435.40
(iii) Capital Work-In-Progress	13	**97,769,790.00**	72,134,893.00
(iv) Intangible Assets under development	14	**24,056,409.00**	-
(b) Non-Current Investments	15	**498,410,077.32**	550,591.33
(c) Deferred Tax Assets (Net)	16	**226,850,276.15**	87,480,984.83
(d) Long Term Loans & Advances	17	**8,226,207,549.75**	5,419,606,423.64
(e) Other Non - Current Assets	18	**1,574,270,141.12**	1,837,842,928.00
Sub-Total Non-Current Assets		**11,025,118,583.93**	7,558,381,386.09
(2) Current Assets			
(a) Current Investment	19	**204,521,112.16**	-
(b) Trade Receivables	20	**10,993,572.00**	15,850,539.00
(c) Cash & Bank Balance	21	**11,079,344,115.07**	7,097,749,679.26
(d) Short Term Loans and Advances	22	**24,000,378,597.07**	17,575,603,852.87
(e) Other Current Assets	23	**1,163,603,405.73**	786,682,598.89
Sub-Total Current Assets		**36,458,840,802.03**	25,475,886,670.02
TOTAL ASSETS		**47,483,959,385.96**	33,034,268,056.11

Note No.1 to 30 form an intergral part of the Accounts

As per our report of even date attached
For A.K. Gangaher & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

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

Satvinder Singh
(Director)
DIN: 00332521

Place : Delhi
Dated: 26th May, 2017

Jugal Kataria
(Chief Financial Officer)

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS: 7437

Statement of Profit & Loss for the year ended 31st March 2017

Particulars	Note No.	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
I. Income			
1. Revenue From Operations	**25**	**7,572,172,424.16**	5,522,675,861.49
2. Other Income	**26**	**194,492,934.35**	62,536,706.33
Total		**7,766,665,358.51**	5,585,212,567.82
II. Expenses			
1. Finance Cost	**27**	**4,351,330,595.06**	2,898,579,763.08
2. Employee Benefit Expenses	**28**	**1,568,092,313.53**	883,771,921.98
3. Other Expenses	**29**	**1,408,445,861.79**	893,647,177.44
4. Depreciation & Amoritisation Expenses	**11,12,13 &14**	**56,283,139.00**	28,822,351.00
Total		**7,384,151,909.38**	4,704,821,213.50
Profit Before Exceptional, Corporate Social Responsibility Expense And Extraordinary Items And Tax		**382,513,449.13**	880,391,354.32
Exceptional Items		**-**	-
Profit Before Extraordinary Items, Corporate Social Responsibility Expense And Tax		**382,513,449.13**	880,391,354.32
Corporate Social Responsibility Expense		**10,500,000.00**	5,100,000.00
Extraordinary Items		-	-
Profit Before Tax		**372,013,449.13**	875,291,354.32
Tax Expense:			
(1) Less : Current Tax		**266,390,690.00**	330,037,600.00
(2) Add/(Less) : Tax Related To Earlier Years		**-**	-
(3) Add/(Less) : Deferred Tax		**139,369,291.32**	34,151,397.05
Profit After Tax For The Year From Continuing Operations		**244,992,050.45**	579,405,151.37

Earning per share (Par Value Rs. 10/- each) - Refer note no. 30 (6)		
Basic	**7.13**	20.28
Diluted	**7.05**	19.97

Note No.1 to 30 form an intergral part of the Accounts

As per our report of even date attached
For A.K. Gangaher & Co.
Chartered Accountants

For and on behalf of the Board of Directors

A.K. Gangaher
Proprietor
M. No. 083674
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Satvinder Singh
(Director)
DIN: 00332521

Place : Delhi
Dated: 26th May, 2017

Jugal Kataria
(Chief Financial Officer)

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS: 7437

Cash Flow Statement for the year ended 31st March 2017

Particulars	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Finance Cost, Tax and Extra-Ordinary Items	**4,723,344,044.19**	3,773,871,117.40
Adjustment for		
(Profit)/Loss on Sale of Fixed Assets	**2,356,544.25**	(132,689.52)
Depreciation	**56,283,139.00**	28,822,351.00
Operating Profit before Working Capital Changes	**4,781,983,727.44**	3,802,560,778.88
(Increase)/Decrease in Long Term Loans & Advances	**(2,806,601,126.11)**	(1,396,912,140.63)
(Increase)/Decrease in Short Term Loans and Advances	**(6,424,774,744.20)**	(6,824,378,455.04)
(Increase)/Decrease in Other Non Current Assets	**263,572,786.88**	(144,681,050.00)
(Increase)/Decrease in Other Current Assets	**1,687,036,550.91**	(3,694,591,711.72)
Increase/(Decrease) in Long Term Provisions	**48,739,919.00**	14,813,058.00
Increase/(Decrease) in Short Term Provisions	**392,129,989.79**	74,177,048.91
Increase/(Decrease) in Trade Payable	**(38,380,696.00)**	41,239,047.00
Increase/(Decrease) in Other Current Liabilities	**3,570,347,458.41**	5,210,278,432.91
Cash Generated from Operations	**1,474,053,866.12**	(2,917,494,991.69)
Finance Cost	**(4,351,330,595.06)**	(2,898,579,763.08)
Tax Expense	**(266,390,690.00)**	(330,037,600.00)
Net Cash from Operating Activities	**(3,143,667,418.94)**	(6,146,112,354.77)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) (Net) of Fixed Assets	**(345,119,764.55)**	(97,390,431.00)
Sale/(Purchase) (Net) of Investments	**(497,859,485.99)**	-
Net Cash used in Investing Activities	**(842,979,250.54)**	(97,390,431.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Share Capital (Net)	**3,137,138,996.84**	665,807,221.00
Proceeds from Short Term Borrowings (Net)	**228,473,822.69**	1,123,486,997.95
Proceeds from Long Term Borrowings (Net)	**6,866,249,788.67**	5,217,911,459.91
Net Cash used in Financing Activities	**10,231,862,608.20**	7,007,205,678.86
Net Increase in Cash & Cash Equivalents (A+B+C)	**6,245,215,938.72**	763,702,893.09
Cash and Cash Equivalents as on 01.04.2016	**2,683,623,033.28**	1,919,920,140.19
Cash and Cash Equivalents as on 31.03.2017	**8,928,838,972.00**	2,683,623,033.28

Cash & Cash Equivalents Comprises Off

Particulars	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
A. Cash and Cash Equivalents:		
Cash on Hand	**162,504,191.20**	398,762,199.00
Balance with banks in current accounts	**3,389,557,382.90**	1,784,986,439.28
Term deposits for remaining maturity of 3 months or less	**5,376,777,397.90**	499,874,395.00
	8,928,838,972.00	2,683,623,033.28
B. Other Bank Balances:		
Term deposits for remaining maturity of more than 3 months and upto 1 year	**2,150,505,143.07**	4,414,126,645.98
Total (A+B) - Refer note no.21	**11,079,344,115.07**	7,097,749,679.26
C. Other Non-Current Assets:		
Long term deposits having remaining maturity of more than 1 year - **Refer note no.18**	**1,429,859,387.12**	1,246,253,886.00
Total (A+B+C)	**12,509,203,502.19**	8,344,003,565.26

Note No.1 to 30 form an intergral part of the Cash Flow Statement

As per our report of even date attached
For A.K. Gangaher & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

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

Satvinder Singh
(Director)
DIN: 00332521

Place : Delhi
Dated: 26th May, 2017

Jugal Kataria
(Chief Financial Officer)

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS: 7437

NOTE NO. 1 GENERAL INFORMATION

Satin Creditcare Network Limited ("The Company") is a public limited company and incorporated under the provisions of the Companies Act and having its registered office at New Delhi, India. The Company is a non-deposit accepting Non-Banking Financial company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") in November 2013. The Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG').

NOTE NO. 2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the applicable accounting standards notified under Section 133 of the Companies Act,2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provision of the Companies Act, 2013 as applicable and the guidelines issued by the Reserve Bank of India. Accounting policies have been consistently applied except where a newly issued accounting standard or a guideline is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

b) 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 (including contingent liability) and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The actual results could differ from these estimates and the differences between the actual results and the estimates are recognised in the years in which the results are known / materialize and their effects disclosed in the notes to the financial statements.

c) Cash and Cash Equivalents (for the purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

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

d) Tangible Assets - Property, plant and equipments

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Tangible assets acquired on account of amalgamation are stated at the acquisition value agreed in the amalgamation agreement.

Capital work in progress:

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire fixed assets. Assets which are not ready to intended use are also shown under capital work in progress.

e) Intangible Assets

Intangible assets are carried at cost of acquisition less amortization. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized in the Statement of Profit and Loss over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible asset is being amortised over a period of 3 years using written down value method.

Assets which are not ready for their intended use are shown as Intangible assets under development which comprises of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

f) Depreciation/Amortisation

Depreciation on tangible assets is provided on the written-down method using the rates arrived at based on the useful lives of assets prescribed under Schedule II of the Companies Act, 2013 which is also at par with the useful life of the assets estimated by the management. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Losses arising from retirement or gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss.

Intangible assets are amortized over their respective individual estimated useful lives on a written-down basis, commencing from the date the asset is available to the Company for its use.

Assets	Useful Life as per Schedule II (years)
Building	60 years
Plant & Machinery	5 -15 years
Office Equipment	5 years
Computer Equipment	3 years
Furniture & Fixture	10 years
Vehicles	8-10 years

The estimated useful life of the assets are reviewed at the end of each financial year and the amortisation and depreciation method are revised, if necessary.

g) Impairment

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

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

h) 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) Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

(b) Current investments are carried at lower of cost or fair value.

i) Trade receivables

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

j) Portfolio loans

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

k) 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 recognised under the internal rate of return method on accrual basis except in the case of non-performing assets where it is recognised upon realization and any such income recognised before the asset became non-performing and remaining unrealised is reversed.

(b) Interest income on fixed deposits with bank is recognised on a time proportion accrual basis taking into account the amount outstanding and the interest rate applicable.

(c) Processing fee collected on loans disbursed are recognised at the inception of the loan.

(d) In accordance with the RBI Guidelines, the Company accounts for any loss arising from assignment/ securitisation of standard assets immediately at the time of sale and the profit/ premium arising from securitisation is amortised over the life of the underlying portfolio loans/ securities. Income from interest strip (excess interest spread) is recongnised in the Statement of Profit and Loss net of any losses when redeemed in cash.

(e) Penal interest and charges are accounted as and when realized in respect of SME Loans.

(f) All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realization / collection.

l) Asset Classification and Provisioning Norms

a) Assets Classification

Loans to Customers are classified as Standard and Non-performing assets, based on the criteria laid down below:

Asset Classification	Criteria
Standard assets	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;
Non-Performing assets	An asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

b) Provisioning Norms

(i) Provisioning Norms for MFI Loan Portfolio:

The aggregate loan provision maintained by the Company at any point of time shall not be less than the higher of 1.75% of the outstanding loan portfolio including securitization or 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

The above-mentioned provisioning policy is as per the provision policy prescribed in the NBFC-MFI Directions. These Directions require the total provision for loan portfolio to be higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

(ii) Provisioning Norms for SME Loans:

RBI Provisioning Norms:

Particulars	Months Past due	Provisioning Policy	
		Unsecured	Secured
Standard Asset	0-4 Months	0.35%	0.35%
Non-Performing Assets:			
Substandard Asset	>4-18 Months	10%	10%
Doubtful Asset	>18 - 32 Months	100%	20%
	>32 - 56 Months		30%
	>56 Months		50%
Loss Assets		-	Written off/100%

The Company has made provision higher than the percentage prescribed by RBI as below:

Particulars	Months Past due	Provisioning Policy	
		Unsecured	Secured
Standard Asset	0-3 Months	0.40%	0.40%
Non-Performing Assets:			
Substandard Asset	>3-12 Months	10%	10%
Doubtful Asset	>12 - 24 Months	100%	20%
	>24 - 51 Months		30%
	>51 Months		50%
Loss Assets		-	Written off/100%

m) Borrowing Costs

Borrowing cost, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized.

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

n) Foreign Currency

(i) Transactions in foreign currency entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

(ii) Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

(iii) Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the Statement of Profit and Loss.

o) Share /Debenture Issue Expenses

All expenses pertaining to issue of share capital (both equity and preference share capital) and debentures are adjusted against the Securities Premium Reserve Account to the extent any balance is available for utilisation in the Securities Premium Reserve Account. Share/Debenture issue expenses in excess of the balance in the Securities Premium Reserve Account is expensed in the Statement of Profit and Loss.

p) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

A Contingent liability is a possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent Assets are neither recognised nor disclosed in the financial statements.

q) Employees Retirement Benefits

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

(i) **Short-term employee benefits**

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

(ii) **Defined Contribution Plan**

Company's contributions to Provident Fund, Pension Fund and Employee State Insurance Scheme are charged as expense based on the amount of contribution required to be made and when services are rendered by the employees.

(iii) **Defined Benefit Plan**

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

(iv) **Long term employee benefits**

Compensated absences which are not expected to occur within 12 months after the end of period in which the employee rendered the related services are provided for based on actuarial valuation carried out at the end of the financial period using projected unit Credit Method. Past services cost is recognised immediately to the extent that the benefits are already used and otherwise is amortized on straight line base over the average period unit the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognised past service cost, as redeemed by the fair value of scheme assets.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

r) 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 is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

(ii) Excess/short provision of income tax relating to earlier years is disclosed separately in the accounts.

(iii) Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

s) Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

t) Employee Stock Option Scheme ('ESOP')

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The scheme provides that subject to continued employment with the company, employees of the Company are granted an option to acquire equity shares of the company that may be exercised within a specified period. The company follows the intrinsic value method for computing the compensation cost for all options granted which will be amortized over the vesting period. Measurement and disclosure of the employee share-based payment schemes are done in accordance with Securities and Exchange Board of lndia (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India.

The difference between the intrinsic value of the stock option granted and the exercise price, if any, is expensed as "Employee Compensation" over the period of vesting.

u) Leases

Lease arrangements where the significant portion of the risks and rewards of ownership vests with the Lessor are recognised 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.

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value of the leased property and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

v) Operating Cycle

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

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
3	**Share Capital**				
	Authorised				
	55,000,000 (Previous Year 40,000,000) Equity Shares of Rs. 10/- each		**550,000,000.00**		400,000,000.00
	75,000,000 (Previous Year 90,000,000) Preference Shares of Rs. 10/- each		**750,000,000.00**		900,000,000.00
			1,300,000,000.00		1,300,000,000.00
	Issued				
	37,615,287 (Previous Year 31,997,861) Equity Shares of Rs. 10/- each		**376,152,870.00**		319,978,610.00
	25,000,000 (Previous Year Nil) 12.10% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		**250,000,000.00**		-
			626,152,870.00		319,978,610.00
	Subscribed				
	37,615,287 (Previous Year 31,997,861) Equity Shares of Rs. 10/- each		**376,152,870.00**		319,978,610.00
	25,000,000 (Previous Year Nil) 12.10% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		**250,000,000.00**		-
			626,152,870.00		319,978,610.00
	Paid-up				
A	**Equity Share Capital**				
	37,568,787 (Previous Year 31,951,361) Equity Shares of Rs. 10/- each		**375,687,870.00**		319,513,610.00
	Less:- Amount recoverable from Satin Employees Welfare Trust		**(4,493,000.00)**		(4,765,430.00)
	(Face value of 449,300 (Previous Year 476,543) shares allotted to the Satin Employees Welfare Trust)		**371,194,870.00**		314,748,180.00
	Add: Forfeited shares (Amount originally paid on 46,500 equity shares)		**234,500.00**		234,500.00
B	**Preference Shares Capital**				
	25,000,000 (Previous Year Nil) 12.10% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		**250,000,000.00**		-
			621,429,370.00		314,982,680.00
a	**Reconciliation of equity shares of the face value of Rs. 10/- each**	**No.**	**Rs.**	No.	Rs.
	Authorised				
	At the beginning of the accounting period	**40,000,000**	**400,000,000.00**	40,000,000	400,000,000.00
	Additions during the year	**15,000,000**	**150,000,000.00**	-	-
	At the end of the accounting period	**55,000,000**	**550,000,000.00**	40,000,000	400,000,000.00
	Issued				
	At the beginning of the accounting period	**31,997,861**	**319,978,610.00**	29,127,861	291,278,610.00
	Additions/ during the year	**5,617,426**	**56,174,260.00**	2,870,000	28,700,000.00
	At the end of the accounting period	**37,615,287**	**376,152,870.00**	31,997,861	319,978,610.00
	Subscribed				
	At the beginning of the accounting period	**31,997,861**	**319,978,610.00**	25,897,861	258,978,610.00
	Additions during the year	**5,617,426**	**56,174,260.00**	6,100,000	61,000,000.00
	At the end of the accounting period	**37,615,287**	**376,152,870.00**	31,997,861	319,978,610.00

		No.	Rs.	No.	Rs.
	Paid up				
	At the beginning of the accounting period	**31,951,361**	**319,513,610.00**	25,851,361	258,513,610.00
	Additions during the year	**5,617,426**	**56,174,260.00**	6,100,000	61,000,000.00
	At the end of the accounting period	**37,568,787**	**375,687,870.00**	31,951,361	319,513,610.00
	Shares issued to Satin Employees Welfare Trust				
	At the beginning of the accounting period	**476,543**	**4,765,430.00**	499,176	4,991,760.00
	Additions during the year	**-**	**-**	-	-
	Alloted to Employees during the year	**27,243**	**272,430.00**	22,633	226,330.00
	At the end of the accounting period	**449,300**	**4,493,000.00**	476,543	4,765,430.00
b	**Reconciliation of Preference shares of the face value of Rs. 10/- each**				
	Authorised				
	At the beginning of the accounting period	**90,000,000**	**900,000,000.00**	90,000,000	900,000,000.00
	Additions/(Re-classification/Deletions) during the year	**(15,000,000)**	**(150,000,000.00)**	-	-
	At the end of the accounting period	**75,000,000**	**750,000,000.00**	90,000,000	900,000,000.00
	Issued				
	At the beginning of the accounting period	**-**	**-**	60,00,000	60,000,000.00
	Additions/(Deletions) during the year	**25,000,000**	**250,000,000.00**	(6,000,000)	(60,000,000.00)
	At the end of the accounting period	**25,000,000**	**250,000,000.00**	-	-
	Subscribed				
	At the beginning of the accounting period	**-**	**-**	60,00,000	60,000,000.00
	Additions/(Deletions) during the year	**25,000,000**	**250,000,000.00**	(6,000,000)	(60,000,000.00)
	At the end of the accounting period	**25,000,000**	**250,000,000.00**	-	-
	Paid up				
	At the beginning of the accounting period	**-**	**-**	60,00,000	60,000,000.00
	Additions/(Deletions) during the year	**25,000,000**	**250,000,000.00**	(6,000,000)	(60,000,000.00)
	At the end of the accounting period	**25,000,000**	**250,000,000.00**	-	-

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

S.No.	Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
		No. of shares	**Percentage Holding**	No. of shares	Percentage Holding
1	MV Mauritius Limited	**3,485,520**	**9.28%**	3,495,520	10.94%
2	SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd	**3,313,609**	**8.82%**	3,190,000	9.98%
3	NMI Fund III KS	**2,772,304**	**7.38%**	2,657,710	8.32%
4	Parishek Finance Private Limited	**2,150,880**	**5.73%**	2,150,880	6.73%
5	Morgan Stanley Mauritius Company Limited	**1,892,312**	**5.04%**	-	-
6	ShoreCap II Limited	**-**	**-**	3,908,188	12.23%
7	Danish Microfinance Partners K/S	**-**	**-**	2,395,214	7.50%

1. The authorized share capital of the Company was reclassified vide approval of equity shareholders through Annual General Meeting held on July 30, 2016 from Rs. 1,300,000,000/- (Rupees One Hundred and Thirty Crore) divided into 40,000,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 90,000,000 (Nine Crore) Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,300,000,000/- (Rupees One Hundred and Thirty Crore) divided into 55,000,000 (Five Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 75,000,000 (Seven Crore and Fifty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten only) each.

2. **Terms/rights attached to equity shares.**

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

3. **Employee Stock Option Scheme (ESOS)**

Satin Employees Welfare Trust has transferred 225,700 Equity Shares to various employees of the Company. At present, Satin Employees Welfare Trust holds 199,300 equity shares under Satin ESOP 2009 and 100,000 equity shares under Satin ESOP 2010 and 150,000 equity shares under Satin ESOP II 2010 aggregating to 449,300 Equity Shares as on March 31, 2017.

a) **Employee stock option schemes:**

Satin ESOP 2009: 425,000 equity shares of Rs. 10/- each at a premium of Rs. 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. Details of grant and exercise of such options are as follows;

Particular	**Grant – 1 of ESOP 2009**			**Grant – 2 of ESOP 2009**			**Grant – 3 of ESOP 2009**
No. of Option Granted	150,000			98,300			87,900
Date of Grant of Option	12th January 2010			02nd December, 2013			02nd December, 2016
No. of Employee to whom such are Option Granted	2			29			36
No. of Employees who have exercised the option	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	1/3rd of 87,900 shares will be vested each in financial year 2017-18, 2018-19 and 2019-20.
	2	2	2	25	23	23	
No. of Shares transferred to Employees	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	
	50,000	50,000	50,000	25,824	22,633	27,243	

Satin ESOP 2010: 100,000 equity shares of Rs. 10/- each at a premium of Rs. 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010.

Satin ESOP II 2010: 150,000 equity shares of Rs. 10/- each at a premium of Rs. 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011.

b) The Company has provided following share based options to its employees. During the financial year ended March 31, 2017, the following schemes were in operations:

Particulars	ESOP 2009	ESOP 2010	ESOP II 2010
Date of grant	12.01.2010,02.12.2013 and 02.12.2016	Not Granted	Not Granted
Date of Board approval	27.11.2009,12.11.2013 and 09.11.2016	22.06.2010	21.04.2011
Date of Shareholders approval	01.06.2009	26.03.2010	15.12.2010
No. of options granted	336,200 out of 425,000	-	-
Method of settlement	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options
Vesting options	1. The first option was for 150,000 equity shares, out of which: a) First 50,000 options were vested on 12.01.2011 and exercised on the same day by employees. b) Second 50,000 options were vested on 12.01.2012 and exercised on the same day by employees. c) Third 50,000 options were vested on 12.01.2013 and exercised on the same day by employees. 2. The second option was for 98,300 equity shares, of which 11,000 are unvested and balance of 87,300 are vested as follows: a) 29,100 options were vested on 02.12.2014 and 25,824 options were exercised on 01.02.2015. b) 29,100 options were vested on 02.12.2015 and 22,633 options exercised on 01.02.2016 c) 29,100 options were vested on 02.12.2016 and 27,243 options exercised on 01.02.2017.	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 grant 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 grant 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 grant of options
Vesting conditions	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of transfer of shares.	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of transfer of shares	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of transfer of shares.

i) The details of ESOP 2009 are summarized below:

Particulars	As at 31.03.2017		As at 31.03.2016	
	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	226,543	20	249,176	20
Granted during the year	87,900		-	
Forfeited during the year	-		-	
Exercised during the year	27,243		22,633	
Expired/Lapsed during the year	11,167		6,467	
Outstanding at the end of the year	199,300	20	226,543	20
Exercisable at the end of the year	78600	20	29,110	20
Weighted average remaining contractual life (in years) of the option exercisable	1.67	-	0.67	-
Weighted average fair value of the options exercisable	20	20	-	20

ii) The details of ESOP 2010 are summarized below:

Particulars	As at 31.03.2017		As at 31.03.2016	
	ESOP 2010		ESOP 2010	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	100,000	22	100,000	22
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/Lapsed during the year	-	-	-	-
Outstanding at the end of the year	100,000	22	100,000	22
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable	-	-	-	-

iii) The details of ESOP II 2010 are summarized below:

Particulars	As at 31.03.2017		As at 31.03.2016	
	ESOP II 2010		ESOP II 2010	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	150,000	25	150,000	25
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/Lapsed during the year	-	-	-	-
Outstanding at the end of the year	150,000	25	150,000	25
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable	-	-	-	-

iv) The detail of exercise price for stock option at the end of the financial year 2016-2017 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	78,600	1.67	20
ESOP 2009	20/- per option	120,700	Not Applicable	20
ESOP 2010	22/- per option	100,000	Not Applicable	22
ESOP II 2010	25/- per option	150,000	Not Applicable	25

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

i) The Company had nil share-based payment arrangements during the year ended March 31, 2017.

ii) The estimated fair value of each stock option granted in the general employee stock option plan is Rs. 420.75 as on December 02, 2016. This was calculated by applying Black Scholes Model of valuation. The model inputs are as follows.

Inputs	Satin ESOP 2009		
	First Grant	Second Grant	Third Grant
Share Price at grant Date	N.A	N.A	N.A
Exercise price	20	20	20
Expected Volatility	-	-	-
Expected Dividends	-	-	-
Contractual Life (in years)	1.17	2.17	3.17
Risk Free Interest Rate	6.09%	6.04%	6.03%

iii) Other information regarding employee share-based payment plans is as below:

Particular	Year ended 31.03.2017	Year ended 31.03.2016
Expense arising from employee share-based payment plans	Rs.5,203,662.00	Rs.3,780,469.00
Expense arising from share and stock option plans	Nil	Nil
Closing balance of liability for cash stock appreciation plan	Nil	Nil
Expense arising from increase in fair value of liability for cash stock appreciation plan	Nil	Nil

iv) Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. For the current year, Diluted EPS is Rs.7.05 (Refer note 30 (6)).

5. The Company has Rs. 9,936,000.00 (Previous year Rs. 10,480,860.00) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

6. The Company has allotted 1,087,456 (Ten Lakhs Eighty Seven Thousand Four Hundred And Fifty Six Only) equity shares of Rs. 10/- each at an issue price of Rs. 457.82 per share including premium of Rs. 447.82 per share on preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to swap of equity shares of the Company with the shareholders of Taraashna Services Limited, "TSL" (Previously known as Taraashna Services Private Limited) with an intent to make it a subsidiary of the company in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009. Accordingly, as per confirmation received from TSL, 7,977,239 (Seventy Nine Lakhs Seventy Seven Thousand Two Hundred and Thirty Nine only) equity shares were transferred to the Company, constituting 87.83% of the share capital of TSL and therefore becoming the subsidiary of the Company w.e.f. September 01, 2016.

7. The Company vide special resolution as approved by members of the Company in the annual general meeting held on July 30, 2016, came out with offer for Qualified Institutions Placement for an amount upto Rs. 250 Crores to Qualified Institutional Buyers in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009, as amended and in accordance with Chapter VIII of the SEBI ICDR Regulations. The Working Committee of the Board of Directors of the Company at its meeting held on October 3, 2016 approved the allotment of 4,529,970 (Forty Five Lakhs Twenty Nine Thousand Nine Hundred And Seventy Only) Equity Shares of face value of Rs. 10/- each to qualified institutional buyers (QIBs) at the issue price of Rs. 551.88 per Equity Share (including a premium of Rs. 541.88), aggregating to Rs. 249,99,99,843.60 (Rupees Two Hundred Forty Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Eight Hundred and Forty Three and Sixty Paise Only).

8. During the year, the Company has allotted 25,000,000, 12.10% Rated, Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of Rs.10/- each fully paid-up for cash at an issue price of Rs. 10/- vide board resolution passed on June 10, 2016 in accordance with the provisions of Section 42, 55 and 62 of the Companies Act, 2013 read with Rules made thereunder of The Companies (Share Capital and Debentures) Rules, 2014.

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
4	**Reserves & Surplus**				
	Capital Redemption Reserve				
	At the beginning of the accounting period	27,700,000.00		-	
	Additions / (Deductions) during the year	-		27,700,000.00	
	At the end of the accounting period		27,700,000.00		27,700,000.00
	Securities Premium Reserve				
	At the beginning of the accounting period	1,791,381,470.00		1,084,895,989.00	
	Additions during the year	2,943,150,090.52		734,606,502.00	
	Less: Share / Debenture issue expenses	132,015,058.00		28,121,021.00	
		4,602,516,502.52		1,791,381,470.00	
	Less: Amount recoverable from Satin Employees Welfare Trust	5,443,000.00		5,715,430.00	
	At the end of the accounting period		4,597,073,502.52		1,785,666,040.00
	Share Options Outstanding Account				
	At the beginning of the accounting period	1,173,967.00		-	
	Additions / (Deductions) during the year	3,638,373.00		1,173,967.00	
	At the end of the accounting period		4,812,340.00		1,173,967.00
	Exchange Fluctuation Reserve				
	At the beginning of the accounting period	(29,429,000.00)		7,992,000.00	
	Additions / (Deductions) during the year	15,546,583.32		(37,421,000.00)	
	At the end of the accounting period		(13,882,416.68)		(29,429,000.00)
	Statutory Reserve Fund				
	At the beginning of the accounting period	237,167,806.00		121,286,776.00	
	Additions during the year	48,998,410.00		115,881,030.00	
	At the end of the accounting period		286,166,216.00		237,167,806.00
	General Reserves				
	At the beginning of the accounting period	2,893,628.89		2,893,628.89	
	Additions / (Deductions) during the year	99,888.00		-	
	At the end of the accounting period		2,993,516.89		2,893,628.89
	Surplus in Statement of Profit & Loss				
	At the beginning of the accounting period	899,905,057.75		469,964,823.38	
	Additions during the year	244,992,050.45		579,405,151.37	
	Less: Transfer to Statutory Reserve Fund	48,998,410.00		115,881,030.00	
	Less: Dividend Paid -Preference Share Capital	-		4,888,669.00	
	Less: Dividend Distribution Tax	-		995,218.00	
	Less: Capital Redemption Reserve	-		27,700,000.00	
	At the end of the accounting period		1,095,898,698.20		899,905,057.75
			6,000,761,856.93		2,925,077,499.64

1. During the year, there has been an addition of Rs. 2,943,150,090.52 in the share premium reserve on account of the following:

   a) Issue of 1,087,456 equity shares to TSL at a premium of Rs.447.82.

   b) Issue of 4,529,970 equity shares to QIB at a premium of Rs.541.88.

   c) Exercise of 27,243 equity shares under ESOP Scheme at a premium of Rs.53.79.

2. During the year, the Company utilized a sum of Rs. 132,015,058.00 (Previous year Rs.28,121,021.00) from Securities Premium Reserve towards writing off incidental expenditure pertaining to raising share capital and non-convertibledebenture as per the provisions of Section 52 of the Companies Act, 2013.

3. The Company has Rs. 9,936,000.00(Previous year Rs. 10,480,860.00) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

4. There is an addition of Rs.99,888.00 in general reserve on account of 1,857 equity shares not exercised by employees under ESOP Scheme during the year.

5. Pursuant to the provision of section 45 (IC) of Reserve Bank of India Act, 1934, the Company has transferred Rs. 48,998,410.00 (Previous Year Rs.115,881,030.00) towards Statutory Reserve Fund.

6. During the financial year 2014-15, the Company has borrowed 10 million US Dollars from World Business Capital Inc for the period of eight years for the purpose of working capital as the External Commercial Borrowings (ECB) under the automatic route of the Reserve Bank of India. The repayment of principal and interest of the ECB is hedged against the foreign currency fluctuations as the Company has contracted the risk fluctuation with a commercial bank at a predetermined rate to settle the foreign exchange liability. The details of ECB as on March 31, 2017 is as follows:

Movement in Loan amount during the Year	**Amount (Rs. in Lacs)**
Outstanding as on 01 April 2016	6,633.29
Amount Borrowed	-
Amount Repaid	264.12
Exchange Gain/(Loss)	155.47
Outstanding as on 31st March 2017	**6,213.70**

At the year end, the Company as per the fair accounting practice and financial prudence has created a foreign exchange fluctuation reserve to reflect the difference in value of outstanding loan at the Balance Sheet date. This foreign exchange fluctuation reserve will be finally settled at the time of full and final settlement of ECB loan by the Company. The interest payment on this ECB loan is accounted for at the predetermined rate and out of which the payment is made to the borrower by the commercial bank as per contract and the total amount is charged to the statement of profit and loss as a part of interest cost.

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
5 A	**Long term borrowings** **Secured Loans** **(a) Non Convertible Debentures** (i) 680 (Previous Year Nil),@13.25% Secured, Rated, Redeemable, Listed Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 680,000,000 redeemable on June 15, 2025. The date of allotment is June 15, 2016. (First ranking exclusive charge of microfinance with a cover of 1 time of principal)	**680,000,000.00**		-	
	(ii) 250 (Previous Year Nill),@13.35% Secured,Rated, Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/- each for a total nominal value of Rs. 250,000,000/- redeemable on November 30, 2020. The date of allotment is November 03, 2016 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**250,000,000.00**		-	
	(iii) 200 (Previous Year: 200),@14.70% Secured, Listed, Redeemable Non-Convertible Debentures of Rs. 2,500,000/- each redeemable at par on June 15, 2020, subject to Call/Put Option. The date of allotment is July 15, 2014. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-		500,000,000.00	
	(iv) 20 (Previous Year 20),@14.50 % Secured, Senior Rated, Redeemable, Non- Convertible Debentures bearing a face value of Rs. 1,000,000/- each ("Debentures"), aggregating upto Rs. 20,000,000/- , redeemable on May 8, 2020. The date of allotment is May 08, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	**20,000,000.00**		20,000,000.00	
	(v) 515 (Previous Year: 515),@14.37% Secured, Listed, Redeemable Non-Convertible Debentures of Rs. 1,000,000/- each redeemable at par on November 13, 2019 , subject to Call/Put Option. The date of allotment is September 26, 2014. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-		515,000,000.00	
	(vi) 250 (Previous Year Nil),@12.00% Secured, Rated, Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/-each for a total nominal value of Rs. 250,000,000/-redeemable on November 11, 2019. The date of allotment is November 11, 2016 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**250,000,000.00**		-	

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
	(vii) 72 (Previous Year: 72),@14.70% Secured, Listed, Redeemable, Non-Convertible Debentures of Rs. 2,500,000/- each redeemable at par on September 27, 2019 , subject to Call/Put Option. The date of allotment is September 27, 2013 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**180,000,000.00**		-	
	(viii) 270 (Previous Year 270),@13.75 % Rated, Listed, Secured, Redeemable, Transferable, Taxable Non-Convertible Debentures each having a face value of Rs. 1,000,000/- up to the aggregate nominal value of Rs. 270,000,000/- , redeemable on July 30, 2019. The date of allotment is July 31, 2015 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**270,000,000.00**		270,000,000.00	
	(ix) 200 (Previous Year Nil),@ 12.50% Secured, Rated, Redeemable, Unlisted Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 200,000,000 redeemable on June 30, 2019. The date of allotment is June 30, 2016. (Secured by way of first exclusive charges over specific receivables)	**200,000,000.00**		-	
	(x) 125 (Previous Year 125),@14.30% Secured, Rated, Redeemable, Listed Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 125,000,000 redeemable on March 28, 2019. The date of allotment is March 29, 2016. (Payment obligations under the Transaction Documents rank at least pari passu with the claims of all of its other secured creditors, except for obligations mandatorily preferred by law applying to Companies generally)	**125,000,000.00**		125,000,000.00	
	(xi) 4,644 (Previous Year 4,644) ,@14.00% Rated, Listed, Secured, Senior, Redeemable, Non- Convertible Debentures bearing a face value of Rs.100,000/- each, aggregating upto rs. 464,400,000/- redeemable on january 13, 2019. the date of allotment is december 22, 2015. (First ranking exclusive charge by way of hypothecation of receivables with 100% cover)	**464,400,000.00**		464,400,000.00	
	(xii) 200 (Previous Year Nil), @ 12.50% Secured, Rated, Redeemable, Unlisted, Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 200,000,000 redeemable on December 31, 2018. The date of allotment is June 30, 2016. (Secured by way of first exclusive charges over specific receivables)	**200,000,000.00**		-	

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	**Rs.**	Rs.	Rs.
	(xiii) 260 (Previous Year Nill),@11.00% Secured, Rated, Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/-each for a total nominal value of Rs. 260,000,000/- redeemable on October 03, 2018,payable monthly. The date of allotment is October 03, 2016 (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)	**65,000,000.00**		-	
	(xiv) 500 (Previous Year 500),@14.65% Rated, Listed, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures each having a face value of Rs. 1,000,000/- up to the aggregate nominal value of Rs. 500,000,000/- redeemable on September 24, 2018. The date of allotment is September 24, 2015 (The loan will be secured by a pledge on class a loan portfolio covering 100% of the loan amount to be hypothecated to security Trustee)	**500,000,000.00**		500,000,000.00	
	(xv) 75 (Series-2) (Previous Year: 75),@14.10% (Previous Year 14.25%) Secured, Listed, Redeemable, Non - Convertible Debentures of Rs. 2,500,000/- 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)	**187,500,000.00**		187,500,000.00	
	(xvi) 200 (Previous Year Nil), @ 12.50% Secured, Rated, Redeemable, Unlisted Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 200,000,000 redeemable on June 30, 2018. The date of allotment is June 30, 2016. (Secured by way of first exclusive charges over specific receivables)	**200,000,000.00**		-	
	(xvii) 300 (Previous Year 300),@12.30% Secured Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/- each for a total nominal value of Rs. 300,000,000/- redeemable on August 26, 2017,payable monthly. The date of allotment is August 26, 2015 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 110% of outstanding, present & future including all revenue therefrom)	-		62,500,200.00	
			3,591,900,000.00		2,644,400,200.00
	(b) Term Loan **From Banks**				
	For Working Capital	**6,932,861,674.65**		5,772,704,684.67	
	For Purchase of Fixed Assets	**6,035,092.90**		8,590,343.16	
			6,938,896,767.55		5,781,295,027.83

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
	From Others				
	For Working Capital	**5,541,859,829.42**		2,620,585,681.05	
	For Purchase of Fixed Assets	**-**		186,192.00	
			5,541,859,829.42		2,620,771,873.05
	(c) External Commercial Borrowings				
	For Working Capital		**333,648,629.34**		413,198,689.79
B	**Unsecured Loans**				
	(a) Non Convertible Debentures				
	(i)100 (Previous Year Nil),@15.00% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1000,000/- each, aggregating Rs. 100,000,000/-, redeemable on June 30, 2023. The date of allotment is June 29, 2016.	**100,000,000.00**		-	
	(ii)350 (Previous Year Nil),@13.85% Unrated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 350,000,000/- , redeemable on April 30, 2023. The date of allotment is March 29, 2017.	**350,000,000.00**		-	
	(iii)100 (Previous Year Nil),@13.00% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1000,000/- each, aggregating Rs. 100,000,000/-, redeemable on March 31, 2023. The date of allotment is June 29, 2016.	**100,000,000.00**		-	
	(iv)100 (Previous Year Nil),@13.00% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 100,000,000/- , redeemable on December 31, 2022. The date of allotment is June 29, 2016.	**100,000,000.00**		-	
	(v)100 (Previous Year Nil),@13.00% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1000,000/- each, aggregating Rs. 100,000,000/- , redeemable on September 30, 2022. The date of allotment is June 29, 2016.	**100,000,000.00**		-	
	(vi)100 (Previous Year Nil),@13.00%. Rated, Unsecured, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 100,000,000/- redeemable on September 28, 2022. The date of allotment is June 28, 2016.	**100,000,000.00**		-	
	(vii)250 (Previous Year 250),@15.50% Rated, Unsecured, Subordinated, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 250,000,000 /-redeemable on April 15, 2022. The date of allotment is December 30, 2015.	**250,000,000.00**		250,000,000.00	
	(viii)2,628 (Previous Year 2,628),@14.15% Rated, Unsecured, Listed, Senior, Redeemable, Taxable, Transferable, Non-convertible Debentures of face value of Rs.100,000 /- each, at par, aggregating up to Rs. 262,800,000/- redeemable on September 15, 2021. The date of allotment is October 05, 2015.	**262,800,000.00**		262,800,000.00	

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	**Rs.**	Rs.	Rs.
	(ix)250 (Previous Year 250),SBI Base Rate + 6.15% i.e.15.85%, Rated, Redeemable, Listed, Unsecured, Taxable, Non-Convertible Debentures of Rs. 1,000,000/- each for a total nominal value of Rs. 250,000,000.00/- redeemable on June 30, 2021. The date of allotment is June 30, 2015.	**250,000,000.00**		250,000,000.00	
	(x)130 (Previous Year: 130),@17.75% Unsecured, Unlisted, Redeemable Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on December 18, 2020 . The date of allotment is March 31, 2015.	**130,000,000.00**		130,000,000.00	
	(xi)250 (Previous Year Nil),@13.50% Rated, Unsecured, Listed, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000 each, aggregating Rs. 250,000,000/ - redeemable on November 30, 2020. The date of allotment is November 04, 2016.	**250,000,000.00**		-	
	(xii)150 (Previous Year: 150),@16.90% Unsecured, Listed, Redeemable Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on September 20, 2020. The date of allotment is March 20, 2015.	**150,000,000.00**		150,000,000.00	
	(xiii)150 (Previous Year Nil),@12.25% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000 each, aggregating Rs. 150,000,000 /- redeemable on December 09, 2019. The date of allotment is December 26, 2016.	**150,000,000.00**		-	
	(xiv) 84 (Previous Year: 84),@18.00% Unsecured, Listed, Redeemable Non - Convertible Debentures of Rs. 2,500,000/- each redeemable at par on October 16, 2019. The date of allotment is July 15, 2014.	**210,000,000.00**		210,000,000.00	
	(xv)67,489 (Previous Year Nil),@13.00% Rated, Unsecured, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of Rs. 5,000/- each, aggregating Rs. 337,445,000 /-redeemable on May 28, 2019. The date of allotment is May 27, 2016.	**337,445,000.00**		-	
	(xvi)125 (Previous Year Nil),@14.30% Rated, Unsecured, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 125,000,000/-redeemable on April 4, 2019. The date of allotment is April 05, 2016.	**125,000,000.00**		-	
	(b)Term Loan		**2,965,245,000.00**		1,252,800,000.00
	From Others				
	For Working Capital		**650,000,001.00**		400,000,000.00
	(c) External Commercial Borrowings				
	For Working Capital		**179,656,954.32**		222,491,602.29
	Total Long Term Borrowings		**20,201,207,181.63**		13,334,957,392.96

1. As per the terms of issue regarding the Secured Redeemable, Non-Convertible Debentures, the security offered by the Company is the hypothecation of present and future receivable equivalent to the outstanding amount against each series of Non-Convertible Debenture. The above mentioned Non-Convertible Debentures are freely tradable and listed on the BSE Limited.

2. For ECB refer Note No.4 (6).

3. For Term loans refer Note No. 9 (1).

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	**Rs.**	Rs.	Rs.
6	**Long-Term provisions**				
	Provision for Leave Encashment		**51,098,578.00**		19,753,116.00
	Provision for Gratuity		**26,500,717.00**		9,106,260.00
			77,599,295.00		28,859,376.00

1. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2015, are given below:

(i) Provident fund

Defined Contribution Plan

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

	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Employer's Contribution to Provident Fund	**34,145,778.00**	16,740,706.00
Employer's Contribution to Superannuation Fund	**Nil**	Nil
Employer's Contribution to Pension Scheme	**41,839,324.00**	22,205,419.00

(ii) Gratuity

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

Details of provision for gratuity: **(Amount in Rs.)**

Particulars	**Current Year**	Previous Year
Defined benefit obligation	**59,171,350.00**	33,724,059.00
Fair value of plan assets	**(23,649,554.00)**	(24,617,799.00)
Plan Liability	**35,521,796.00**	9,106,260.00

Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Opening defined benefit obligation	**33,724,059.00**	17,272,407.00
Interest cost	**2,220,728.00**	1,339,910.00
Current service cost	**20,792,155.00**	12,077,039.00
Benefits paid	**(6,606,260.00)**	(623,043.00)
Actuarial (gains)/losses on obligation	**9,040,668.00**	3,657,746.00
Closing defined benefit obligation	**59,171,350.00**	33,724,059.00

Changes in the fair value of plan assets are as follows:

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Opening fair value of plan assets	**24,617,799.00**	14,164,696.00
Expected Return	**1,782,901.00**	1,583,974.00
Contribution by employer	**2,500,000.00**	9,519,828.00
Benefits paid	**(5,486,547.00)**	(623,043.00)
Actuarial gains/(losses)	**235,401.00**	(27,656.00)
Closing fair value of plan assets	**23,649,554.00**	24,617,799.00

(iii) Leave Encashment

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

The detail of the same is as under:

		Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
	Leave Encashment (Unfunded)		
a)	Reconciliation of opening and closing balances of Defined Benefit Obligation		
	Defined Benefit obligation at beginning of the year	**19,753,116.00**	10,938,607.00
	Current Service Cost	**36,538,664.00**	12,034,716.00
	Interest Cost	**1,426,040.00**	859,962.00
	Actuarial (gain)/loss	**(6,182,589.00)**	(3,974,150.00)
	Benefits paid	**(436,653.00)**	(106,019.00)
	Defined Benefit obligation at year end-long term	**51,098,578.00**	19,753,116.00
	Defined Benefit obligation at year end-short term	**5,417,505.00**	3,389,705.00
b)	Reconciliation of opening and closing balances of fair value of plan assets		
	Fair value of plan assets at the beginning of the year	**-**	-
	Expected return on plan assets	**-**	-
	Actuarial gain/(loss)	**-**	-
	Employer contribution	**-**	-
	Benefits Paid	**(436,653.00)**	(106,019.00)
	Fair value of plan assets at year end	**-**	-
	Actual return on plan assets	**-**	-
c)	Reconciliation of fair value of assets and obligations		
	Fair Value of plan assets at year end	**-**	-
	Present value of obligation at year end	**56,516,083.00**	23,142,821.00
	Amount recognised in Balance Sheet	**56,516,083.00**	23,142,821.00
d)	Expenses recognised during the year (Under the head "Payments to and Provisions for Employees)		
	Current Service Cost	**20,792,155.00**	12,034,716.00
	Interest Cost	**2,220,728.00**	859,962.00
	Expected return on plan assets	**(1,831,116.00)**	-
	Actuarial (gain)/loss	**8,853,484.00**	(3,974,150.00)
	Net Cost-long term liability	**30,035,251.00**	8,920,528.00
	Net Cost-short term liability	**2,027,800.00**	2,063,648.00
e)	Actuarial assumptions		
	Mortality Table (L.I.C/IAL)	**IAL 2006-08 (Ultimate)**	IAL 2006-08 (Ultimate)
	Discount Rate (per annum)	**7.30%**	7.90%
	Expected rate of return on plan assets (per annum)	**-**	-
	Rate of escalation in salary (per annum)	**10.00%**	3.00%

The estimates rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
7	**Short Term Borrowings**				
	Secured Loans				
A	**Term Loan**				
	From Banks				
	For Working Capital	650,000,000.00		445,000,000.00	
			650,000,000.00		445,000,000.00
B	**Overdraft Facility against Fixed Deposits**				
	From Banks		65,777,780.03		518,465,606.88
			715,777,780.03		963,465,606.88
	Unsecured				
C	**Commercial Paper**				
	Commercial Paper	1,000,000,000.00		500,000,000.00	
	Less:Unamortised discount	40,202,927.38		16,364,576.92	
			959,797,072.62		483,635,423.08
	Total Short Term Borrowings		1,675,574,852.65		1,447,101,029.96

1. During the financial year, the Company has issued four Commercial Paper of face value of Rs. 500,000,000.00 each amounting to Rs. 20,00,000,000.00 (Previous Year 500,000,000.00), of which two are outstanding as on March 31, 2017.The discount on issue of commercial paper is amortised over the tenure of the instrument.

2. For Term loan refer Note No.9(1).

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
8	**Trade Payable**				
	Total outstanding dues of micro enterprises and small enterprises		-		-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		92,394,068.00		130,774,764.00
			92,394,068.00		130,774,764.00

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 March 31, 2017 (Previous year Rs.Nil).

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
9 A	**Other Current Liabilities** **Current Maturity of Non Convertible Debentures-Secured**				
	(i) 515 (Previous Year: 515),@14.37% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 1000,000/- each redeemable at par on November 13, 2019, subject to Call/Put Option . The date of allotment is September 26, 2014. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**515,000,000.00**		-	
	(ii) 200 (Previous Year: 200),@14.70% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 2,500,000/- each redeemable at par on June 15, 2020, subject to Call/Put Option . The date of allotment is July 15, 2014. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**500,000,000.00**		-	
	(iii)72 (Previous Year: 72),@14.70% Secured, Listed, Redeemable, Non - Convertible Debentures of Rs. 2,500,000/- each redeemable at par on September 27, 2019, subject to Call/Put Option .The date of allotment is September 27, 2013 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-		180,000,000.00	
	(iv) 260 (Previous Year Nill),@11.00% Secured, Rated, Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/-each for a total nominal value of Rs. 260,000,000/- redeemable on October 03, 2018,payable monthly. The date of allotment is October 03, 2016 (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)	**130,000,000.00**		-	
	(v) 300 (Previous Year 300),@12.30% Secured, Listed, Redeemable, Non-Convertible Debentures of Rs. 1000,000/-each for a total nominal value of Rs. 300,000,000/-redeemable on August 26, 2017,payable monthly. The date of allotment is August 26, 2015 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**62,500,200.00**		150,000,000.00	
	(vi) Nil (Previous Year: 200),@12.55% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on January 28, 2017. The date of allotment is July 31, 2014. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-		66,666,000.00	

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
	(vii) Nil (Previous Year: 140),@13.50% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on periodical basis & the final redemption on December 02, 2016. The date of allotment is December 02, 2014 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-		46,666,760.00	
	(viii) Nil (Previous Year: 250),@14.60% Secured, Listed, Redeemable, Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on December 18, 2016. The date of allotment is December 18, 2012. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-		250,000,000.00	
	(ix) Nil (Previous Year: 150),@13.25% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on September 16, 2016 . The date of allotment is September 16, 2014 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-		37,500,000.00	
	(x) Nil (Previous Year: 89),@13.00% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on July 28, 2016. The date of allotment is July 30, 2014. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	-		14,833,363.00	
			1,207,500,200.00		745,666,123.00
B	**Current Maturity of long term borrowings-Secured from Banks**				
	For Working Capital	**10,575,981,018.41**		9,223,229,005.93	
	For Purchase of Fixed Assets	**1,816,057.48**		2,084,742.02	
			10,577,797,075.89		9,225,313,747.95
C	**Current Maturity of long term borrowings-Secured from Others**				
	For Working Capital	**4,783,210,968.18**		2,701,282,121.51	
	For Purchase of Fixed Assets	**186,192.00**		1,208,777.69	
			4,783,397,160.18		2,702,490,899.20
D	**External Commercial Borrowings**				
	For Working Capital		**70,241,816.71**		17,965,160.21

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
E	**External Commercial Borrowings-Unsecured Loan** For Working Capital		**37,822,516.71**		9,673,547.71
F	**Expenses Payable**		**66,802,544.33**		103,506,577.64
G	**Payable Towards Assignment/Securitisation Transactions**		**1,060,615,864.00**		1,586,947,389.00
H	**Security Deposit-Rent**		**33,775.00**		33,775.00
I	**Interest Strip Retained on Securitisation of Receivables**		**-**		5,536,671.00
J	**Interest accrued but not due on loans**		**151,239,810.89**		64,820,418.97
K	**Interest accrued but not due on Debentures**		**188,257,614.00**		100,551,750.00
L	**Statutory Liabilities Payable**		**48,292,287.71**		59,147,147.33
			18,192,000,665.42		14,621,653,207.01

1. The Company has availed term loans and overdraft facility from various banks and other institutions and has issued Non-Convertible Debentures for its lending operations as per details below:

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Long Term Non-Convertible Debentures-Secured	**3,591,900,000.00**	2,644,400,200.00
Long Term from Banks - Secured	**6,932,861,674.65**	5,772,704,684.67
Long Term from Others - Secured	**5,541,859,829.42**	2,620,585,681.05
Long Term from Others - Secured (External Commercial Borrowings)	**333,648,629.34**	413,198,689.79
Long Term from Others - Unsecured (External Commercial Borrowings)	**179,656,954.32**	222,491,602.29
Long Term Non-Convertible Debentures-Unsecured	**2,965,245,000.00**	1,252,800,000.00
Long Term from Others - Unsecured	**650,000,001.00**	400,000,000.00
Short Term from Banks - Secured	**650,000,000.00**	445,000,000.00
Short Term from Others - Unsecured (Commercial Paper)	**959,797,072.62**	483,635,423.08
Current Maturity of Non-Convertible Debentures-Secured	**1,207,500,200.00**	745,666,123.00
Current Maturity of long term debts for lending from Banks - Secured	**10,575,981,018.41**	9,223,229,005.93
Current Maturity of long term debts for lending from Others - Secured	**4,783,210,968.18**	2,701,282,121.51
Current Maturity of long term debts for lending from Others - Secured (External Commercial Borrowings)	**70,241,816.71**	17,965,160.21
Current Maturity of long term debts for lending from Others - Unsecured (External Commercial Borrowings)	**37,822,516.71**	9,673,547.71
Overdraft Facility against Fixed Deposit from banks	**65,777,780.03**	518,465,606.88
Total (A)	**38,545,503,461.39**	27,471,097,846.12

Apart from the above, the following term loans have been availed for purchase of fixed assets from banks and other lenders.

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Long Term from Banks - Secured	**6,035,092.90**	8,590,343.16
Long Term from Others - Secured	**-**	186,192.00
Current Maturity of long term borrowings from Banks - Secured	**1,816,057.48**	2,084,742.02
Current Maturity of long term borrowings from Others - Secured	**186,192.00**	1,208,777.69
Total (B)	**8,037,342.38**	12,070,054.87
Total (A+B)	**38,553,540,803.77**	27,483,167,900.99

The above are repayable/redeemed on periodic instalments of principal and interest. The sanctioned tenure of the loans outstanding as at March 31, 2017 varies from 6 months to 96 months. For the secured loans, the Company has offered security by way of hypothecation of portfolio loans arising out of its business operations generated from the respective loans and cash collateral in the form of fixed deposits. Out of above, an amount of Rs. 125,929.54 Lacs (Previous Year Rs. 133,995.96 Lacs) have been guaranteed by two of the Directors of the Company in their personal capacity

2. Statutory liabilities include amount payable towards Income Tax, Service Tax, Provident Fund, Professional Tax, Employees State Insurance etc.

3. There has been no delay / default in repayment of dues including principal and interest in respect of any borrowings.

4. For ECB refer Note No.4 (6).

Note No.	**Particulars**	**As at 31.03.2017**		As at 31.03.2016	
		Rs.	**Rs.**	Rs.	Rs.
10	**Short - Term Provision**				
	Provision for Leave encashment		**5,417,505.00**		3,389,705.00
	Provision for Gratuity		**9,021,079.00**		-
	Provision for Non Performing Assets and Contingent provisions against Standard Assets		**608,553,512.33**		227,472,401.54
			622,992,096.33		230,862,106.54

1. For Provision for Leave Encashment and Gratuity refer Note No.6.

2. The provisioning norms of the Company during the year has been changed from higher of a) 1% of the outstanding loan portfolio excluding securitization to 1.75% of the outstanding loan portfolio including securitization or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more. As a result, the impact of the percentage change from 1% to 1.75% on the changed portfolio by including securitisation is Rs. 259,875,990.74. There has been a further increase in the provision by Rs. 30,587,352.42 due to the inclusion of securitised portfolio at 1%. Hence, the total effect in the statement of profit and loss account is Rs. 380,437,684.78 on standard and non-performing assets during the year.

   The Company complies with the prudential norms of the Reserve Bank of India (RBI) with respect to income recognition, asset classification and provisioning. As per notification no. **DNBR (PD) CC.No.047/03.10.119/2015-16** dated July 1, 2015 updated as on April 20, 2016 issued by Reserve Bank of India, provision of higher of 1% of the outstanding portfolio as at March 31, 2017 or 50% of the aggregate loan instalments which are overdue for 90 days and more and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more has to be maintained.

   The provision made by the Company as on March 31, 2017 stands at Rs. 608,553,512.33 (Previous year Rs. 227,472,401.54) towards provision for non-performing assets and contingent provision against standard assets. This includes an amount of Rs.542,529,998.73(Previous year Rs.206,256,941.92) as Contingent provision against standard assets.

3. Due to demonetization, RBI vide its notification no. **DBR.No.BP.BC.37/21.04.048/2016-17** dated November 21, 2016 has provided an additional 60 days for recognition of a loan account as substandard and this applies to all dues payable between November 1, 2016 and December 31, 2016. Further, an additional 30 days was provided in addition to 60 days and also to defer the down grade of an account that was standard as on November 1, 2016, but would have become NPA for any reason during the period November 1, 2016 to December 31, 2016, by 90 days from the date of such downgrade vide its notification **DBR.No.BP.BC.49/21.04.048/2016-17** dated December 28, 2016.

   Accordingly, the accounts aggregating to Rs.3,928,935,110.19 which would have become non-performing assets, due to demonetization impact over repayments by micro and SME borrowers, during the stated period have been classified as standard assets as on March 31, 2017.

Note No. 11
Tangible Assets - Property, plant and equipments

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As At 01.04.2016	**Addition/ Adj.**	**Sale / Adj.**	**As At 31.03.2017**	**As At 01.04.2016**	**For The Year**	**Adj./Written Back**	**As At 31.03.2017**	**WDV On 31.03.2017**	WDV On 31.03.2016
Land	-	151,837,218.00	-	151,837,218.00	-	-	-	-	151,837,218.00	-
Buildings	70,963,228.28	-	1,751,057.28	69,212,171.00	12,200,832.28	2,821,083.00	848,998.08	14,172,917.20	55,039,253.80	58,762,396.00
Plant & Equipment	45,163,897.22	52,948,243.06	57,660.00	98,054,480.28	29,023,830.84	18,264,978.00	36,957.00	47,251,851.84	50,802,628.44	16,140,066.38
Office Equipment	17,982,988.59	16,083,573.46	2,137,464.00	31,929,098.05	10,083,447.15	6,230,658.00	1,631,310.45	14,682,794.70	17,246,303.35	7,899,541.44
Vehicles	15,128,278.00	-	3,389,070.00	11,739,208.00	7,207,963.58	2,429,596.00	1,839,931.00	7,797,628.58	3,941,579.42	7,920,314.42
Furniture & Fixtures	44,051,043.98	47,793,506.03	3,957,211.00	87,887,339.01	16,231,232.33	10,369,601.00	2,841,101.50	23,759,731.83	64,127,607.18	27,819,811.65
Total	**193,289,436.07**	**268,662,540.55**	**11,292,462.28**	**450,659,514.34**	**74,747,306.18**	**40,115,916.00**	**7,198,298.03**	**107,664,924.15**	**342,994,590.19**	**118,542,129.89**
Previous Year	108,230,386.07	85,537,664.00	478,614.00	193,289,436.07	53,132,634.70	22,038,675.00	424,003.52	74,747,306.18	118,542,129.89	

Note No. 12
Intangible Assets

(Amount in Rs.)

Particulars	Gross Block				Amortization				Net Block	
	As At 01.04.2016	**Addition/ Adj.**	**Sale / Adj.**	**As At 31.03.2017**	**As At 01.04.2016**	**For The Year**	**Adj./Written Back**	**As At 31.03.2017**	**WDV On 31.03.2017**	WDV On 31.03.2016
Computer Software	33,024,635.00	28,503,538.00	-	61,528,173.00	10,801,199.60	16,167,223.00	-	26,968,422.60	34,559,750.40	22,223,435.40
Total	**33,024,635.00**	**28,503,538.00**	**-**	**61,528,173.00**	**10,801,199.60**	**16,167,223.00**	**-**	**26,968,422.60**	**34,559,750.40**	**22,223,435.40**
Previous Year	9,540,183.00	23,484,452.00	-	33,024,635.00	4,017,523.60	6,783,676.00	-	10,801,199.60	22,223,435.40	

Note No. 13
Capital Work-In-Progress

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As At 01.04.2016	**Addition/ Adj.**	**Sale / Adj.**	**As At 31.03.2017**	**As At 01.04.2016**	**For The Year**	**Adj./Written Back**	**As At 31.03.2017**	**WDV On 31.03.2017**	WDV On 31.03.2016
Capital Work in Progress	72,134,893.00	25,634,897.00	-	97,769,790.00	-	-	-	-	97,769,790.00	72,134,893.00
Total	**72,134,893.00**	**25,634,897.00**	**-**	**97,769,790.00**	**-**	**-**	**-**	**-**	**97,769,790.00**	**72,134,893.00**
Previous Year	83,579,278.00	28,567,786.00	40,012,171.00	72,134,893.00	-	-	-	-	72,134,893.00	

Note No. 14
Intangible Assets under development

(Amount in Rs.)

Particulars	Gross Block				Amortization				Net Block	
	As At 01.04.2016	**Addition/ Adj.**	**Sale / Adj.**	**As At 31.03.2017**	**As At 01.04.2016**	**For The Year**	**Adj./Written Back**	**As At 31.03.2017**	**WDV On 31.03.2017**	WDV On 31.03.2016
Assets under development	-	24,056,409.00	-	24,056,409.00	-	-	-	-	24,056,409.00	-
Total	**-**	**24,056,409.00**	**-**	**24,056,409.00**	**-**	**-**	**-**	**-**	**24,056,409.00**	**-**
Previous Year	-	-	-	-	-	-	-	-	-	

Notes:

1. Capital Work in Progress represents fixed assets – office flat under construction. Details of Capital commitment as per notes 30(1).
2. Intangible Assets under Development represents computer software, which will be ready for use in the financial year 2017-18.
3. Buildings acquired under amalgamation continue in the name of Satin Intellicomm Limited.

Note No.	Particulars	Face Value	No. of Units/ Shares 31.03.2017	As at 31.03.2017 Rs.	No. of Units/ Shares 31.03.2016	As at 31.03.2016 Rs.
15	**Non Current Investments-Non Trade-At Cost**					
	I Unquoted - Equity Shares					
	Taraashna Services Ltd	10	**7,977,239**	**497,859,485.99**	-	-
	Alpha Micro Finance Consultants Private Limited	10	**50,000**	**500,000.00**	50,000	500,000.00
	Total (A)			**498,359,485.99**		500,000.00
	II Unquoted - Others					
	Government of India, Inscribed stock -6.17%	100	**500**	**50,591.33**	500	50,591.33
	Total (B)			**50,591.33**		50,591.33
	Grand Total			**498,410,077.32**		550,591.33

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			
16	**Deferred Tax Assets/(Liabilities)/Timing difference on account of**	As at 31.03.2016	**(Liability)/Assets Movements during the year**	**As at 31.03.2017**
	Depreciation	(1,663,879.75)	(76,942.91)	**(1,740,822.66)**
	Provisions created but not claimed in Income Tax	89,144,864.58	139,446,234.23	**228,591,098.81**
	Total Deferred Tax Assets	87,480,984.83	139,369,291.32	**226,850,276.15**

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 recognised.

Note No.	Particulars	**As at 31.03.2017**		As at 31.03.2016	
		Rs.	**Rs.**	Rs.	Rs.
17	**Long Term Loans & Advances**				
	Portfolio Loans				
	Unsecured, considered good	**8,111,521,795.01**		5,336,170,928.69	
	Unsecured, considered doubtful	**45,410,535.03**		9,987,630.91	
			8,156,932,330.04		5,346,158,559.60
	Security Deposits - Unsecured		**15,274,982.00**		8,744,075.00
	Unamortised cost of borrowings		**54,000,237.71**		64,703,789.04
			8,226,207,549.75		5,419,606,423.64

1. The Company has re-classified its portfolio assets by deferring the classification of an existing standard asset as substandard as per RBI vide its notification no. **DBR.No.BP.BC.37/21.04.048/2016-17** dated November 21, 2016 providing an additional 60 days for recognition of a loan account as substandard and this applies to all dues payable between November 1, 2016 and December 31, 2016. Further, an additional 30 days was provided in addition to 60 days and also to defer the down grade of an account that was standard as on November 1, 2016, but would have become NPA for any reason during the period November 1, 2016 to December 31, 2016, by 90 days from the date of such downgrade vide its notification **DBR.No.BP.BC.49/21.04.048/2016-17** dated December 28, 2016

Accordingly, the accounts aggregating to Rs.3,928,935,110.19 which would have become non-performing assets, due to demonetization impact over repayments by micro and SME borrowers, during the stated period have been classified as standard assets as on March 31, 2017.

(Amount in Rs.)

Asset classification	**Loan Contracts Outstanding**	
	Current Year	Previous Year
Standard Assets	**31,845,985,212.53**	22,704,809,234.63
Substandard Assets	**145,825,393.85**	42,430,919.25
Doubtful Assets	**-**	-
Loss Assets	**-**	-
Total Own Assets	**31,991,810,606.38**	22,747,240,153.88
Securitised/Assignment Portfolio	**4,176,523,375.00**	9,960,358,263.00
Total Assets	**36,168,333,981.38**	32,707,598,416.88
Provision for Bad & Doubtful debts and Contingent provisions against Standard Assets	**608,553,512.33**	227,472,401.54
Net assets	**35,559,780,469.05**	32,480,126,015.34

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

Note No.	**Particulars**	**As at 31.03.2017**		As at 31.03.2016	
		Rs.	**Rs.**	Rs.	Rs.
18	**Other Non-Current Assets**				
	Long term deposits having remaining maturity of more than 1 year		**1,429,859,387.12**		1,246,253,886.00
	Advances recoverable in cash or in kind or for value to be received		**144,410,754.00**		591,589,042.00
			1,574,270,141.12		1,837,842,928.00

For long term deposits refer Note No.21(2).

Note No.	**Particulars**	**As at 31.03.2017**		As at 31.03.2016	
		Rs.	**Rs.**	Rs.	Rs.
19	**Current Investment (Trade)**				
	Money Market Liquid Funds		**204,521,112.16**		-
			204,521,112.16		-

Unquoted investments in the units of mutual funds in the nature of current investments is valued at the net asset value declared by the mutual fund in respect of each particular scheme at the year end.

Details of Investments in Mutual Fund (unquoted) :-

Name of the Fund	**No. of Units**	**Face Value (In Rs.)**	**Net Asset Value as at 31.03.2017**	Net Asset Value as at 31.03.2016
IDFC Ultra short term fund - Growth- (Direct Plan)	4,414,952.56	100,000,000.00	102,218,513.65	-
Reliance Money Manager fund - Direct Growth Plan	44,938.11	100,000,000.00	102,302,598.51	-
Total			**204,521,112.16**	-

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
20	**Trade receivable**				
	a) Unsecured considered good				
	Outstanding for a period less than six months from the date they are due for payment		**10,993,572.00**		15,850,539.00
	b) Others				
	Outstanding for a period more than six months from the date they are due for payment		**-**		-
			10,993,572.00		15,850,539.00

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
21	**Cash & Cash Equivalents:**				
	Cash on Hand		**162,504,191.20**		398,762,199.00
	Balance with banks in current accounts		**3,389,557,382.90**		1,784,986,439.28
	Term deposits for remaining maturity of 3 months or less		**5,376,777,397.90**		499,874,395.00
	Other Bank Balances				
	Term deposits for remaining maturity of more than 3 months and upto 1 year		**2,150,505,143.07**		4,414,126,645.98
			11,079,344,115.07		7,097,749,679.26

1. Cash on hand includes SBN of Rs.39,000.00 (Rs.Thirty nine thousand) towards court proceedings, received from police custody vide 3 court orders dated January 16, 2017, March 21, 2017 and March 28, 2017 and shown under "Miscellaneous Income".

2. Total term deposits with banks and others amounting to Rs. 8,957,141,928.09 (Previous Year Rs. 6,160,254,926.98) includes long term deposits amounting Rs. 1,429,859,387.12 (Previous Year Rs. 1,246,253,886.00) as stated in Note No. 18. The amount under lien as security against term loan and overdraft facility availed, assets securitized, first loss default guarantee are as follows:-

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Term Loan	**1,996,764,443.63**	1,916,153,314.98
Overdraft Facility	**373,141,624.20**	1,819,270,341.00
Assets Securitized	**443,255,930.00**	803,165,180.00
First Loss Default Guarantee	**15,671,658.00**	11,666,091.00
Total	**2,828,833,655.83**	4,550,254,926.98

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
22	**Short Term Loans & Advances - Unsecured**				
	Portfolio Loans				
	Unsecured, considered good	23,734,463,417.52		17,368,643,203.08	
	Unsecured, considered doubtful	100,414,858.82		32,438,391.20	
			23,834,878,276.34		17,401,081,594.28
	Staff Advance		79,615,553.12		88,451,083.31
	Unamortised cost of borrowings		85,884,767.61		86,071,175.28
			24,000,378,597.07		17,575,603,852.87

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

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
23	**Other Current Assets**				
	Prepaid Expenses		22,568,282.00		19,278,112.00
	Interest accrued but not due		409,894,729.48		391,338,405.02
	Interest due but not received		159,433,804.15		1,680,010.00
	Advances recoverable in cash or in kind or for value to be received		571,706,590.10		374,386,071.87
			1,163,603,405.73		786,682,598.89

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

2. The above advances recoverable in cash or in kind or for value to be received includes an amount of Rs.54,825,177.20 (Previous Year Rs. 80,803,640.00) which is recoverable from the insurance companies and which the company is hopeful of recovery in due course and hence no provision has been created in the books of accounts as on March 31, 2017.

Note No. 24 – Specified Bank Notes (SBN)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016, the denomination wise SBNs and other notes as per the notification is given below:

(Rs. In Lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3,448.76	432.95	3,881.71
(+) Permitted receipts	-	36,565.08	36,565.08
(-) Permitted payments	-	7,290.49	7,290.49
(-) Amount deposited in Banks	3,448.76	28,387.66	31,836.41
Closing cash in hand as on 30.12.2016	-	1,319.88	1,319.88

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
25	**Revenue From Operations**				
	Interest Income	6,149,644,685.34		4,275,163,374.12	
	Excess Interest Spread on Securitization	1,063,843,825.00		892,113,453.72	
	Loan Processing Fee	358,414,740.00		352,373,630.00	
	Other operational income	269,173.82	7,572,172,424.16	3,025,403.65	5,522,675,861.49

Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
26	**Other Income**				
	Fee Income	29,804,069.27		56,379,985.00	
	Other Income	164,688,865.08		6,156,721.33	
			194,492,934.35		62,536,706.33

1. The Company has deferred the classification of existing standard asset as substandard as per RBI Notification no. DBR.No.BP.BC.49/21.04.048/2016-17 dated December 28, 2016 but has continued to reverse the unrealized interest which is overdue of more than 90 days as per existing RBI provision.

2. On the redemption of Mutual Funds, the difference between the Net Asset Value and Book Value is booked as short term capital gain/loss in the statement of profit and loss.

3. The fees income includes amount of Rs. 10,065,562.00 (Previous Year 27,038,007.00) received from Taraashna Services Limited, "TSL" (Previously known as Taraashna Services Private Limited) in pursuance of Service Agreement entered into between the Company and TSL on December 20, 2013 where the Company agrees to provide its expertise, knowledge, skill and guidance to TSL to enable it to undertake its business and operations in an effective manner.

Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
27	**Finance Cost**				
	Interest paid to Banks	2,039,398,806.81		1,524,205,287.49	
	Interest paid to Others	1,053,382,611.14		537,467,009.81	
	Interest paid on Debentures	950,183,200.00		536,582,486.28	
	Interest on Commercial Papers	59,590,649.53		26,489,423.09	
	Finance Charges	248,775,327.58	4,351,330,595.06	273,835,556.41	2,898,579,763.08

Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
28	**Employee Benefit Expenses**				
	Salaries & Other Incentives	1,403,458,711.28		788,774,585.98	
	Share Option Expenditure	5,203,662.00		3,780,469.00	
	Contribution to Provident & Other Funds	102,391,866.00		47,274,315.00	
	Gratuity	28,915,536.00		15,998,424.00	
	Employee Welfare Expenses	28,122,538.25	1,568,092,313.53	27,944,128.00	883,771,921.98

Employee Benefit expenses include Director's Remuneration as per detail given below:-

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Salary	**15,929,540.00**	12,900,520.00
Contribution to Provident Fund, etc.	**1,751,630.00**	1,016,050.00
Leave Travel Allowance	**1,332,600.00**	1,133,420.00
Total	**19,013,770.00**	15,049,990.00

Also refer note no.6

Note No.	**Particulars**	**Year Ended 31.03.2017**		Year Ended 31.03.2016	
		Rs.	**Rs.**	Rs.	Rs.
29	**Other Expenses**				
	Annual Listing Fee	**712,054.00**		1,126,197.00	
	Conveyance & Travelling	**157,282,356.92**		121,328,069.06	
	Direct Operational Expenses	**-**		11,616,556.40	
	Commission Paid	**2,744,401.00**		-	
	Printing & Stationary	**132,106,454.00**		127,044,014.00	
	Communication	**42,844,981.65**		30,229,358.28	
	Business Promotion	**13,834,684.25**		38,455,520.08	
	Legal & Professional Charges	**144,391,246.67**		107,218,560.00	
	Directors Sitting Fees	**1,490,000.00**		360,000.00	
	Insurance Charges	**19,816,530.00**		15,294,789.00	
	Office Expenses	**150,114,018.62**		104,922,070.25	
	Rent	**85,778,205.00**		49,822,256.00	
	Advertisement Expenses	**3,058,715.00**		2,195,295.00	
	Auditors' Remuneration	**1,370,000.00**		645,000.00	
	Subscription & Fee	**12,010,833.00**		6,015,915.00	
	Rates & Taxes	**1,236,350.00**		754,734.00	
	Repairs & Maintenance	**18,562,321.99**		13,809,345.00	
	Miscellaneous Expenses	**56,053,677.34**		54,848,774.75	
	Loss on Securitisation	**38,538,766.00**		-	
	Loss on Gurantee charges	**19,083,042.00**		-	
	Portfolio loans & Other Write offs	**124,622,995.32**		127,232,170.31	
	Provision for Standard/Non Performing Assets	**380,437,684.78**		80,861,242.83	
	(Profit)/Loss on Sale of Fixed Assets	**2,356,544.25**	**1,408,445,861.79**	(132,689.52)	893,647,177.44

1. Auditors' remuneration includes the following:

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Audit Fees	**800,000.00**	350,000.00
Tax Audit Fees	**200,000.00**	100,000.00
Certification work	**370,000.00**	195,000.00
Certification work - QIP	**1,624,331.00**	-
Total	**2,994,331.00**	645,000.00

2. In respect of Loan against Property, the Company has provided First Loss Default Guarantee in the form of Cash Collateral amount to Reliance Capital Limited ("RCL") for 5% of outstanding amount. In the event of the default by the customer in which the instalment are overdue for a period exceeding 90 days, the Company stands as a guarantor to make good the loss to RCL. During the year, the Company has written off an amount of Rs. 19,083,042.00 (Previous Year Nil) in respect of loans which are overdue by more than 90 days, doubtful for recovery and as claimed by RCL.

3. In respect of securitization transactions, the Company has given First Loss Credit Enhancement by way of cash collateral to cover the losses due to defaults and prepayments which is a specified percentage of the pool principal. During the year, the Company has booked loss of Rs.38,538,766.00 (Previous Year Nil) on one securitization transaction as the cash collateral has been revoked due to delay in recovery of payments during demonetization period.

4. During the year, the Company has changed its policy on write off of portfolio loans from an overdue of more than 180 days to an overdue of more than 360 days w.e.f. February 10, 2017. The impact of the deferment has been reduction in the write off amount by Rs.79,940,138.55 as compared to previous year.

5. The company has changed its provision policy from higher of a) 1% of the outstanding loan portfolio excluding securitization to 1.75% of the outstanding loan portfolio including securitization or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more. As a result, the impact of the percentage change from 1% to 1.75% on the changed portfolio by including securitisation is Rs. 259,875,990.74. There has been a further increase in the provision by Rs. 30,587,352.42 due to the inclusion of securitised portfolio at 1%. Hence, the total effect in the statement of profit and loss account is Rs. 380,437,684.78 on standard and non-performing assets during the year.

Note No.30

1. Estimated amount of contract remaining to be executed on capital account and not provided for is Rs.**955.47 Lacs** (Previous Year Rs.709.38 Lacs).

2. Contingent Liability: On

(Rs. in Lacs)

Particulars	**Current Year**	Previous Year
Credit enhancements provided by the Company towards securitisation	**4,432.56**	4,939.77
Portfolio of loan against property	**2,302.47**	2,536.13
Income Tax pending appeal (The Company has deposited Rs.2.50 Lacs with the income tax authorities pending disposal of appeal)	**-**	2.47
Total	**6,735.03**	7,478.37

3. The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.The Company operates in a single geographical segment i.e. domestic.

4. Related party disclosures in terms of Accounting Standard 18 issued by The Institute of Chartered Accountants of India and applicable regulations is as follows:

(Amount in Rs.)

Name of Related party	Description of Relationship	Nature of Transaction	Volume of Transaction	Outstanding Amount Period Ended Mar.17#	Amount Written off or Written back #
Mr. H P Singh	Key Personnel	Remuneration	**19,013,770.00** (15,049,990.00)	**Nil** (Nil)	**Nil** (Nil)
Mr.Satvinder Singh	Non-Executive Director & Relative of Key Managerial Personnel	Sitting Fee	**310,000.00** (40,000.00)	**Nil** (Nil)	**Nil** (Nil)
Mr.Rakesh Sachdeva	Non-Executive Director	Sitting Fee	**320,000.00** (100,000.00)	**Nil** (Nil)	**Nil** (Nil)
Mr.Sundeep Kumar Mehta	Non-Executive Director	Sitting Fee	**340,000.00** (100,000.00)	**Nil** (Nil)	**Nil** (Nil)
Mrs.Sangeeta Khorana	Non-Executive Director	Sitting Fee	**130,000.00** (20,000.00)	**Nil** (Nil)	**Nil** (Nil)
Mr.Goh Colin	Non-Executive Director	Sitting Fee	**80,000.00** (30,000.00)	**Nil** (Nil)	**Nil** (Nil)
Mr.Sanjay Kumar Bhatia	Non-Executive Director	Sitting Fee	**90,000.00** (40,000.00)	**Nil** (Nil)	**Nil** (Nil)
Mr.Sujan Singh Chawla	Non-Executive Director	Sitting Fee	**20,000.00** (10,000.00)	**Nil** (Nil)	**Nil** (Nil)
Mr.Anil Kumar Kalra	Non-Executive Director	Sitting Fee	**140,000.00** (20,000.00)	**Nil** (Nil)	**Nil** (Nil)
Mr. Ramesh G. Dharmaji	Non-Executive Director	Sitting Fee	**20,000.00** (Nil)	**Nil** (Nil)	**Nil** (Nil)
Mr.Davis F.Golding	Non-Executive Director	Sitting Fee	**40,000.00** (Nil)	**Nil** (Nil)	**Nil** (Nil)
Mr.Jugal Kataria	Chief Financial Officer	Remuneration	**6,971,750.00** (5,130,400.00)	**Nil** (Nil)	**Nil** (Nil)
Choudhary Runveer Krishanan	Company Secretary & Compliance Officer	Remuneration	**2,022,500.00** (1,030,000.00)	**Nil** (Nil)	**Nil** (Nil)
Taraashna Services Ltd.	Influence of Key Managerial Personnel & Relatives	Received on account of Managerial Services	**10,065,562.00** (27,038,007.00)	**Nil** (Nil)	**Nil** (Nil)
	Subsidary	Investment	**Nil** (Nil)	**497,859,485.99** (Nil)	**Nil** (Nil)
Niryas Food Products Pvt.Ltd.	Influence of Key Managerial Personnel & Relatives	Rent Received	**405,300.00** (135,100.00)	**Nil** (Nil)	**Nil** (Nil)
		Security Deposit	**Nil** (33,775.00)	**33,775.00** (33,775.00)	**Nil** (Nil)
Mrs.Anureet HP Singh	Influence of Key Managerial Personnel & Relatives	Equity Share issued pursuant to acquisition of TSL	**132,193,235.90** (Nil)	**Nil** (Nil)	**Nil** (Nil)
Satin (India) Ltd.	Influence of Key Managerial Personnel & Relatives	Equity Share issued pursuant to acquisition of TSL	**101,086,198.18** (Nil)	**Nil** (Nil)	**Nil** (Nil)
Satin Media Solutions Ltd.	Influence of Key Managerial Personnel & Relatives	Equity Share issued pursuant to acquisition of TSL	**155,525,574.38** (Nil)	**Nil** (Nil)	**Nil** (Nil)

Figures in bracket pertain to previous year.

Note: As provisions for gratuity and leave benefits are made for the Company as a whole, the amounts pertaining to the key Management Personnel are not specifically identified and hence are not included above.

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

Office Premises

(Amount in Rs.)

Particulars	Current Year	Previous Year
Operating lease payments recognised during the year	**85,778,205.00**	49,822,256.00
Minimum lease obligations:		
-Not later than 1 year	**72,020,198.00**	46,687,517.00
-Later than 1 year but not later than 5 years	**95,496,166.00**	61,161,519.00
-Later than 5 years	**10,513,326.00**	3,712,226.00

Generator

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Operating lease payments recognised during the year	**263,102.00**	-
Minimum lease obligations:		
-Not later than 1 year	**820,923.00**	-
-Later than 1 year but not later than 5 years	**2,330,366.00**	-
-Later than 5 years	**-**	-

Vehicle

(Amount in Rs.)

Particulars	**Current Year**	Previous Year
Operating lease payments recognised during the year	**14,799.00**	-
Minimum lease obligations:		
-Not later than 1 year	**177,578.93**	-
-Later than 1 year but not later than 5 years	**573,973.00**	-
-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, 2015:

(i) Calculation of Earnings Per Share:

Particulars	**Current Year**	Previous Year
Net Profit after Tax available for appropriation (Rs.)	**244,992,050.45**	573,521,264.37
Weighted average number of Equity Shares for computation of Basic Earnings Per Share	**34,343,902**	28,275,712
Basic Earnings Per Share (Rs.)	**7.13**	20.28
Weighted average number of Equity Shares for computation of Diluted Earnings Per Share	**34,765,294**	28,723,129
Diluted Earnings Per Share (Rs.)	**7.05**	19.97

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

Particulars	**Current Year**	Previous Year
Basic Earnings Per Share (Rs.)	**7.13**	20.28
Effect of outstanding ESOS (Rs.)	**(0.08)**	(0.31)
Diluted Earnings Per Share (Rs.)	**7.05**	19.97

(iii) Effects of Share Options on Diluted Earnings per Share :

Computation of earnings per share

Particulars	Earnings	Shares	Earnings Per Share
Net profit for the year ended 2017 (Rs.)	**244,992,050.45**	-	-
Weighted average number of shares outstanding during year ended 2017	-	**34,343,902**	-
Basic earnings per share (Rs.)	-	-	**7.13**
Number of shares under option	-	**449,300**	-
Number of shares that would have been issued at fair value:	-	**(27,908)**	-
Diluted earnings per share (Rs.)	**244,992,050.45**	**34,765,294**	*** 7.05**

*Average fair value of one equity shares for the year ended 2017- Rs.420.75

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

(Amount in Rs.)

Nature	Current Year	Previous Year
Share Application Money / Share Capital/Securities Premium Received	-	414,700,000.00
Reimbursement of Expenditure	**1,317.72**	-
Total	**1,317.72**	414,700,000.00

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

(Amount in Rs.)

Nature	Current Year	Previous Year
Travelling expenses	**6,978,353.80**	4,932,852.80
Fees & Subscription	-	566,249.00
Professional Fee	**11,316,229.30**	8,684,241.00
Interest Payment - External Commercial Borrowing	**35,504,242.34**	33,246,237.00
Principal Payment - External Commercial Borrowing	**26,412,499.58**	-
Sitting Fees	**20,000.00**	30,000.00
Business Promotion	**256,004.00**	505,420.00
Share/ Debenture Issue Expenses	**6,804,618.00**	-
Total	**87,291,947.02**	47,964,999.80

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

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

(A) Disclosure as per circular no. RBI/2014-15/299 DNBR(PD) CC.No.002/03.10.001/2014-15, dated November 10, 2014 issued by RBI are as under:-

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

Particulars	**Current Year**	Previous Year
CRAR (%)	**24.14**	16.82
CRAR – Tier I Capital (%)	**16.58**	11.30
CRAR – Tier II Capital (%)	**7.56**	5.52
Amount of subordinated debt raised as Tier-II capital (Rs.in Crores)	**249.00**	162.22
Amount raised by issue of perpetual Debt Instruments	**-**	-

(ii) Investments:-

(Rs.in Crores)

Particulars				**Current Year**	Previous Year
1)	Value of Investments				
	i)	Gross Value of Investments		**70.29**	0.06
		a)	In India	**70.29**	0.06
		b)	Outside India	**-**	-
	ii)	Provisions of Depreciation		**-**	-
		a)	In India	**-**	-
		b)	Outside India	**-**	-
	iii)	Net Value of Investments		**70.29**	0.06
		a)	In India	**70.29**	0.06
		b)	Outside India	**-**	-
2)	Movement of provisions held towards depreciation on investments			**-**	-
	i)	Opening balance		**-**	-
	ii)	Add: Provision made during the year		**-**	-
	iii)	Less: Write-off/Write back of excess provision during the year		**-**	-
	iv)	Closing balance		**-**	-

(iii) Derivatives:-

The Company has no transactions/exposure in derivatives in the current and the previous year.

(iv) (a) Disclosures relating to Securitisation:-

(Rs.in Crores)

S.No.	Particulars				Current Year	Previous Year
1	No of SPVs sponsored by the NBFC for securitisation transaction				**19**	23
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC				**305.87**	820.24
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		**44.33**	49.41
		*	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	**-**	-

(b) Disclosure as per RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1, 2006.

(Rs.in Crores)

Particulars		Current Year	Previous Year
i)	Total number of loan assets securitized during the year	**328,074**	645,889
ii)	Book value of loans assets securitized during the year	**629.67**	1,118.99
iii)	Sale consideration received during the year	**629.67**	1,118.99
iv)	Credit enhancement provided during the year	**26.02**	45.34
v)	Un-amortised interest spread as at year end	**-**	0.44
vi)	Interest spread recognised in the statement of Profit & Loss during the year (including amortization of unamortised interest spread)	**78.67**	72.79

(v) **Detail of Assignment Transactions undertaken:-**

(Rs.in Crores)

Particulars		**Current Year**	Previous Year
i)	Total number of loans assets assigned during the year	**104,386**	184,672
ii)	Book value of loans assets assigned during the year	**183.68**	297.05
iii)	Sale consideration received during the year	**183.68**	295.60
iv)	Interest spread recognised in the statement of Profit & Loss during the year (including amortization of unamortised interest spread)	**22.30**	12.26

(vi) **Details of financial asset sold to Securitisation/Reconstruction Company for asset reconstruction:-**

The Company has not sold financial assets to Securitisation/Reconstruction Companies for asset reconstruction in the current and previous year.

(vii) **Detail of non-performing financial asset purchased/sold:-**

The Company has not purchased/sold non-performing financial asset in the current and previous year.

(viii) **Asset Liability Management Maturity pattern of certain items of assets and liabilities:-**

(Rs.in Crores)

Particulars	**1 day to 30/31 days (One Month)**	**Over one month to 2 months**	**Over 2 Months upto 3 Months**	**Over 3 Months upto 6 Months**	**Over 6 Months upto 1 Year**	**Over 1 Year to 3 Years**	**Over 3 Years to 5 Years**	**Over 5 Years**	**Total**
Liabilities									
Borrowings from Banks	**75.26**	**81.18**	**136.89**	**291.04**	**545.59**	**688.74**	**4.36**	**0.19**	**1,823.25**
	(97.31)	(57.40)	(135.86)	(270.49)	(453.11)	(573.16)	(9.02)	-	(1,596.35)
Market Borrowings (other than Banks)	**27.15**	**30.07**	**26.07**	**321.66**	**300.93**	**971.87**	**175.43**	**178.93**	**2,032.11**
	(18.42)	(26.30)	(18.11)	(157.31)	(152.88)	(559.09)	(121.08)	(98.78)	(1,151.97)
Assets									
Advances	**1,073.18**	**349.10**	**277.20**	**626.88**	**1,097.05**	**931.15**	**19.44**	**0.64**	**4,374.64**
	(269.07)	(177.74)	(164.58)	(490.37)	(1,255.34)	(670.01)	(5.72)	(0.54)	(3,033.37)
Investments	**-**	**-**	**20.45**	**-**	**-**	**-**	**-**	**49.84**	**70.29**
	-	-	-	-	-	-	-	(0.06)	(0.06)

Figures in bracket pertain to previous year.

(ix) **Exposures:-**

(a) **Exposure to Real State Sector:-Nil**(Previous Year Nil)

(b) **Exposure to Capital Market:-Nil**(Previous Year Nil)

(x) **Details of financing of parent Company product:-**

This disclosure is not applicable as the Company does not have any holding/parent Company.

(xi) **Registration obtained from other financial sector regulators:-**

The Company is registered with following other financial sector regulators:

(a) Ministry of Corporate Affairs (MCA)
(b) Ministry of Finance (Financial Intelligence Unit)
(c) Securities and Exchange Board of India (SEBI)

(xii) **Disclosure of Penalties imposed by RBI & other regulators:-**

The RBI conducted the inspection of the Company during the financial year and the inspection report is pending to be received from RBI. No penalty has been imposed by RBI and other regulators.

(xiii) **Related party transactions:-**

Please refer Note No.30 (4)

(xiv) **Rating assigned by credit rating agencies and migration of ratings during the year-**

The Credit Analysis& Research Limited has reaffirmed the MFI grading, MFI 1, during the year.

During the year, the Company's various instruments were rated, the details of these ratings are as under:-

S. No	Particulars	Amount (Rs. In Crores)	Credit Rating Agency	Current Rating	Remarks
1	Non Convertible Debentures	2.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
2	Non Convertible Debentures	60.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
3	Non Convertible Debentures	68.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
4	Non Convertible Debentures	50.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
5	Subordinate Debt	15.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
6	Subordinate Debt	13.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
7	Subordinate Debt	25.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
8	Subordinate Debt	25.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
9	Subordinate Debt	40.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
10	Subordinate Debt	10.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
11	Commercial Paper	50.00	ICRA Limited	[ICRA] A2	
12	Non Convertible Debentures	25.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
13	Non Convertible Debentures	18.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
14	Non Convertible Debentures	50.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
15	Non Convertible Debentures	51.50	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
16	Non Convertible Debentures	26.28	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
17	Non Convertible Debentures	50.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
18	Non Convertible Debentures	46.44	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
19	Non Convertible Debentures	12.50	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
20	Non Convertible Debentures	12.50	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
21	Non Convertible Debentures	70.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
22	Non Convertible Debentures	34.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
23	Non Convertible Debentures	25.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
24	Non Convertible Debentures	15.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
25	Subordinate Debt	21.00	Credit Analysis & Research Ltd	CARE BBB ; Negative	Revised from BBB+; Negative

S. No	Particulars	Amount (Rs. In Crores)	Credit Rating Agency	Current Rating	Remarks
26	Fund Based -Long Term Bank Facilities	2200.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
27	Preference Share	25.00	Credit Analysis & Research Ltd	CARE BBB (RPS); Negative	Revised from BBB+ [RPS]; Negative
28	Non Convertible Debentures	27.00	India Ratings	BBB+/RWE (Rating Watch Evolving)	Revised from BBB+ /Stable
29	Securitisation	49.88	ICRA Limited	A(SO)/A(SO)	Revised fromA-(SO) /BBB(SO)
30	Securitisation	50.73	ICRA Limited	A(SO)/AA-(SO)	Revised from BBB+ (SO)/BBB(SO)
31	Securitisation	47.31	ICRA Limited	A+(SO)/A-(SO)	Revised from A-(SO) /BBB(SO)
32	Securitisation	44.44	ICRA Limited	A(SO)/BB-(SO)	Revised from A-(SO) /BB-(SO)
33	Securitisation	31.94	ICRA Limited	A+(SO)	Revised from A-(SO)
34	Securitisation	103.95	ICRA Limited	AA-(SO)/A-(SO)	Revised from A-(SO) /BBB(SO)
35	Securitisation	47.84	ICRA Limited	AA-(SO)	Revised from A-(SO)
36	Securitisation	48.57	ICRA Limited	A-(SO)	Revised from BBB(SO)
37	Securitisation	52.98	ICRA Limited	A(SO)	Revised from A-(SO)
38	Securitisation	64.33	ICRA Limited	A+(SO)	Revised from A-(SO)
39	Securitisation	39.89	ICRA Limited	A(SO)/BBB(SO)	Revised from BBB+ (SO)/BB+(SO)
40	Securitisation	45.72	ICRA Limited	A(SO)/BBB+(SO)/ BBB(SO)	Revised from A(SO)/ BBB+(SO)/BBB(SO)
41	Securitisation	66.60	ICRA Limited	BBB+(SO)/BB+(SO)	Revised from A-(SO) /BBB-(SO)
42	Securitisation	64.36	ICRA Limited	A-SO/BBB(SO)	Revised from A-(SO) /BBB(SO)
43	Securitisation	57.09	ICRA Limited	[ICRA]A-(SO)	
44	Securitisation	93.57	ICRA Limited	[ICRA]BBB(SO)	
45	Securitisation	112.66	ICRA Limited	BBB-(SO)/BB-(SO)	Revised from A-(SO) /BBB-(SO)
46	Securitisation	72.52	ICRA Limited	A-(SO)/BBB-(SO)	
47	Securitisation	98.83	ICRA Limited	A-(SO)/BBB-(SO)	

(xv) **Remuneration of Directors:-**

(Amount in Rs.)

Particulars	**Salary**	**Contribution to Provident Fund**	**Leave Travel Allowance**	**Sitting Fee**
Mr. H P Singh	**15,929,540.00** (12,900,520.00)	**1,751,630.00** (1,016,050.00)	**1,332,600.00** (1.133.420.00)	**Nil** (Nil)
Mr. Satvinder Singh	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**310,000.00** (40,000.00)
Mr. Rakesh Sachdeva	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**320,000.00** (100,000.00)
Mr. Sundeep Kumar Mehta	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**340,000.00** (100,000.00)
Mrs. Sangeeta Khorana	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**130,000.00** (20,000.00)
Mr. Goh Colin	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**80,000.00** (30,000.00)
Mr. Sanjay Kumar Bhatia	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**90,000.00** (40,000.00)
Mr. Sujan Singh Chawla	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**20,000.00** (10,000.00)
Mr. Anil Kumar Kalra	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**140,000.00** (20,000.00)
Mr. Ramesh G. Dharmaji	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**20,000.00** (Nil)
Mr. Davis F. Golding	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)	**40,000.00** (Nil)

Figures in bracket pertain to previous year.

(xvi) **Additional Disclosures:-**

(a) Provisions & Contingencies:-

(Rs. In Crores)

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit & loss		**Current Year**	Previous Year
Provision for depreciation on Investment		-	-
Provision towards NPA		6.60	2.12
Provision made towards income tax		26.64	33.00
Other provision and contingencies (with details)			
i)	Provision for leave encashment	5.65	2.31
ii)	Provision for gratuity	3.55	0.91
Provision for Standard Assets		54.25	20.63

(b) Draw Down from Reserves:-

There has been no draw down from reserve during the year ended March 31, 2017 (Previous Year Rs.Nil).

(c) Concentration of Advances, Exposures and NPAs:-

(Rs. In Crores)

Particulars	**Current Year**	Previous Year
Concentration of advances		
Total advance to twenty largest borrowers	**20.19**	0.10
% of Advance to twenty largest borrowers to total advances	**0.63%**	0.003%
Concentration of exposures		
Total exposure to twenty largest borrowers/customers	**20.19**	0.10
% of Exposure to twenty largest borrowers/customers to total exposure	**0.63%**	0.003%
Concentration of NPAs		
Total exposure to top four NPA account	**0.00**	-

(d) Sector-wise NPAs:-

Particulars		**Current Year**	Previous Year
S.No.	**Sector**	**Percentage of NPAs to total advance to that sector**	
1	**Agriculture & Allied activities**	**0.25%**	0.07%
2	**MSME**	**0.02%**	0.08%
3	**Corporate borrowers**	**-**	-
4	**Services**	**0.19%**	0.02%
5	**Unsecured personal loans**	**-**	-
6	**Auto Loans**	**-**	-
7	**Other personal loans**	**0.00%**	-

(e) Movement of NPAs:-

(Rs. In Crores)

Particulars			**Current Year**	Previous Year
i)	Net NPAs to net advance (%)		**0.25**	0.09
ii)	Movement of NPAs (Gross)			
	a)	Opening balance	**4.24**	0.42
	b)	Addition during the year	**23.57**	12.95
	c)	Reductions/Write off during the year	**13.23**	9.13
	d)	Closing balance	**14.58**	4.24
iii)	Movement of net NPAs			
	a)	Opening balance	**2.12**	0.21
	b)	Addition during the year	**16.97**	10.83
	c)	Reductions/Write off during the year	**11.11**	8.92
	d)	Closing balance	**7.98**	2.12
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	a)	Opening balance	**2.12**	0.21
	b)	Addition during the year	**6.60**	2.12
	c)	Write-off/Write back during the year	**2.12**	0.21
	d)	Closing balance	**6.60**	2.12

(f) Customer Complaints:-

Particulars		Current Year	Previous Year
a)	Number of complaints pending at the beginning of the year	**-**	-
b)	Number of complaint received during the year	**5096**	1589
c)	Number of complaint redressed during the year	**5096**	1589
d)	Number of complaint pending at the end of the year	**-**	-

(g) Instances of fraud:-

Instance of fraud for the year ended March 31, 2017:

(Rs.in Lacs)

Nature of Fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Cash embezzlement	**4** (2)	**28.16** (85.07)	**23.39** (75.00)	**Nil** (10.07)

Figures in bracket pertain to previous year.

As there is certainty of recovery for the amount of Rs.4.77 lacs, the Company has not made any provision.

(B) **Information on Net Interest Margin :-**

Particulars	Current Year	Previous Year
Average Interest (a)	**22.32%**	23.81%
Average effective cost of borrowing (b)	**13.41%**	14.29%
Net Interest margin (a-b)	**8.91%**	9.52%

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

(Rs.in Lacs)

	Particulars		
	Liabilities side:		
1	**Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
	(a) Debentures : Secured	49,346.90	-
	: Unsecured (other than falling within the meaning of Public deposits)	30,182.12	-
	(b) Deferred Credits	-	-
	(c) Term Loans	299,064.65	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	9597.97	-
	(g) Other Loans (specify nature) -		
	Public deposits	-	-
	Other unsecured loans	-	-
	Secured loans against assets of Company	80.95	-
	Assets side :	**Amount outstanding**	
2	**Break-up of Loans and advances including bills receivables (other than those included in (4) below) :**		
	(a) Secured		-
	(b) Unsecured		327,079.28
3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(I) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-
	(II) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(III) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
4	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(I) Shares : (a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others (please specify)		-
	2. Unquoted :		
	(I) Shares : (a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		2,045.21
	(IV) Government Securities		-
	(V) Others (please specify)		-
	Long Term Investments :		
	1. Quoted :		
	(I) Shares : (a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others (please specify)		-
	2. Unquoted :		
	(I) Shares : (a) Equity		4983.59
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		0.51
	(V) Others (please specify)		-
			7029.31

5	**Borrower group-wise classification of assets financed as in (2) and (3) above:**			
	Category	**Amount net of provisions**		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related Parties	-	313,832.57	313,832.57
	Total	-	**313,832.57**	**313,832.57**

6	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		
	Category	**Market Value / Breakup or fair value or NAV**	**Book Value (Net of Provision)**
	1. Related Parties		
	(a) Subsidiaries	4,978.59	4,978.59
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related Parties	2,050.72	2,050.72
	Total	7,029.31	7,029.31

7	**Other information**	
Particulars		**Amount**
(I)	Gross Non-Performing Assets	1,458.25
	(a) Related parties	-
	(b) Other than related parties	1,458.25
(II)	Net Non-Performing Assets	798.01
	(a) Related parties	-
	(b) Other than related parties	798.01
(III)	Assets acquired in satisfaction of debt	-

10. With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Company has undertaken activities as per the Corporate Social Responsibility ("CSR") Policy. During the financial year 2016-17, the Company has incurred a sum of Rs. 10,500,000.00 (Previous Year 5,100,000.00) towards corporate social responsibilities in accordance with section 135 of the Companies Act 2013.

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

As per our report of even date attached
For A.K. Gangaher & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

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

Satvinder Singh
(Director)
DIN: 00332521

Place : Delhi
Dated: 26th May, 2017

Jugal Kataria
(Chief Financial Officer)

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS: 7437

Consolidated Auditor's Report

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SATIN CREDITCARE NETWORK LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SATIN CREDITCARE NETWORK LIMITED** (hereinafter referred to as "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprises of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give true and fair view 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 the accounting estimates made by Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters mentioned below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the Consolidated State of Affairs of the Group as at 31st March' 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Other Matters

a) We did not audit the financial statements of the subsidiary company whose financial statements reflect total assets of Rs. 44,91,63,557 as at 31st March, 2017, total revenues of Rs. 24,38,06,953 and net cash outflows amounting to Rs. 7,91,33,354 for the year ended on that date (for the period from 1st September 2016 to 31st March 2017), as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

6. Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion proper books of account as required by law relating to preparation of consolidated financial statements have been kept so far as appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.

d) In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2017, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the group is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A" attached with this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) In our opinion and to the best of information and according to the explanations given to us, we report as under, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

i. During the year, there were no pending litigations which would impact the consolidated financial statements of the Group.

ii. The Group did not have any long - term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiary company.

iv. The Holding Company has provided requisite disclosures as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Holding Company. In respect of the subsidiary company, requisite disclosures have not been made due to not availability of the information - Refer Note No. 26 to consolidated financial statements.

For A.K. Gangaher & Co.
Chartered Accountants

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

Place: Delhi
Dated: 26th May, 2017

SATIN CREDITCARE NETWORK LIMITED

Annexure A to the Independent Auditors' Report - 31 March 2017 on Consolidated Financial Statements

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

Report on the Internal Financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of Satin Creditcare Network Limited ("the Holding Company") as of 31 March, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company has in all material respects, have an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.K. Gangaher & Co.
Chartered Accountants

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

Place: Delhi
Dated: 26th May, 2017

Consolidated Balance Sheet as at 31st March 2017

Particulars	Note No.	As at 31.03.2017 Rs.
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	3	621,429,370.00
(b) Reserves and Surplus	4	6,004,505,051.50
Sub-Total Shareholders' Funds		6,625,934,421.50
(2) Minority Interest	5	22,801,653.50
(3) Non-Current Liabilities		
(a) Long Term Borrowings	6	20,233,296,843.63
(b) Long Term Provisions	7	87,204,446.00
Sub-Total Non-Current Liabilities		20,320,501,289.63
(4) Current Liabilities		
(a) Short Term Borrowings	8	1,699,233,121.22
(b) Trade Payable	9	
-Total outstanding dues of micro enterprises and small enterprises		-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		204,295,873.00
(c) Other Current Liabilities	10	18,274,176,160.82
(d) Short Term Provisions	11	625,386,855.33
Sub-Total Current Liabilities		20,803,092,010.37
TOTAL EQUITY & LIABILITIES		47,772,329,375.00
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets - Property, plant and equipments	12	354,562,492.06
(ii) Intangible Assets	13	35,779,449.40
(iii) Capital Work-In-Progress	14	97,769,790.00
(iv) Intangible Assets under development	15	24,056,409.00
(b) Non-Current Investments	16	550,591.33
(c) Deferred Tax Assets (Net)	17	230,616,802.98
(d) Long Term Loans & Advances	18	8,229,259,613.75
(e) Other Non - Current Assets	19	1,658,396,107.94
(f) Goodwill on Consolidation	20	337,065,917.69
Sub-Total Non-Current Assets		10,968,057,174.15
(2) Current Assets		
(a) Current Investment	21	204,521,112.16
(b) Trade Receivables	22	70,872,865.50
(c) Cash & Bank Balance	23	11,297,630,195.32
(d) Short Term Loans and Advances	24	24,017,103,001.89
(e) Other Current Assets	25	1,214,145,025.98
Sub-Total Current Assets		36,804,272,200.85
TOTAL ASSETS		47,772,329,375.00

Note No.1 to 34 form an intergral part of the Consolidated Accounts

As per our report of even date attached
For A.K. Gangaher & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

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

Satvinder Singh
(Director)
DIN: 00332521

Place : Delhi
Dated: 26th May, 2017

Jugal Kataria
(Chief Financial Officer)

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS: 7437

Consolidated Statement of Profit & Loss for the year ended 31st March 2017

Particulars	Note No.	Year Ended 31.03.2017 Rs.
I. Income		
1. Revenue From Operations	27	7,815,979,377.00
2. Other Income	28	198,676,261.26
Total		8,014,655,638.26
II. Expenses		
1. Finance Cost	29	4,357,512,199.34
2. Employee Benefit Expenses	30	1,718,592,822.83
3. Other Expenses	31	1,487,061,492.39
4. Depreciation & Amoritisation Expenses	12,13,14 & 15	60,518,946.01
Total		7,623,685,460.57
Profit Before Exceptional, Corporate Social Responsibility Expense And Extraordinary Items And Tax		390,970,177.69
Exceptional Items		-
Profit Before Extraordinary Items, Corporate Social Responsibility Expense And Tax		390,970,177.69
Corporate Social Responsibility Expense		12,850,000.00
Extraordinary Items		-
Profit Before Tax		378,120,177.69
Tax Expense:		
(1) Less : Current Tax		270,338,740.00
(2) Add/(Less) : Tax Related To Earlier Years		202,680.00
(3) Add/(Less) : Deferred Tax		141,269,862.62
Profit After Tax For The Year From Continuing Operations		249,253,980.31
Less: Share of Minority in Post Acquisition Profits		518,735.29
Profit Available for Appropriation		248,735,245.02

Earning per share (Par Value Rs. 10/- each) - Refer note no. 32 (6)

Basic	7.24
Diluted	7.15

Note No.1 to 34 form an intergral part of the Consolidated Accounts

As per our report of even date attached
For A.K. Gangaher & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

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

Satvinder Singh
(Director)
DIN: 00332521

Place : Delhi
Dated: 26th May, 2017

Jugal Kataria
(Chief Financial Officer)

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS: 7437

Consolidated Cash Flow Statement for the year ended 31st March 2017

Particulars	Year Ended 31.03.2017 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before Finance Cost, Tax and Extra-Ordinary Items	**4,735,632,377.03**
Adjustment for	
(Profit)/Loss on Sale of Fixed Assets	**2,343,839.25**
Depreciation	**60,518,946.01**
Operating Profit before Working Capital Changes	**4,798,495,162.29**
(Increase)/Decrease in Long Term Loans & Advances	**(2,806,988,996.11)**
(Increase)/Decrease in Short Term Loans and Advances	**(6,439,273,864.49)**
(Increase)/Decrease in Other Non Current Assets	**195,442,649.29**
(Increase)/Decrease in Other Current Assets	**1,676,264,203.40**
Increase/(Decrease) in Long Term Provisions	**52,721,916.98**
Increase/(Decrease) in Short Term Provisions	**394,113,763.79**
Increase/(Decrease) in Trade Payable	**(57,694,379.34)**
Increase/(Decrease) in Other Current Liabilities	**3,577,822,261.55**
Cash Generated from Operations	**1,390,902,717.36**
Finance Cost	**(4,351,330,595.06)**
Tax Expense	**(270,136,060.00)**
Net Cash from Operating Activities	**(3,230,563,937.70)**
B. CASH FLOW FROM INVESTING ACTIVITIES	
Sale/(Purchase) (Net) of Fixed Assets	**(349,783,865.55)**
Sale/(Purchase) (Net) of Investments	**(497,859,485.99)**
Net Cash used in Investing Activities	**(847,643,351.54)**
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceed from issue of Share Capital (Net)	**3,137,138,996.84**
Proceeds from Short Term Borrowings (Net)	**228,473,822.69**
Proceeds from Long Term Borrowings (Net)	**6,884,858,658.92**
Interest Paid on Borrowing (Net)	**(6,181,604.28)**
Net Cash used in Financing Activities	**10,244,289,874.17**
Net Increase in Cash & Cash Equivalents (A+B+C)	**6,166,082,584.93**
Cash and Cash Equivalents as on 01.04.2016 (Includes subsidiary w.e.f. 01.09.2016)	**2,892,341,215.24**
Cash and Cash Equivalents as on 31.03.2017	**9,058,423,800.17**

Consolidated Cash & Cash Equivalents Comprises Off

Particulars	Year Ended 31.03.2017 Rs.
A. Cash and Cash Equivalents:	
Cash on Hand	**181,781,305.20**
Balance with banks in current accounts	**3,489,471,929.07**
Term deposits for remaining maturity of 3 months or less	**5,387,170,565.90**
	9,058,423,800.17
B. Other Bank Balances:	
Term deposits for remaining maturity of more than 3 months and upto 1 year	**2,239,206,395.15**
Total - (A+B) Refer note no.23	**11,297,630,195.32**
C. Other Non-Current Assets:	
Long term deposits having remaining maturity of more than 1 year - **Refer note no.19**	**1,510,401,017.94**
Total (A+B+C)	**12,808,031,213.26**

Note No.1 to 34 form an intergral part of the Consolidated Cash Flow Statement

As per our report of even date attached
For A.K. Gangaher & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

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

Satvinder Singh
(Director)
DIN: 00332521

Place : Delhi
Dated: 26th May, 2017

Jugal Kataria
(Chief Financial Officer)

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS: 7437

NOTE NO. 1

a) General Information

Satin Creditcare Network Limited ("The Company") is a public limited company and incorporated under the provisions of the Companies Act and having its registered office at New Delhi, India. The Company is a non-deposit accepting Non-Banking Financial company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") in November 2013. The Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG').

The Company acquired 87.83% equity shares of Taraashna Services Limited, "TSL" (previously known as Taraashna Services Private Limited), thereby becoming its subsidiary w.e.f September 1, 2016. TSL is engaged in the Business Correspondent ("BC") activity with various banks / NBFCs.

b) Principles of Consolidation

The consolidated financial statements relate to Satin Creditcare Network Limited, the Holding Company and its subsidiary company (collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Holding and its subsidiary company have been combined on a line-by - line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses, as per Accounting Standard 21 – "Consolidated Financial Statements".

(ii) The financial statements of the subsidiary, used in the consolidation, are drawn up to the same reporting date as that of the Company i.e. March 31, 2017. Being the first year of consolidation with the Holding Company, no previous year figures have been given.

(iii) The excess of the cost to the Company of its investment in the subsidiary over its share of the equity is recognised in the consolidated financial Statements as "Goodwill". Alternatively, where the share of equity as on the date of investment is in excess of the cost of investment, it is recognised as "Capital Reserve" in the consolidated financial statements.

(iv) Minority interest in net income of the consolidated subsidiary is adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company. Minority Interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the date of investment.

(v) The subsidiary company included in the consolidated financial statements is as under:

Name of the Company	Country of Incorporation	Ownership in %
Taraashna Services Limited	India	87.83%

NOTE NO. 2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the applicable accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 as applicable and the guidelines issued by the Reserve Bank of India. Accounting policies have been consistently applied except where a newly issued accounting standard or a guideline is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

b) Use of Estimates

The preparation of consolidated 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 (including contingent liability) and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. The actual results could differ from these estimates and the differences between the actual results and the estimates are recognized in the years in which the results are known / materialize and their effects disclosed in the notes to the consolidated financial statements.

c) Cash and Cash Equivalents (for the purpose of Consolidated Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Consolidated Cash Flow Statement

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

d) Tangible Assets - Property, plant and equipments

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Tangible assets acquired by the Holding Company on account of amalgamation are stated at the acquisition value agreed in the amalgamation agreement.

Capital work in progress:

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire fixed assets. Assets which are not ready for intended use are also shown under capital work in progress.

e) Intangible Assets

Intangible assets are carried at cost of acquisition less amortization. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized in the consolidated statement of profit and loss over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible asset is being amortised over a period of 3 years using written down value method.

Assets which are not ready for their intended use are shown as Intangible assets under development which comprises of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

f) Depreciation/Amortisation

Depreciation on tangible assets is provided on the written-down method using the rates arrived at based on the useful lives of assets prescribed under Schedule II of the Companies Act, 2013 which is also at par with the useful life of the assets estimated by the management. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Losses arising from retirement or gains or losses arising from disposal of fixed assets are recognized in the consolidated statement of profit and loss.

Intangible assets are amortized over their respective individual estimated useful lives on a written-down basis, commencing from the date the asset is available to the Company for its use.

Assets	Useful Life as per Schedule II (years)
Building	60 years
Plant & Machinery	5 -15 years
Office Equipment	5 years
Computer Equipment	3 years
Furniture & Fixture	10 years
Vehicles	8-10 years

The estimated useful life of the assets are reviewed at the end of each financial year and the amortisation and depreciation method are revised, if necessary.

Goodwill arriving on consolidation is not amortised but tested for impairment.

g) Impairment

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

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

h) 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 Group values its Investments based on the accounting standard issued by the Institute of Chartered Accountants of India as under:

(a) Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

(b) Current investments are carried at lower of cost or fair value.

i) Trade receivables

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

j) Portfolio loans

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

k) 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 the case of non-performing assets where it is recognized upon realization and any such income recognised before the asset became non-performing and remaining unrealised is reversed.

(b) Interest income on fixed deposits with bank is recognized on a time proportion accrual basis taking into account the amount outstanding and the interest rate applicable.

(c) Service charges are recognized as income as and when these become due.

(d) Processing fee collected on loans disbursed are recognized at the inception of the loan.

(e) In accordance with the RBI Guidelines, the Company accounts for any loss arising from assignment/ securitisation of standard assets immediately at the time of sale and the profit/ premium arising from securitisation is amortised over the life of the underlying portfolio loans/ securities. Income from interest strip (excess interest spread) is recognised in the consolidated statement of profit and loss net of any losses when redeemed in cash.

(f) Penal interest and charges are accounted as and when realized in respect of SME Loans.

(g) Dividend Income and Miscellaneous Income are accounted for as and when accrued.

(h) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization / collection.

l) Asset Classification and Provisioning Norms

a) Assets Classification

Loans to Customers are classified as Standard and Non-performing assets, based on the criteria laid down below:

Asset Classification	Criteria
Standard assets	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;
Non-Performing assets	An asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

b) Provisioning Norms

(i) Provisioning Norms for MFI Loan Portfolio:

The aggregate loan provision maintained by the Company at any point of time shall not be less than the higher of 1.75% of the outstanding loan portfolio including securitization or 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

The above-mentioned provisioning policy is as per the provision policy prescribed in the NBFC-MFI Directions. These Directions require the total provision for loan portfolio to be higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

(ii) Provisioning Norms for SME Loans:

RBI Provisioning Norms:

Particulars	Months Past due	Provisioning Policy	
		Unsecured	Secured
Standard Asset	0-4 Months	0.35%	0.35%
Non-Performing Assets:			
Substandard Asset	>4-18 Months	10%	10%
Doubtful Asset	>18 - 32 Months	100%	20%
	>32 - 56 Months		30%
	>56 Months		50%
Loss Assets		-	Written off/100%

The Company has made provision higher than the percentage prescribed by RBI as below:

Particulars	Months Past due	Provisioning Policy	
		Unsecured	Secured
Standard Asset	0-3 Months	0.40%	0.40%
Non-Performing Assets:			
Substandard Asset	>3-12 Months	10%	10%
Doubtful Asset	>12 - 24 Months	100%	20%
	>24 - 51 Months		30%
	>51 Months		50%
Loss Assets		-	Written off/100%

m) 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.

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

n) Foreign Currency

(i) Transactions in foreign currency entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction.

(ii) Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

(iii) Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Group at rates different from those at which they were initially recorded during the year are recognized as income or expense in the consolidated statement of profit and loss.

o) Share /Debenture Issue Expenses

All expenses pertaining to issue of share capital (both equity and preference share capital) and debentures are adjusted against the Securities Premium Reserve Account to the extent any balance is available for utilisation in the Securities Premium Account. Share/Debenture issue expenses in excess of the balance in the Securities Premium Account is expensed in the consolidated statement of profit and loss.

p) Provisions and Contingent Liabilities

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, the Holding Company being a NBFC-MFI also complies with the guidelines issued by the Reserve Bank of India regarding the various provisioning norms.

A Contingent liability is a possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements.

q) Employees Retirement Benefits

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

(i) Short-term employee benefits

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

(ii) Defined Contribution Plan

Company's contributions to Provident Fund, Pension Fund and Employee State Insurance Scheme are charged as expense based on the amount of contribution required to be made and when services are rendered by the employees.

(iii) Defined Benefit Plan

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

(iv) Long term employee benefits

Compensated absences which are not expected to occur within 12 months after the end of period in which the employee rendered the related services are provided for based on actuarial valuation carried out at the end of the financial period using projected unit Credit Method. Past services cost is recognized immediately to the extent that the benefits are already used and otherwise is amortized on straight line base over the average period unit the benefits become vested. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognised past service cost, as redeemed by the fair value of scheme assets.

Actuarial gains / losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

r) 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 is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

(ii) Excess/short provision of income tax relating to earlier years is disclosed separately in the accounts.

(iii) Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

s) Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

t) Employee Stock Option Scheme ('ESOP')

The Holding Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The scheme provides that subject to continued employment with the company, employees of the Company are granted an option to acquire equity shares of the company that may be exercised within a specified period. The company follows the intrinsic value method for computing the compensation cost for all options granted which will be amortized over the vesting period. Measurement and disclosure of the employee share-based payment schemes are done in accordance with Securities and Exchange Board of lndia (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India.

The difference between the intrinsic value of the stock option granted and the exercise price, if any, is expensed as "Employee Compensation" over the period of vesting.

u) Leases

Lease arrangements where the significant portion of the risks and rewards of ownership vests with the Lessor are recognized as operating leases. Payments made under operating leases are charged to the consolidated statement of profit and loss on a straight-line basis over the period of lease.

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value of the leased property and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

v) Operating Cycle

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

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
3	**Share Capital**		
	Authorised		
	55,000,000 Equity Shares of Rs. 10/- each		550,000,000.00
	75,000,000 Preference Shares of Rs. 10/- each		750,000,000.00
			1,300,000,000.00
	Issued		
	37,615,287 Equity Shares of Rs. 10/- each		376,152,870.00
	25,000,000 12.10% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		250,000,000.00
			626,152,870.00
	Subscribed		
	37,615,287 Equity Shares of Rs. 10/- each		376,152,870.00
	25,000,000 12.10% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		250,000,000.00
			626,152,870.00
	Paid-up		
A	**Equity Share Capital**		
	37,568,787 Equity Shares of Rs. 10/- each		375,687,870.00
	Less:- Amount recoverable from Satin Employees Welfare Trust (Face value of 449,300 shares allotted to the Satin Employees Welfare Trust)		(4,493,000.00)
			371,194,870.00
	Add: Forfeited shares (Amount originally paid on 46,500 equity shares)		234,500.00
B	**Preference Shares Capital**		
	25,000,000 12.10% Cumulative, Rated, Non-Participative, Non-Convertible & Compulsorily Redeemable Preference Shares of Rs. 10/- each		250,000,000.00
			621,429,370.00
a	**Reconciliation of equity shares of the face value of Rs. 10/- each Authorised**	No.	Rs.
	At the beginning of the accounting period	40,000,000	400,000,000.00
	Additions during the year	15,000,000	150,000,000.00
	At the end of the accounting period	55,000,000	550,000,000.00
	Issued		
	At the beginning of the accounting period	31,997,861	319,978,610.00
	Additions during the year	5,617,426	56,174,260.00
	At the end of the accounting period	37,615,287	376,152,870.00
	Subscribed		
	At the beginning of the accounting period	31,997,861	319,978,610.00
	Additions during the year	5,617,426	56,174,260.00
	At the end of the accounting period	37,615,287	376,152,870.00
	Paid up		
	At the beginning of the accounting period	31,951,361	319,513,610.00
	Additions during the year	5,617,426	56,174,260.00
	At the end of the accounting period	37,568,787	375,687,870.00
	Shares issued to Satin Employees Welfare Trust		
	At the beginning of the accounting period	476,543	4,765,430.00
	Additions during the year	-	-
	Alloted to Employees during the year	27,243	272,430.00
	At the end of the accounting period	449,300	4,493,000.00

b	Reconciliation of Preference shares of the face value of Rs. 10/- each Authorised	No.	Rs.
	At the beginning of the accounting period	90,000,000	900,000,000.00
	Additions/(Re-classification/Deletions) during the year	(15,000,000)	(150,000,000.00)
	At the end of the accounting period	75,000,000	750,000,000.00
	Issued		
	At the beginning of the accounting period	-	
	Additions/(Deletions) during the year	25,000,000	250,000,000.00
	At the end of the accounting period	25,000,000	250,000,000.00
	Subscribed		
	At the beginning of the accounting period	-	
	Additions/(Deletions) during the year	25,000,000	250,000,000.00
	At the end of the accounting period	25,000,000	250,000,000.00
	Paid up		
	At the beginning of the accounting period	-	
	Additions/(Deletions) during the year	25,000,000	250,000,000.00
	At the end of the accounting period	25,000,000	250,000,000.00

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

S.No.	Name of Shareholder	As at 31.03.2017	
		No. of shares	Percentage Holding
1	MV Mauritius Limited	3,485,520	9.28%
2	SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd	3,313,609	8.82%
3	NMI Fund III KS	2,772,304	7.38%
4	Parishek Finance Private Limited	2,150,880	5.73%
5	Morgan Stanley Mauritius Company Limited	1,892,312	5.04%

1. The authorized share capital of the Holding Company was reclassified vide approval of equity shareholders through Annual General Meeting held on July 30, 2016 from Rs. 1,300,000,000/- (Rupees One Hundred and Thirty Crore) divided into 40,000,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 90,000,000 (Nine Crore) Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,300,000,000/- (Rupees One Hundred and Thirty Crore) divided into 55,000,000 (Five Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 75,000,000 (Seven Crore and Fifty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten only) each

2. **Terms/rights attached to equity shares.**

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

3. Employee Stock Option Scheme (ESOS)

Satin Employees Welfare Trust has transferred 225,700 Equity Shares to various employees of the Holding Company. At present, Satin Employees Welfare Trust holds 199,300 equity shares under Satin ESOP 2009 and 100,000 equity shares under Satin ESOP 2010 and 150,000 equity shares under Satin ESOP II 2010 aggregating to 449,300 Equity Shares as on March 31, 2017.

a) Employee stock option schemes:

Satin ESOP 2009: 425,000 equity shares of Rs. 10/- each at a premium of Rs. 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. Details of grant and exercise of such options are as follows;

Particular	**Grant – 1 of ESOP 2009**			**Grant – 2 of ESOP 2009**			**Grant – 3 of ESOP 2009**
No. of Option Granted	150,000			98,300			87,900
Date of Grant of Option	12th January 2010			02nd December, 2013			02nd December, 2016
No. of Employee to whom such are Option Granted	2			29			36
No. of Employees who have exercised the option	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	1/3rd of 87,900 shares will be vested each in financial year 2017-18, 2018-19 and 2019-20.
	2	2	2	25	23	23	
No. of Shares transferred to Employees	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	
	50,000	50,000	50,000	25,824	22,633	27,243	

Satin ESOP 2010: 100,000 equity shares of Rs. 10/- each at a premium of Rs. 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010.

Satin ESOP II 2010: 150,000 equity shares of Rs. 10/- each at a premium of Rs. 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011.

b) The Holding Company has provided following share based options to its employees. During the financial year ended March 31, 2017, the following schemes were in operations:

Particulars	ESOP 2009	ESOP 2010	ESOP II 2010
Date of grant	12.01.2010,02.12.2013 and 02.12.2016	Not Granted	Not Granted
Date of Board approval	27.11.2009,12.11.2013 and 09.11.2016	22.06.2010	21.04.2011
Date of Shareholders approval	01.06.2009	26.03.2010	15.12.2010
No. of options granted	336,200 out of 425,000	-	-
Method of settlement	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options	Options will be converted into equivalent number of Equity Shares pursuant to vesting of options
Vesting options	1. The first option was for 150,000 equity shares, out of which: a) First 50,000 options were vested on 12.01.2011 and exercised on the same day by employees. b) Second 50,000 options were vested on 12.01.2012 and exercised on the same day by employees. c) Third 50,000 options were vested on 12.01.2013 and exercised on the same day by employees. 2. The second option was for 98,300 equity shares, of which 11,000 are unvested and balance of 87,300 are vested as follows: a) 29,100 options were vested on 02.12.2014 and 25,824 options were exercised on 01.02.2015. b) 29,100 options were vested on 02.12.2015 and 22,633 options exercised on 01.02.2016 c) 29,100 options were vested on 02.12.2016 and 27,243 options exercised on 01.02.2017.	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 grant 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 grant 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 grant of options
Vesting conditions	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of transfer of shares.	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of transfer of shares	Options will be vested equally in three years from the grant of options subject to lock in period of one year from the date of transfer of shares.

i) The details of ESOP 2009 are summarized below:

Particulars	As at 31.03.2017	
	ESOP 2009	
	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	226,543	20
Granted during the year	87,900	-
Forfeited during the year	-	-
Exercised during the year	27,243	-
Expired/Lapsed during the year	11,167	-
Outstanding at the end of the year	199,300	20
Exercisable at the end of the year	78,600	20
Weighted average remaining contractual life (in years) of the option exercisable	1.67	-
Weighted average fair value of the options exercisable	20	20

ii) The details of ESOP 2010 are summarized below:

Particulars	As at 31.03.2017	
	ESOP 2010	
	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	100,000	22
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired/Lapsed during the year	-	-
Outstanding at the end of the year	100,000	22
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-
Weighted average fair value of the options exercisable	-	-

iii) The details of ESOP II 2010 are summarized below:

Particulars	As at 31.03.2017	
	ESOP II 2010	
	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	150,000	25
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired/Lapsed during the year	-	-
Outstanding at the end of the year	150,000	25
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-
Weighted average fair value of the options exercisable	-	-

iv) The detail of exercise price for stock option at the end of the financial year 2016-2017 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	78,600	1.67	20
ESOP 2009	20/- per option	120,700	Not Applicable	20
ESOP 2010	22/- per option	100,000	Not Applicable	22
ESOP II 2010	25/- per option	150,000	Not Applicable	25

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

i) The Holding Company had nil share-based payment arrangements during the year ended March 31, 2017.

ii) The estimated fair value of each stock option granted in the general employee stock option plan is Rs. 420.75 as on December 02, 2016. This was calculated by applying Black Scholes Model of valuation. The model inputs are as follows.

Inputs	Satin ESOP 2009		
	First Grant	Second Grant	Third Grant
Share Price at grant Date	N.A	N.A	N.A
Exercise price	20	20	20
Expected Volatility	-	-	-
Expected Dividends	-	-	-
Contractual Life (in years)	1.17	2.17	3.17
Risk Free Interest Rate	6.09%	6.04%	6.03%

iii) Other information regarding employee share-based payment plans is as below:

Particular	Year ended 31.03.2017
Expense arising from employee share-based payment plans	Rs.5,203,662.00
Expense arising from share and stock option plans	Nil
Closing balance of liability for cash stock appreciation plan	Nil
Expense arising from increase in fair value of liability for cash stock appreciation plan	Nil

5. The Holding Company has Rs. 9,936,000.00 recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

6. The Holding Company has allotted 1,087,456 (Ten Lakhs Eighty Seven Thousand Four Hundred And Fifty Six Only) equity shares of Rs. 10/- each at an issue price of Rs. 457.82 per share including premium of Rs. 447.82 per share on preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to swap of equity shares of the Holding Company with the shareholders of Taraashna Services Limited, "TSL" (Previously known as Taraashna Services Private Limited) with an intent to make it a subsidiary of the company in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009. Accordingly, as per confirmation received from TSL, 7,977,239 (Seventy Nine Lakhs Seventy Seven Thousand Two Hundred and Thirty Nine only) equity shares were transferred to the Holding Company, constituting 87.83% of the share capital of TSL and thereby becoming its subsidiary of w.e.f. September 01, 2016.

7. The Holding Company vide special resolution as approved by members of the Company in the annual general meeting held on July 30, 2016, came out with offer for Qualified Institutions Placement for an amount upto Rs. 250 Crores to Qualified Institutional Buyers in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009, as amended and in accordance with Chapter VIII of the SEBI ICDR Regulations. The Working Committee of the Board of Directors of the Holding Company at its meeting held on October 3, 2016 approved the allotment of 4,529,970 (Forty Five Lakhs Twenty Nine Thousand Nine Hundred And Seventy Only) Equity Shares of face value of Rs. 10/- each to qualified institutional buyers (QIBs) at the issue price of Rs. 551.88 per Equity Share (including a premium of Rs. 541.88), aggregating to Rs. 2,499,999,843.60 (Rupees Two Hundred Forty Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Eight Hundred and Forty Three and Sixty Paise Only).

8. During the year, the Holding Company has allotted 25,000,000, 12.10% Rated, Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of Rs.10/- each fully paid-up for cash at an issue price of Rs. 10/- vide board resolution passed on June 10, 2016 in accordance with the provisions of Section 42, 55 and 62 of the Companies Act, 2013 read with Rules made thereunder of The Companies (Share Capital and Debentures) Rules, 2014.

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
4	**Reserves & Surplus**		
	Capital Redemption Reserve		
	At the beginning of the accounting period	27,700,000.00	
	Additions / (Deductions) during the year	-	
	At the end of the accounting period		27,700,000.00
	Securities Premium Reserve		
	At the beginning of the accounting period	1,791,381,470.00	
	Additions during the year	2,943,150,090.52	
	Less: Share / Debenture issue expenses	132,015,058.00	
		4,602,516,502.52	
	Less: Amount recoverable from Satin Employees Welfare Trust	5,443,000.00	
	At the end of the accounting period		4,597,073,502.52
	Share Options Outstanding Account		
	At the beginning of the accounting period	1,173,967.00	
	Additions / (Deductions) during the year	3,638,373.00	
	At the end of the accounting period		4,812,340.00
	Exchange Fluctuation Reserve		
	At the beginning of the accounting period	(29,429,000.00)	
	Additions / (Deductions) during the year	15,546,583.32	
	At the end of the accounting period		(13,882,416.68)
	Statutory Reserve Fund		
	At the beginning of the accounting period	237,167,806.00	
	Additions during the year	48,998,410.00	
	At the end of the accounting period		286,166,216.00
	General Reserves		
	At the beginning of the accounting period	2,893,628.89	
	Additions / (Deductions) during the year	99,888.00	
	At the end of the accounting period		2,993,516.89
	Surplus in Statement of Profit & Loss		
	At the beginning of the accounting period	899,905,057.75	
	Additions during the year	248,735,245.02	
	Less: Transfer to Statutory Reserve Fund	48,998,410.00	
	Less: Dividend Paid -Preference Share Capital	-	
	Less: Dividend Distribution Tax	-	
	Less: Capital Redemption Reserve	-	
	At the end of the accounting period		1,099,641,892.77
			6,004,505,051.50

1. During the year, there has been an addition of Rs. 2,943,150,090.52 in the share premium reserve on account of the following:

   a) Issue of 1,087,456 equity shares to TSL at a premium of Rs.447.82.

   b) Issue of 4,529,970 equity shares to QIB at a premium of Rs.541.88.

   c) Exercise of 27,243 equity shares under ESOP Scheme at a premium of Rs.53.79.

2. During the year, the Holding Company utilized a sum of Rs. 132,015,058.00 from Securities Premium Reserve towards writing off incidental expenditure pertaining to raising share capital and non-convertible debenture as per the provisions of Section 52 of the Companies Act, 2013.

3. The Holding Company has Rs. 9,936,000.00 Recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

4. There is an addition of Rs.99,888.00 in general reserve on account of 1,857 equity shares not exercised by Satin employees under ESOP Scheme during the year.

5. Pursuant to the provision of section 45 (IC) of Reserve Bank of India Act, 1934, the Holding Company has transferred Rs. 48,998,410.00 towards Statutory Reserve Fund.

6. During the financial year 2014-15, the Holding Company has borrowed 10 millionUS Dollars from World Business Capital Inc for the period of eight years for the purpose of working capital as the External Commercial Borrowings (ECB) under the automatic route of the Reserve Bank of India. The repayment of principal and interest of the ECB is hedged against the foreign currency fluctuations as the Holding Company has contracted the risk fluctuation with a commercial bank at a predetermined rate to settle the foreign exchange liability. The details of ECB as on March 31, 2017 is as follows:

Movement in Loan amount during the Year	**Amount (Rs. in Lacs)**
Outstanding as on 01 April 2016	6,633.29
Amount Borrowed	-
Amount Repaid	264.12
Exchange Gain/(Loss)	155.47
Outstanding as on 31st March 2017	**6,213.70**

At the year end, the Holding Company as per the fair accounting practice and financial prudence has created a foreign exchange fluctuation reserve to reflect the difference in value of outstanding loan at the Balance Sheet date. This foreign exchange fluctuation reserve will be finally settled at the time of full and final settlement of ECB loan by the Holding Company. The interest payment on this ECB loan is accounted for at the predetermined rate and out of which the payment is made to the borrower by the commercial bank as per contract and the total amount is charged to the consolidated statement of profit and loss account as a part of interest cost.

Note No.	**Particulars**	**As at 31.03.2017**	
		Rs.	**Rs.**
5	**Minority Interest**		
	Equity Share Capital	**11,054,930.00**	
	Securities Premium Reserve	**6,467,888.04**	
	General Reserve	**4,760,100.17**	
	Surplus	**518,735.29**	
			22,801,653.50

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
6 A	**Long term borrowings** **Secured Loans** **(a) Non Convertible Debentures**		
	(i) 680, @13.25% Secured, Rated, Redeemable, Listed Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 680,000,000 redeemable on June 15, 2025. The date of allotment is June 15, 2016. (First ranking exclusive charge of microfinance with a cover of 1 time of principal)	**680,000,000.00**	
	(ii) 250, @13.35% Secured, Rated, Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/- each for a total nominal value of Rs. 250,000,000/- redeemable on November 30, 2020. The date of allotment is November 03, 2016 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**250,000,000.00**	
	(iii) 20, @14.50 % Secured, Senior Rated, Redeemable, Non- Convertible Debentures bearing a face value of Rs. 1,000,000/- each ("Debentures"), aggregating upto Rs. 20,000,000/- , redeemable on May 8, 2020. The date of allotment is May 08, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	**20,000,000.00**	
	(iv) 250, @12.00% Secured,Rated,Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/-each for a total nominal value of Rs. 250,000,000/-redeemable on November 11, 2019. The date of allotment is November 11, 2016 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**250,000,000.00**	
	(v)72 ,@14.70% Secured,Listed,Redeemable,Non-Convertible Debentures of Rs. 2,500,000/- each redeemable at par on September 27, 2019 , subject to Call/Put Option.The date of allotment is September 27, 2013 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**180,000,000.00**	
	(vi) 270 ,@13.75 % Rated, Listed, Secured, Redeemable, Transferable, Taxable Non-Convertible Debentures each having a face value of Rs. 1,000,000/- up to the aggregate nominal value of Rs. 270,000,000/- , redeemable on July 30, 2019. The date of allotment is July 31, 2015 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	**270,000,000.00**	
	(vii) 200 ,@ 12.50% Secured, Rated, Redeemable, Unlisted Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 200,000,000 redeemable on June 30, 2019. The date of allotment is June 30, 2016. (Secured by way of first exclusive charges over specific receivables)	**200,000,000.00**	
	(viii) 125,@14.30% Secured, Rated, Redeemable, Listed Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 125,000,000 redeemable on March 28, 2019. The date of allotment is March 29, 2016. (Payment obligations under the Transaction Documents rank at least pari passu with the claims of all of its other secured creditors, except for obligations mandatorily preferred by law applying to Companies generally)	**125,000,000.00**	
	(ix) 4,644 ,@14.00% Rated, Listed, Secured, Senior, Redeemable, Non- Convertible Debentures bearing a face value of Rs.100,000/- each, aggregating upto rs. 464,400,000/- redeemable on january 13, 2019. the date of allotment is December 22, 2015. (First ranking exclusive charge by way of hypothecation of receivables with 100% cover)	**464,400,000.00**	

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
	(x) 200, @ 12.50% Secured, Rated, Redeemable, Unlisted, Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 200,000,000 redeemable on December 31, 2018. The date of allotment is June 30, 2016. (Secured by way of first exclusive charges over specific receivables)	200,000,000.00	
	(xi) 260,@11.00% Secured, Rated, Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/-each for a total nominal value of Rs. 260,000,000/- redeemable on October 03, 2018, payable monthly. The date of allotment is October 03, 2016 (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)	65,000,000.00	
	(xii) 500,@14.65% Rated, Listed, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures each having a face value of Rs. 1,000,000/- up to the aggregate nominal value of Rs. 500,000,000/- redeemable on September 24, 2018. The date of allotment is September 24, 2015 (The loan will be secured by a pledge on class a loan portfolio covering 100% of the loan amount to be hypothecated to security Trustee)	500,000,000.00	
	(xiii) 75 (Series-2),@14.10% Secured, Listed, Redeemable, Non - Convertible Debentures of Rs. 2,500,000/- 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)	187,500,000.00	
	(xiv) 200, @ 12.50% Secured, Rated, Redeemable, Unlisted Non-convertible Debentures of face value of Rs. 1,000,000/- each, aggregating up to Rs. 200,000,000 redeemable on June 30, 2018. The date of allotment is June 30, 2016. (Secured by way of first exclusive charges over specific receivables)	200,000,000.00	
	(b) Term Loan		3,591,900,000.00
	From Banks		
	For Working Capital	6,932,861,674.65	
	For Purchase of Fixed Assets	6,035,092.90	
	From Others		6,938,896,767.55
	For Working Capital	5,541,859,829.42	
	For Purchase of Fixed Assets	-	
	(c) External Commercial Borrowings		5,541,859,829.42
	For Working Capital		333,648,629.34
B	**Unsecured Loans**		
	(a) Non Convertible Debentures		
	(i)100, @15.00% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1000,000/- each, aggregating Rs. 100,000,000/-, redeemable on June 30, 2023. The date of allotment is June 29, 2016.	100,000,000.00	
	(ii)350, @13.85% Unrated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 350,000,000/- , redeemable on April 30, 2023. The date of allotment is March 29, 2017.	350,000,000.00	
	(iii)100, @13.00% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1000,000/- each, aggregating Rs. 100,000,000/-, redeemable on March 31, 2023. The date of allotment is June 29, 2016.	100,000,000.00	
	(iv)100, @13.00% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 100,000,000/ - , redeemable on December 31, 2022. The date of allotment is June 29, 2016.	100,000,000.00	

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
	(v)100, @13.00% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1000,000/- each, aggregating Rs. 100,000,000/- , redeemable on September 30, 2022. The date of allotment is June 29, 2016.	100,000,000.00	
	(vi)100, @13.00%. Rated, Unsecured, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 100,000,000/- redeemable on September 28, 2022. The date of allotment is June 28, 2016.	100,000,000.00	
	(vii)250, @15.50% Rated, Unsecured, Subordinated, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 250,000,000 /- redeemable on April 15, 2022. The date of allotment is December 30, 2015.	250,000,000.00	
	(viii)2,628, @14.15% Rated, Unsecured, Listed, Senior, Redeemable, Taxable, Transferable, Non-convertible Debentures of face value of Rs.100,000 /- each, at par, aggregating up to Rs. 262,800,000/- redeemable on September 15, 2021. The date of allotment is October 05, 2015.	262,800,000.00	
	(ix)250, SBI Base Rate + 6.15% i.e.15.85%, Rated, Redeemable, Listed, Unsecured, Taxable, Non-Convertible Debentures of Rs. 1,000,000/- each for a total nominal value of Rs. 250,000,000/- redeemable on June 30, 2021. The date of allotment is June 30, 2015.	250,000,000.00	
	(x)130, @17.75% Unsecured, Unlisted, Redeemable Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on December 18, 2020 . The date of allotment is March 31, 2015.	130,000,000.00	
	(xi)250, @13.50% Rated, Unsecured, Listed, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 250,000,000/ - redeemable on November 30, 2020. The date of allotment is November 04, 2016.	250,000,000.00	
	(xii)150, @16.90% Unsecured, Listed, Redeemable Non - Convertible Debentures of Rs. 1,000,000/- each redeemable at par on September 20, 2020. The date of allotment is March 20, 2015.	150,000,000.00	
	(xiii)150, @12.25% Rated, Unsecured, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 150,000,000 /- redeemable on December 09, 2019. The date of allotment is December 26, 2016.	150,000,000.00	
	(xiv) 84, @18.00% Unsecured, Listed, Redeemable Non - Convertible Debentures of Rs. 2,500,000/- each redeemable at par on October 16, 2019. The date of allotment is July 15, 2014.	210,000,000.00	
	(xv)67,489,@13.00% Rated, Unsecured, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of Rs. 5,000/- each, aggregating Rs. 337,445,000 /- redeemable on May 28, 2019. The date of allotment is May 27, 2016.	337,445,000.00	
	(xvi)125, @14.30% Rated, Unsecured, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of Rs. 1,000,000/- each, aggregating Rs. 125,000,000/-redeemable on April 4, 2019. The date of allotment is April 05, 2016.	125,000,000.00	
			2,965,245,000.00
	(b)Term Loan		
	From Others		
	For Working Capital		682,089,663.00
	(c) External Commercial Borrowings		
	For Working Capital		179,656,954.32
	Total Long Term Borrowings		20,233,296,843.63

1. As per the terms of issue regarding the Secured Redeemable, Non-Convertible Debentures, the security offered by the Holding Company is the hypothecation of present and future receivable equivalent to the outstanding amount against each series of Non-Convertible Debenture. The above mentioned Non-Convertible Debentures are freely tradable and listed on the BSE Limited.

2. For ECB refer Note No.4 (6).

3. For Term loans refer Note No. 10 (1).

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
7	**Long-Term provisions**		
	Provision for Leave Encashment	**58,167,286.00**	
	Provision for Gratuity	**29,037,160.00**	
			87,204,446.00

1. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2015, are given below:

(i) Provident fund

Defined Contribution Plan

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

	Year Ended 31.03.2017 (Amount in Rs.)
Employer's Contribution to Provident Fund	**47,611,075.00**
Employer's Contribution to Superannuation Fund	**Nil**
Employer's Contribution to Pension Scheme	**41,839,324.00**

(ii) Gratuity

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

Details of provision for gratuity:

(Amount in Rs.)

Particulars	**Year Ended 31.03.2017**
Defined benefit obligation	**65,007,727.00**
Fair value of plan assets	**(26,619,403.00)**
Plan Liability	**38,388,324.00**

Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs.)

Particulars	**Year Ended 31.03.2017**
Opening defined benefit obligation	**36,693,908.00**
Interest cost	**2,437,527.00**
Current service cost	**23,615,073.00**
Benefits paid	**(6,606,260.00)**
Actuarial (gains)/losses on obligation	**8,867,479.00**
Closing defined benefit obligation	**65,007,727.00**

Changes in the fair value of plan assets are as follows:

(Amount in Rs.)

Particulars	**Year Ended 31.03.2017**
Opening fair value of plan assets	**27,587,648.00**
Expected Return	**1,782,901.00**
Contribution by employer	**2,500,000.00**
Benefits paid	**(5,486,547.00)**
Actuarial gains/(losses)	**235,401.00**
Closing fair value of plan assets	**26,619,403.00**

(iii) 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:

		Year Ended 31.03.2017 (Amount in Rs.)
	Leave Encashment (Unfunded)	
a)	Reconciliation of opening and closing balances of Defined Benefit Obligation	
	Defined Benefit obligation at beginning of the year	**23,229,319.00**
	Current Service Cost	**41,272,588.00**
	Interest Cost	**1,548,921.00**
	Actuarial (gain)/loss	**(4,272,012.00)**
	Benefits paid	**(3,200,605.00)**
	Defined Benefit obligation at year end-long term	**58,167,286.00**
	Defined Benefit obligation at year end-short term	**7,482,179.00**
b)	Reconciliation of opening and closing balances of fair value of plan assets	
	Fair value of plan assets at the beginning of the year	**-**
	Expected return on plan assets	**-**
	Actuarial gain/(loss)	**-**
	Employer contribution	**-**
	Benefits Paid	**(3,200,605.00)**
	Fair value of plan assets at year end	**-**
	Actual return on plan assets	**-**
c)	Reconciliation of fair value of assets and obligations	
	Fair Value of plan assets at year end	**-**
	Present value of obligation at year end	**65,649,465.00**
	Amount recognized in Balance Sheet	**65,649,465.00**
d)	Expenses recognized during the year (Under the head "Payments to and Provisions for Employees)	
	Current Service Cost	**25,526,079.00**
	Interest Cost	**2,343,609.00**
	Expected return on plan assets	**(1,831,116.00)**
	Actuarial (gain)/loss	**10,764,061.00**
	Net Cost-long term liability	**36,802,633.00**
	Net Cost-short term liability	**3,681,549.00**
e)	Actuarial assumptions	
	Mortality Table (L.I.C/IAL)	**IAL 2006-08 (Ultimate)**
	Discount Rate (per annum)	**7.30%**
	Expected rate of return on plan assets (per annum)	**-**
	Rate of escalation in salary (per annum) Holding	**10.00%**
	Rate of escalation in salary (per annum) Subsidiary	**3.00%**

The estimates rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
8	**Short Term Borrowings**		
A	**Secured Loans**		
(i)	**Term Loan**		
	From Banks		
	For Working Capital	650,000,000.00	
	As Working Capital Limit, Secured against book debts	23,645,014.22	
			673,645,014.22
(ii)	**Overdraft Facility against Fixed Deposits**		
	From Banks		65,777,780.03
B	**Unsecured**		
(i)	From Bank - CC Limit	1,450.00	
	From Bank - for others	11,804.35	
			13,254.35
(ii)	**Commercial Paper**		
	Commercial Paper	1,000,000,000.00	
	Less:Unamortised discount	40,202,927.38	
			959,797,072.62
	Total Short Term Borrowings		1,699,233,121.22

1. During the financial year, the Holding Company has issued four Commercial Paper of face value of Rs. 500,000,000.00 each amounting to Rs. 2,000,000,000.00, of which two are outstanding as on March 31, 2017.The discount on issue of commercial paper is amortised over the tenure of the instrument.

2. For Term loan refer Note No. 10 (1).

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
9	**Trade Payable**		
	Total outstanding dues of micro enterprises and small enterprises	-	
	Total outstanding dues of creditors other than micro enterprises and small enterprises	204,295,873.00	
			204,295,873.00

Based on the information available, there is no outstanding dues to suppliers registered under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31, 2017.

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
10	**Other Current Liabilities**		
A	**Current Maturity of Non Convertible Debentures-Secured**		
	(i) 515,@14.37% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 1000,000/- each redeemable at par on November 13, 2019, subject to Call/Put Option . The date of allotment is September 26, 2014. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	515,000,000.00	
	(ii) 200, @14.70% Secured, Listed, Redeemable Non - Convertible Debentures of Rs. 2,500,000/- each redeemable at par on June 15, 2020, subject to Call/Put Option . The date of allotment is July 15, 2014. (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	500,000,000.00	
	(iii) 260, @11.00% Secured, Rated, Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/-each for a total nominal value of Rs. 260,000,000/- redeemable on October 03, 2018, payable monthly. The date of allotment is October 03, 2016 (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)	130,000,000.00	
	(iv) 300, @12.30% Secured, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,000,000/-each for a total nominal value of Rs. 300,000,000/-redeemable on August 26, 2017, payable monthly. The date of allotment is August 26, 2015 (Secured against first ranking exclusive hypothecation & charge over specific loan receivables with a value equal to 100% of outstanding, present & future including all revenue therefrom)	62,500,200.00	
			1,207,500,200.00
B	**Current Maturity of long term borrowings-Secured from Banks**		
	For Working Capital	10,575,981,018.41	
	For Purchase of Fixed Assets	1,816,057.48	
			10,577,797,075.89
C	**Current Maturity of long term borrowings-Secured from Others**		
	For Working Capital	4,814,563,239.18	
	For Purchase of Fixed Assets	186,192.00	
	From Others	410,889.00	
			4,815,160,320.18
D	**External Commercial Borrowings**		
	For Working Capital		70,241,816.71
E	**External Commercial Borrowings-Unsecured Loan**		
	For Working Capital		37,822,516.71
F	**Expenses Payable**		111,352,108.13
G	**Payable Towards Assignment/Securitisation Transactions**		1,060,615,864.00
H	**Security Deposit-Rent**		33,775.00
I	**Interest accrued but not due on loans**		151,782,887.69
J	**Interest accrued but not due on Debentures**		188,257,614.00
K	**Statutory Liabilities Payable**		53,611,982.51
			18,274,176,160.82

1. The Group has availed term loans and overdraft facility from various banks and other institutions and has issued Non-Convertible Debentures for its lending operations as per details below:

(Amount in Rs.)

Particulars	**As At 31.03.2017**
Holding Company:	
Long Term Non-Convertible Debentures-Secured	**3,591,900,000.00**
Long Term from Banks - Secured	**6,932,861,674.65**
Long Term from Others - Secured	**5,541,859,829.42**
Long Term from Others - Secured (External Commercial Borrowings)	**333,648,629.34**
Long Term from Others - Unsecured (External Commercial Borrowings)	**179,656,954.32**
Long Term Non-Convertible Debentures-Unsecured	**2,965,245,000.00**
Long Term from Others - Unsecured	**650,000,001.00**
Short Term from Banks - Secured	**650,000,000.00**
Short Term from Others - Unsecured (Commercial Paper)	**959,797,072.62**
Current Maturity of Non-Convertible Debentures-Secured	**1,207,500,200.00**
Current Maturity of long term debts for lending from Banks - Secured	**10,575,981,018.41**
Current Maturity of long term debts for lending from Others - Secured	**4,783,210,968.18**
Current Maturity of long term debts for lending from Others - Secured (External Commercial Borrowings)	**70,241,816.71**
Current Maturity of long term debts for lending from Others - Unsecured (External Commercial Borrowings)	**37,822,516.71**
Overdraft Facility against Fixed Deposit from banks	**65,777,780.03**
Total (A)	**38,545,503,461.39**
Subsidiary Company:	
Long Term from Others - Unsecured	**32,089,662.00**
Current Maturity of long term debts for lending from Others - Secured	**410,889.00**
Current Maturity of long term debts for lending from Others - Unsecured	**31,352,271.00**
Short Term from Banks - Secured (CC Limit)	**23,645,014.22**
Short Term from Banks - Unsecured (CC Limit)	**1,450.00**
From Bank - Unsecured	**11,804.35**
Total (B)	**87,511,090.57**
Total (A+B)	**38,633,014,551.96**

Apart from the above, the following term loans have been availed for purchase of fixed assets from banks and other lenders.

(Amount in Rs.)

Particulars	**As At 31.03.2017**
Long Term from Banks – Secured	**6,035,092.90**
Current Maturity of long term borrowings from Banks – Secured	**1,816,057.48**
Current Maturity of long term borrowings from Others – Secured	**186,192.00**
Total (C)	**8,037,342.38**
Total (A+B+C)	**38,641,051,894.34**

The above are repayable/redeemed on periodic instalments of principal and interest. The sanctioned tenure of the loans outstanding as at March 31, 2017 varies from 6 months to 96 months.

For the secured loans, the Holding Company has offered security by way of hypothecation of portfolio loans arising out of its business operations generated from the respective loans and cash collateral in the form of fixed deposits. Out of above, an amount of Rs. 125,929.54 Lacs have been guaranteed by two of the Directors of the Holding Company in their personal capacity. The subsidiary Company has secured its loan against book debts.

2. Statutory liabilities include amount payable towards Income Tax, Service Tax, Provident Fund, Professional Tax, Employees State Insurance etc.

3. There has been no delay / default in repayment of dues including principal and interest in respect of any borrowings.

4. For ECB refer Note No.4 (6).

Note No.	**Particulars**	**As at 31.03.2017**	
		Rs.	**Rs.**
11	**Short - Term Provision**		
	Provision for Leave encashment	**7,482,179.00**	
	Provision for Gratuity	**9,351,164.00**	
	Provision for Non Performing Assets and Contingent provisions against Standard Assets	**608,553,512.33**	
			625,386,855.33

1. For Provision of Gratuity and Leave Encashment refer Note No.7.

2. The provisioning norms of the Company during the year has been changed from higher of a) 1% of the outstanding loan portfolio excluding securitization to 1.75% of the outstanding loan portfolio including securitization or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more. As a result, the impact of the percentage change from 1% to 1.75% on the changed portfolio by including securitisation is Rs. 259,875,990.74. There has been a further increase in the provision by Rs. 30,587,352.42 due to the inclusion of securitised portfolio at 1%. Hence, the total effect in the statement of profit and loss account is Rs. 380,437,684.78 on standard and non-performing assets during the year.

   The Company complies with the prudential norms of the Reserve Bank of India (RBI) with respect to income recognition, asset classification and provisioning. As per notification no. **DNBR (PD) CC.No.047/03.10.119/2015-16** dated July 1, 2015 updated as on April 20, 2016 issued by Reserve Bank of India, provision of higher of 1% of the outstanding portfolio as at March 31, 2017 or 50% of the aggregate loan instalments which are overdue for 90 days and more and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more has to be maintained.

   The provision made by the Company as on March 31, 2017 stands at Rs. 608,553,512.33 (Previous year Rs. 227,472,401.54) towards provision for non-performing assets and contingent provision against standard assets. This includes an amount of Rs.542,529,998.73 (Previous year Rs.206,256,941.92) as Contingent provision against standard assets.

3. Due to demonetization, RBI vide its notification no. **DBR.No.BP.BC.37/21.04.048/2016-17** dated November 21, 2016 has provided an additional 60 days for recognition of a loan account as substandard and this applies to all dues payable between November 1, 2016 and December 31, 2016. Further, an additional 30 days was provided in addition to 60 days and also to defer the down grade of an account that was standard as on November 1, 2016, but would have become NPA for any reason during the period November 1, 2016 to December 31, 2016, by 90 days from the date of such downgrade vide its notification **DBR.No.BP.BC.49/21.04.048/2016-17** dated December 28, 2016.

   Accordingly, the accounts aggregating to Rs.3,928,935,110.19 which would have become non-performing assets, due to demonetization impact over repayments by micro and SME borrowers, during the stated period have been classified as standard assets as on March 31, 2017.

Note No. 12
Tangible Assets - Property, plant and equipments

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block
	As At 01.04.2016	Addition/ Adj.	Sale / Adj.	As At 31.03.2017	As At 01.04.2016	For The Year	Adj./Written Back	As At 31.03.2017	WDV On 31.03.2017
Land	-	151,837,218.00	-	151,837,218.00	-	-	-	-	151,837,218.00
Buildings	70,963,228.28	-	1,751,057.28	69,212,171.00	12,200,832.28	2,821,083.00	848,998.08	14,172,917.20	55,039,253.80
Plant & Equipment	50,829,967.72	54,844,374.25	57,660.00	105,616,681.97	32,205,342.66	20,492,037.00	36,957.00	52,660,422.66	52,956,259.31
Office Equipment	20,045,196.59	17,781,734.46	2,145,364.00	35,681,567.05	11,040,844.15	7,221,852.00	1,635,717.45	16,626,978.70	19,054,588.35
Vehicles	16,788,884.00	-	3,389,070.00	13,399,814.00	7,773,470.58	2,771,593.00	1,839,931.00	8,705,132.58	4,694,681.42
Furniture & Fixtures	51,149,383.98	51,410,856.84	3,973,413.00	98,586,827.82	18,310,181.14	12,145,555.00	2,849,399.50	27,606,336.64	70,980,491.18
Total	**209,776,660.57**	**275,874,183.55**	**11,316,564.28**	**474,334,279.84**	**81,530,670.81**	**45,452,120.00**	**7,211,003.03**	**119,771,787.78**	**354,562,492.06**

Note No. 13
Intangible Assets

(Amount in Rs.)

Particulars	Gross Block				Amortization				Net Block
	As At 01.04.2016	Addition/ Adj.	Sale / Adj.	As At 31.03.2017	As At 01.04.2016	For The Year	Adj./Written Back	As At 31.03.2017	WDV On 31.03.2017
Computer Software	34,276,841.00	30,549,095.00	-	64,825,936.00	11,442,151.60	17,604,335.00	-	29,046,486.60	35,779,449.40
Total	**34,276,841.00**	**30,549,095.00**	**-**	**64,825,936.00**	**11,442,151.60**	**17,604,335.00**	**-**	**29,046,486.60**	**35,779,449.40**

Note No. 14
Capital Work-In-Progress

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block
	As At 01.04.2016	Addition/ Adj.	Sale / Adj.	As At 31.03.2017	As At 01.04.2016	For The Year	Adj./Written Back	As At 31.03.2017	WDV On 31.03.2017
Capital Work in Progress	72,134,893.00	25,634,897.00	-	97,769,790.00	-	-	-	-	97,769,790.00
Total	**72,134,893.00**	**25,634,897.00**	**-**	**97,769,790.00**	**-**	**-**	**-**	**-**	**97,769,790.00**

Note No. 15
Intangible Assets under development

(Amount in Rs.)

Particulars	Gross Block				Amortization				Net Block
	As At 01.04.2016	Addition/ Adj.	Sale / Adj.	As At 31.03.2017	As At 01.04.2016	For The Year	Adj./Written Back	As At 31.03.2017	WDV On 31.03.2017
Assets under development	-	24,056,409.00	-	24,056,409.00	-	-	-	-	24,056,409.00
Total	**-**	**24,056,409.00**	**-**	**24,056,409.00**	**-**	**-**	**-**	**-**	**24,056,409.00**

Notes:
1. Capital Work in Progress represents fixed assets – office flat under construction. Details of Capital commitment as per notes 32(1).
2. Intangible Assets under Development represents computer software, which will be ready for use in the financial year 2017-18.
3. Buildings acquired under amalgamation continue in the name of Satin Intellicomm Limited.

Note No.	Particulars	Face Value	No. of Units/ Shares 31.03.2017	As at 31.03.2017 Rs.
16	**Non Current Investments-Non Trade-At Cost**			
	I Unquoted - Equity Shares			
	Alpha Micro Finance Consultants Private Limited	10	**50,000**	**500,000.00**
	Total (A)			**500,000.00**
	II Unquoted - Others			
	Government of India, Inscribed stock -6.17%	100	**500**	**50,591.33**
	Total (B)			**50,591.33**
	Grand Total			**550,591.33**

The above investments are held in the name of the Holding 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	
17	**Deferred Tax Assets/(Liabilities)/Timing difference on account of**	**As at 31.03.2017**
	Depreciation	**(777,973.60)**
	Provisions created but not claimed in Income Tax	**231,373,287.58**
	Expenditure on account of Authorised Share Capital	**21,489.00**
	Total Deferred Tax Assets	**230,616,802.98**

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 31.03.2017	
		Rs.	Rs.
18	**Long Term Loans & Advances**		
	Portfolio Loans		
	Unsecured, considered good	**8,111,521,795.01**	
	Unsecured, considered doubtful	**45,410,535.03**	
			8,156,932,330.04
	Security Deposits - Unsecured		**18,327,046.00**
	Unamortised cost of borrowings		**54,000,237.71**
			8,229,259,613.75

1. The Holding Company has re-classified its portfolio assets by deferring the classification of an existing standard asset as substandard as per RBI vide its notification no. **DBR.No.BP.BC.37/21.04.048/2016-17** dated November 21, 2016 providing an additional 60 days for recognition of a loan account as substandard and this applies to all dues payable between November 1, 2016 and December 31, 2016. Further, an additional 30 days was provided in addition to 60 days and also to defer the down grade of an account that was standard as on November 1, 2016, but would have become NPA for any reason during the period November 1, 2016 to December 31, 2016, by 90 days from the date of such downgrade vide its notification **DBR.No.BP.BC.49/21.04.048/2016-17** dated December 28, 2016

   Accordingly, the accounts aggregating to Rs. 3,928,935,110.19 which would have become non-performing assets, due to demonetization impact over repayments by micro and SME borrowers, during the stated period have been classified as standard assets as on March 31, 2017.

(Amount in Rs.)

Asset classification	Loan Contracts Outstanding
	As At 31.03.2017
Standard Assets	31,845,985,212.53
Substandard Assets	145,825,393.85
Doubtful Assets	-
Loss Assets	-
Total Own Assets	31,991,810,606.38
Securitised/Assignment Portfolio	4,176,523,375.00
Total Assets	36,168,333,981.38
Provision for Bad & Doubtful debts and Contingent provisions against Standard Assets	608,553,512.33
Net assets	35,559,780,469.05

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

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
19	**Other Non-Current Assets**		
	Long term deposits having remaining maturity of more than 1 year	1,510,401,017.94	
	Advances recoverable in cash or in kind or for value to be received	144,410,754.00	
	Other - Taraashna Employees group Gratuity Trust	3,584,336.00	
			1,658,396,107.94

For long term deposits refer Note No. 23(2).

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
20	**Goodwill on Consolidation**		
	Goodwill on acquisition of subsidiary		337,065,917.69
			337,065,917.69

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
21	**Current Investment (Trade)**		
	Money Market Liquid Funds	204,521,112.16	
			204,521,112.16

Unquoted investments by the Holding Company, in the units of mutual funds in the nature of current investments is valued at the net asset value declared by the mutual fund in respect of each particular scheme at the year end.

Details of Investments in Mutual Fund (unquoted):-

Name of the Fund	No. of Units	Face Value (In Rs.)	Net Asset Value as at 31.03.2017
IDFC Ultra short term fund - Growth- (Direct Plan)	4,414,952.56	100,000,000.00	102,218,513.65
Reliance Money Manager fund - Direct Growth Plan	44,938.11	100,000,000.00	102,302,598.51
Total			**204,521,112.16**

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
22	**Trade receivable**		
	a) Unsecured considered good		
	Outstanding for a period less than six months from the date they are due for payment	**70,872,865.50**	
	b) Others		
	Outstanding for a period more than six months from the date they are due for payment	**-**	
			70,872,865.50

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
23	**Cash & Cash Equivalents:**		
	Cash on Hand	**181,781,305.20**	
	Balance with banks in current accounts	**3,489,471,929.07**	
	Term deposits for remaining maturity of 3 months or less	**5,387,170,565.90**	
	Other Bank Balances		
	Term deposits for remaining maturity of more than 3 months and upto 1 year	**2,239,206,395.15**	
			11,297,630,195.32

1. Cash on hand includes SBN of Rs.39,000.00 (Rs. Thirty nine thousand) towards court proceedings, received from police custody vide 3 court orders dated January 16, 2017, March 21, 2017 and March 28, 2017 and shown under "Miscellaneous Income".

2. Total term deposits of the Group with banks and others amounting to Rs. 9,136,777,978.99 includes long term deposits amounting Rs. 1,510,401,017.94 as stated in Note No. 19. The amount under lien as security against term loan and overdraft facility availed, assets securitized, first loss default guarantee are as follows:-

(Amount in Rs.)

Particulars	Holding Company	Subsidiary Company
Term Loan	1,996,764,443.63	-
Overdraft Facility	373,141,624.20	-
Assets Securitized	443,255,930.00	-
First Loss Default Guarantee	15,671,658.00	179,636,050.90
Total	**2,828,833,655.83**	**179,636,050.90**

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
24	**Short Term Loans & Advances - Unsecured**		
	Portfolio Loans		
	Unsecured, considered good	23,734,463,417.52	
	Unsecured, considered doubtful	100,414,858.82	
			23,834,878,276.34
	Staff Advance		82,103,298.81
	Income Tax (Net of Provisions)		14,236,659.13
	Unamortised cost of borrowings		85,884,767.61
			24,017,103,001.89

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

Note No.	Particulars	As at 31.03.2017	
		Rs.	Rs.
25	**Other Current Assets**		
	Prepaid Expenses	24,514,707.00	
	Interest accrued but not due	417,835,169.65	
	Interest due but not received	159,433,804.15	
	Advances recoverable in cash or in kind or for value to be received	612,361,345.18	
			1,214,145,025.98

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

2. The above advances recoverable in cash or in kind or for value to be received includes an amount of Rs.54,825,177.20 which is recoverable from the insurance companies and which the Holding Company is hopeful of recovery in due course and hence no provision has been created in the books of accounts as on March 31, 2017.

Note No. 26 – Specified Bank Notes (SBN)

1. During the year, the Holding Company had Specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016, the denomination wise SBNs and other notes as per the notification is given below:

(Rs. In Lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3,448.76	432.95	3,881.71
(+) Permitted receipts	-	36,565.08	36,565.08
(-) Permitted payments	-	7,290.49	7,290.49
(-) Amount deposited in Banks	3,448.76	28,387.66	31,836.41
Closing cash in hand as on 30.12.2016	-	1,319.88	1,319.88

2. The Subsidiary Company, being in the business of Business Correspondent with Banks / NBFCs, had, on behalf of Banks only, received Specified Bank Notes (SBNs) during the period from November 8, 2016 to December 30, 2016 as permitted receipts In terms of Gazette Notification No 2652 dated November 8, 2016 issued by Government of India and Notification No. RBI/2016- 17/112 dated November 8, 2016 issued by Reserve Bank of India and further Instructions received from Banks, on behalf of whom Company is acting as Business Correspondent. However due to exigencies and time constraint during the said period, denomination wise details of permitted receipts and deposits could not be recorded at branch level of the subsidiary company.

However, except for above, the Company did not receive from anyone any amount in the SBNs after November 8, 2016. Also the SBNs held as on close of November 8, 2016 and received thereafter were not used for any other purposes except for depositing into Banks as the relevant details were not available. Also Company did not receive any amount after December 30, 2016 and had NIL balance as on close of December 30, 2016 in denomination of SBNs.

The figures of the subsidiary Company could not be consolidated with that of Holding Company as the relevant details were not available.

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

Note No.	Particulars	Year Ended 31.03.2017	
		Rs.	Rs.
27	**Revenue From Operations**		
	Interest Income	6,158,207,652.18	
	Excess Interest Spread on Securitization	1,063,843,825.00	
	Loan Processing Fee	358,414,740.00	
	Income from Business Correspondent Operations	235,243,986.00	
	Other operational income	269,173.82	
			7,815,979,377.00

Note No.	Particulars	Year Ended 31.03.2017	
		Rs.	Rs.
28	**Other Income**		
	Fee Income	29,804,069.27	
	Other Income	168,872,191.99	
			198,676,261.26

1. The Holding Company has deferred the classification of an existing standard asset as substandard as per RBI Notification no. **DBR.No.BP.BC.49/21.04.048/2016-17** dated December 28, 2016 but has continued to reverse the unrealized interest which is overdue of more than 90 days as per existing RBI provision.

2. On the redemption of Mutual Funds, the difference between the Net Asset Value and Book Value is booked as short term capital gain/loss in the consolidated statement of profit and loss.

Note No.	Particulars	Year Ended 31.03.2017	
		Rs.	Rs.
29	**Finance Cost**		
	Interest paid to Banks	2,039,398,806.81	
	Interest paid to Others	1,053,382,611.14	
	Interest paid on Debentures	950,183,200.00	
	Interest on Commercial Papers	59,590,649.53	
	Finance Charges	254,956,931.86	
			4,357,512,199.34

Note No.	Particulars	Year Ended 31.03.2017	
		Rs.	Rs.
30	**Employee Benefit Expenses**		
	Salaries & Other Incentives	1,538,502,892.12	
	Share Option Expenditure	5,203,662.00	
	Contribution to Provident & Other Funds	114,270,662.00	
	Gratuity	30,548,142.90	
	Employee Welfare Expenses	30,067,463.81	
			1,718,592,822.83

Employee Benefit expenses include Director's Remuneration as per detail given below:-

(Amount in Rs.)

Particulars	Year Ended 31.03.2017
Salary	17,429,540.00
Contribution to Provident Fund, etc.	1,930,630.00
Leave Travel Allowance	1,332,600.00
Total	20,692,770.00

Also refer note no.7

Note No.	Particulars	Year Ended 31.03.2017	
		Rs.	Rs.
31	**Other Expenses**		
	Annual Listing Fee	712,054.00	
	Conveyance & Travelling	169,058,700.71	
	Direct Operational Expenses	57,135.00	
	Commission Paid	2,744,401.00	
	Printing & Stationary	136,686,559.00	
	Communication	48,809,059.93	
	Business Promotion	13,972,605.25	
	Legal & Professional Charges	145,805,583.67	
	Directors Sitting Fees	1,490,000.00	
	Insurance Charges	20,529,398.86	
	Office Expenses	159,735,031.68	
	Rent	96,975,496.75	
	Advertisement Expenses	3,124,629.00	
	Auditors' Remuneration	1,480,000.00	
	Subscription & Fee	12,010,833.00	
	Rates & Taxes	1,283,497.00	
	Repairs & Maintenance	18,562,321.99	
	Miscellaneous Expenses	57,305,841.30	
	Loss on Securitisation	38,538,766.00	
	Loss on Guarantee charges	36,760,547.00	
	Bank Charges	4,019,511.90	
	Guarantee Fees	2,737,066.00	
	Provision for Standard/Non Performing Assets	380,437,684.78	
	Portfolio loans & Other Write offs	131,880,929.32	
	(Profit)/Loss on Sale of Fixed Assets	2,343,839.25	
			1,487,061,492.39

1. Auditors' remuneration includes the following:

(Amount in Rs.)

Particulars	**Year Ended 31.03.2017**
Audit Fees	**875,000.00**
Tax Audit Fees	**235,000.00**
Certification work	**370,000.00**
Certification work - QIP	**1,624,331.00**
Total	**3,104,331.00**

2. In respect of Loan against Property, the Holding Company has provided First Loss Default Guarantee in the form of Cash Collateral amount to Reliance Capital Limited ('RCL') for 5% of outstanding amount. In the event of the default by the customer in which the installment are overdue for a period exceeding 90 days, the Holding Company stands as a guarantor to make good the loss to RCL. During the year, the Holding Company has written off an amount of Rs. 19,083,042.00 in respect of loans which are overdue by more than 90 days, doubtful for recovery and as claimed by RCL.

   The Subsidiary Company provides First/ Second Loss Default Guarantees in the form of fixed deposit / guarantees for Assets Under Management (AUM) as per the agreement signed with various Banks / Non-Banking Financial Companies (NBFCs) and has incurred a loss of Rs. 17,677,505.00 on account of these guarantees.

3. In respect of securitization transactions, the Holding Company has given First Loss Credit Enhancement by way of cash collateral to cover the losses due to defaults and prepayments which is a specified percentage of the pool principal. During the year, the Company has booked loss of Rs.38,538,766.00 on one securitization transaction as the cash collateral has been revoked due to delay in recovery of payments during demonetization period.

4. During the year, the Holding Company has changed its policy on write off of portfolio loans from an overdue of more than 180 days to an overdue of more than 360 days w.e.f. February 10, 2017. The impact of the deferment has been reduction in the write off amount by Rs.79,940,138.55.

5. The Holding Company has changed its provision policy from higher of a) 1% of the outstanding loan portfolio excluding securitization to 1.75% of the outstanding loan portfolio including securitization or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more As a result, the impact of the percentage change from 1% to 1.75% on the changed portfolio by including securitisation is Rs. 259,875,990.74. There has been a further increase in the provision by Rs. 30,587,352.42 due to the inclusion of securitised portfolio at 1%. Hence, the total effect in the statement of profit and loss account is Rs. 380,437,684.78 on standard and non-performing assets during the year.

6. In respect of the subsidiary company, there were two instances of embezzlement of cash amounting to Rs. 8,501,934.00, out of which Rs.1,244,000.00 have been recovered. Despite efforts made by the Company, balance amount of Rs. 7,257,934.00 could not be recovered and have been written off during the year. Recovery amount, if any, will be considered as income as and when received.

Note No.32

1. Estimated amount of contract remaining to be executed on capital account and not provided for is Rs.**955.47 Lacs**.

2. **Contingent Liability: On**

   a) **For Holding Company**

(Rs. in Lacs)

Particulars	**As At 31.03.2017**
Credit enhancements provided by the Company towards securitisation	**4,432.56**
Portfolio of loan against property	**2,302.47**
Total	**6,735.03**

b) **For Subsidiary Company**

(Rs. in lacs)

Particulars	**As at 31.03.2017**
On account of First Loss Default Guarantees given to Yes Bank Ltd. in form of FD (5% of Rs. 11,351.93 Lacs)	567.60
On account of First Loss Default Guarantees given to DCB Bank Ltd. in form of FD (5% of Rs. 3,715.86 Lacs)	185.79
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of FD (2% of Rs. 22,844.21 Lacs)	456.88
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of Guarantee (3% of Rs. 22,844.21 Lacs)	685.33
On account of Second Loss Default Guarantees given to Reliance Capital Ltd. in form of FD (5% of Rs. 6,997.13 Lacs)	349.86
On account of First Loss Default Guarantees given to IndusInd Bank Ltd. in form of FD (5% of Rs. 415.42 Lacs)	20.77
On account of First Loss Default Guarantees given to IndusInd Bank Ltd. in form of Corporate Guarantee (3% of Rs. 415.42 Lacs)	12.46
On account of First Loss Default Guarantees given to IFMR Capital in form of Corporate Guarantee (5% of Rs. 107.36 Lacs)	5.37
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of FD (3% of Rs. 176.17 Lacs)	5.29
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of Corporate Guarantee (2% of Rs. 176.17 Lacs)	3.52
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of FD (3% of Rs. 58.82 Lacs)	1.76
Total	**2,294.63**

3. The Group operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies Act 2013,read with Rule 7 of the Companies (Accounts) Rules 2014.The Company operates in a single geographical segment i.e. domestic.

4. Related party disclosures in terms of Accounting Standard 18 issued by The Institute of Chartered Accountants of India and applicable regulations is as follows:

(Amount in Rs.)

Name of Related party	Description of Relationship	Nature of Transaction	Volume of Transaction	Outstanding Amount Period Ended Mar.17	Amount Written off or Written back
Mr. H P Singh	Key Personnel	Remuneration	**19,013,770.00**	**Nil**	**Nil**
Mr.Satvinder Singh	Non-Executive Director & Relative of Key Managerial Personnel	Sitting Fee	**310,000.00**	**Nil**	**Nil**
Mr.Rakesh Sachdeva	Non-Executive Director	Sitting Fee	**320,000.00**	**Nil**	**Nil**
Mr.Sundeep Kumar Mehta	Non-Executive Director	Sitting Fee	**340,000.00**	**Nil**	**Nil**
Mrs.Sangeeta Khorana	Non-Executive Director	Sitting Fee	**130,000.00**	**Nil**	**Nil**
Mr.Goh Colin	Non-Executive Director	Sitting Fee	**80,000.00**	**Nil**	**Nil**
Mr.Sanjay Kumar Bhatia	Non-Executive Director	Sitting Fee	**90,000.00**	**Nil**	**Nil**
Mr.Sujan Singh Chawla	Non-Executive Director	Sitting Fee	**20,000.00**	**Nil**	**Nil**
Mr.Anil Kumar Kalra	Non-Executive Director	Sitting Fee	**140,000.00**	**Nil**	**Nil**
Mr. Ramesh G. Dharmaji	Non-Executive Director	Sitting Fee	**20,000.00**	**Nil**	**Nil**
Mr.Davis F.Golding	Non-Executive Director	Sitting Fee	**40,000.00**	**Nil**	**Nil**
Mr.Jugal Kataria	Chief Financial Officer	Remuneration	**6,971,750.00**	**Nil**	**Nil**
Choudhary Runveer Krishanan	Company Secretary & Compliance Officer	Remuneration	**2,022,500.00**	**Nil**	**Nil**
Niryas Food Products Pvt.Ltd.	Influence of Key Managerial Personnel & Relatives	Rent Received	**405,300.00**	**Nil**	**Nil**
		Security Deposit	**Nil**	**33,775.00**	**Nil**
		Received amount of loan instalment deducted from creditors of milk products (TSL)	**607,121.00**	**2,148.00**	**Nil**
Mrs.Anureet HP Singh	Influence of Key Managerial Personnel & Relatives	Equity Share issued pursuant to acquisition of TSL	**132,193,235.90**	**Nil**	**Nil**
		Director Remuneration	**1,679,000.00**	**Nil**	**Nil**
Mr. Sanjeev Vij (TSL)	Chief Executive Officer	Remuneration	**7,023,000.00**	**Nil**	**Nil**
Mr.Prashant Sharma (TSL)	Company Secretary & Compliance Officer	Remuneration	**668,400.00**	**Nil**	**Nil**
Satin (India) Ltd.	Influence of Key Managerial Personnel & Relatives	Equity Share issued pursuant to acquisition of TSL	**101,086,198.18**	**Nil**	**Nil**
Satin Media Solutions Ltd.	Influence of Key Managerial Personnel & Relatives	Equity Share issued pursuant to acquisition of TSL	**155,525,574.38**	**Nil**	**Nil**

Note: As provisions for gratuity and leave benefits are made for the Group as a whole, the amounts pertaining to the key Management Personnel are not specifically identified and hence are not included above.

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

Office Premises

(Amount in Rs.)

Particulars	**Year Ended 31.03.2017**
Operating lease payments recognized during the year	**104,157,498.00**
Minimum lease obligations:	
-Not later than 1 year	**84,120,089.00**
-Later than 1 year but not later than 5 years	**104,646,489.00**
-Later than 5 years	**10,513,326.00**

Generator

(Amount in Rs.)

Particulars	**Year Ended 31.03.2017**
Operating lease payments recognized during the year	**263,102.00**
Minimum lease obligations:	
-Not later than 1 year	**820,923.00**
-Later than 1 year but not later than 5 years	**2,330,366.00**
-Later than 5 years	**-**

Vehicle

(Amount in Rs.)

Particulars	**Year Ended 31.03.2017**
Operating lease payments recognized during the year	**14,799.00**
Minimum lease obligations:	
-Not later than 1 year	**177,578.93**
-Later than 1 year but not later than 5 years	**573,973.00**
-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, 2015:

(i) Calculation of Earnings Per Share:

Particulars	**Year Ended 31.03.2017**
Net Profit after Tax available for appropriation (Rs.)	**248,735,245.02**
Weighted average number of Equity Shares for computation of Basic Earnings Per Share	**34,343,902**
Basic Earnings Per Share (Rs.)	**7.24**
Weighted average number of Equity Shares for computation of Diluted Earnings Per Share	**34,765,294**
Diluted Earnings Per Share (Rs.)	**7.15**

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

Particulars	**Year Ended 31.03.2017**
Basic Earnings Per Share (Rs.)	**7.24**
Effect of outstanding ESOS (Rs.)	**(0.09)**
Diluted Earnings Per Share (Rs.)	**7.15**

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

(Amount in Rs.)

Nature	**Year Ended 31.03.2017**
Reimbursement of Expenditure	**1,317.72**
Total	**1,317.72**

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

(Amount in Rs.)

Nature	**Year Ended 31.03.2017**
Travelling expenses	**6,978,353.80**
Professional Fee	**11,316,229.30**
Interest Payment - External Commercial Borrowing	**35,504,242.34**
Principal Payment - External Commercial Borrowing	**26,412,499.58**
Sitting Fees	**20,000.00**
Business Promotion	**256,004.00**
Share/ Debenture Issue Expenses	**6,804,618.00**
Total	**87,291,947.02**

8. The Group has not discontinued any operations, hence there is no profit/loss on this account.

9. **Additional disclosures as required by the Reserve Bank of India in respect of Holding Company:**

(A) Disclosure as per circular no. RBI/2014-15/299 DNBR(PD) CC.No.002/03.10.001/2014-15, dated November 10, 2014 issued by RBI are as under:-

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

Particulars	**As At 31.03.2017**
CRAR (%)	**24.14**
CRAR – Tier I Capital (%)	**16.58**
CRAR – Tier II Capital (%)	**7.56**
Amount of subordinated debt raised as Tier-II capital (Rs.in Crores)	**249.00**
Amount raised by issue of perpetual Debt Instruments	**-**

(ii) Investments:-

(Rs.in Crores)

Particulars				As At 31.03.2017
1)	Value of Investments			
	i)	Gross Value of Investments		**70.29**
		a)	In India	**70.29**
		b)	Outside India	**-**
	ii)	Provisions of Depreciation		**-**
		a)	In India	**-**
		b)	Outside India	**-**
	iii)	Net Value of Investments		**70.29**
		a)	In India	**70.29**
		b)	Outside India	**-**
2)	Movement of provisions held towards depreciation on investments			**-**
	i)	Opening balance		**-**
	ii)	Add: Provision made during the year		**-**
	iii)	Less: Write-off/Write back of excess provision during the year		**-**
	iv)	Closing balance		**-**

(iii) Derivatives:-

The Company has no transactions/exposure in derivatives in the current year.

(iv) (a) Disclosures relating to Securitisation:-

(Rs.in Crores)

S.No.	Particulars					As At 31.03.2017
1	No of SPVs sponsored by the NBFC for securitisation transaction					**19**
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC					**305.87**
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			**44.33**
		*	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		**-**

(b) Disclosure as per RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1,2006.

(Rs.in Crores)

Particulars		Year Ended 31.03.2017
i)	Total number of loan assets securitized during the year	**328,074**
ii)	Book value of loans assets securitized during the year	**629.67**
iii)	Sale consideration received during the year	**629.67**
iv)	Credit enhancement provided during the year	**26.02**
v)	Un-amortised interest spread as at year end	**-**
vi)	Interest spread recognised in the statement of Profit & Loss during the year (including amortization of unamortised interest spread)	**78.67**

(v) Detail of Assignment Transactions undertaken:-

(Rs.in Crores)

Particulars		Year Ended 31.03.2017
i)	Total number of loans assets assigned during the year	**104,386**
ii)	Book value of loans assets assigned during the year	**183.68**
iii)	Sale consideration received during the year	**183.68**
iv)	Interest spread recognised in the statement of Profit & Loss during the year (including amortization of unamortised interest spread)	**22.30**

(vi) Details of financial asset sold to Securitisation/Reconstruction Company for asset reconstruction:-

The Company has not sold financial assets to Securitisation/Reconstruction Companies for asset reconstruction in the current year.

(vii) Detail of non-performing financial asset purchased/sold:-

The Company has not purchased/sold non-performing financial asset in the current year.

(viii) Asset Liability Management Maturity pattern of certain items of assets and liabilities:-

(Rs.in Crores)

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities									
Borrowings from Banks	**75.26**	**81.18**	**136.89**	**291.04**	**545.59**	**688.74**	**4.36**	**0.19**	**1,823.25**
Market Borrowings (other than Banks)	**27.15**	**30.07**	**26.07**	**321.66**	**300.93**	**971.87**	**175.43**	**178.93**	**2,032.11**
Assets									
Advances	**1,073.18**	**349.10**	**277.20**	**626.88**	**1,097.05**	**931.15**	**19.44**	**0.64**	**4,374.64**
Investments	**-**	**-**	**20.45**	**-**	**-**	**-**	**-**	**49.84**	**70.29**

(ix) Exposures:-

(a) Exposure to Real State Sector:-Nil

(b) Exposure to Capital Market:-Nil

(x) Details of financing of parent Company product:-

This disclosure is not applicable as the Company does not have any holding/parent Company.

(xi) Registration obtained from other financial sector regulators:-

The Company is registered with following other financial sector regulators:

(a) Ministry of Corporate Affairs (MCA)
(b) Ministry of Finance (Financial Intelligence Unit)
(c) Securities and Exchange Board of India (SEBI)

(xii) Disclosure of Penalties imposed by RBI & other regulators:-

The RBI conducted the inspection of the Company during the financial year and the inspection report is pending to be received from RBI.No penalty has been imposed by RBI and other regulators.

(xiii) Related party transactions:-

Please refer Note No.32 (4)

(xiv) Rating assigned by credit rating agencies and migration of ratings during the year-

The Credit Analysis & Research Limited has reaffirmed the MFI grading, MFI 1, during the year.

During the year, the Company's various instruments were rated, the details of these ratings are as under:-

S. No	Particulars	Amount (Rs. In Crores)	Credit Rating Agency	Current Rating	Remarks
1	Non Convertible Debentures	2.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
2	Non Convertible Debentures	60.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
3	Non Convertible Debentures	68.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
4	Non Convertible Debentures	50.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
5	Subordinate Debt	15.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
6	Subordinate Debt	13.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
7	Subordinate Debt	25.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
8	Subordinate Debt	25.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
9	Subordinate Debt	40.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
10	Subordinate Debt	10.00	ICRA Limited	[ICRA]BBB+/Negative	Revised from ICRA BBB+
11	Commercial Paper	50.00	ICRA Limited	[ICRA] A2	
12	Non Convertible Debentures	25.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
13	Non Convertible Debentures	18.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
14	Non Convertible Debentures	50.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
15	Non Convertible Debentures	51.50	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
16	Non Convertible Debentures	26.28	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
17	Non Convertible Debentures	50.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
18	Non Convertible Debentures	46.44	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
19	Non Convertible Debentures	12.50	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
20	Non Convertible Debentures	12.50	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
21	Non Convertible Debentures	70.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
22	Non Convertible Debentures	34.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
23	Non Convertible Debentures	25.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
24	Non Convertible Debentures	15.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
25	Subordinate Debt	21.00	Credit Analysis & Research Ltd	CARE BBB ; Negative	Revised from BBB+; Negative

S. No	Particulars	Amount (Rs. In Crores)	Credit Rating Agency	Current Rating	Remarks
26	Fund Based -Long Term Bank Facilities	2200.00	Credit Analysis & Research Ltd	CARE BBB+; Negative	Revised from A-; Negative
27	Preference Share	25.00	Credit Analysis & Research Ltd	CARE BBB (RPS); Negative	Revised from BBB+ [RPS]; Negative
28	Non Convertible Debentures	27.00	India Ratings	BBB+/RWE (Rating Watch Evolving)	Revised from BBB+ /Stable
29	Securitisation	49.88	ICRA Limited	A(SO)/A(SO)	Revised fromA-(SO) /BBB(SO)
30	Securitisation	50.73	ICRA Limited	A(SO)/AA-(SO)	Revised from BBB+ (SO)/BBB(SO)
31	Securitisation	47.31	ICRA Limited	A+(SO)/A-(SO)	Revised from A-(SO) /BBB(SO)
32	Securitisation	44.44	ICRA Limited	A(SO)/BB-(SO)	Revised from A-(SO) /BB-(SO)
33	Securitisation	31.94	ICRA Limited	A+(SO)	Revised from A-(SO)
34	Securitisation	103.95	ICRA Limited	AA-(SO)/A-(SO)	Revised from A-(SO) /BBB(SO)
35	Securitisation	47.84	ICRA Limited	AA-(SO)	Revised from A-(SO)
36	Securitisation	48.57	ICRA Limited	A-(SO)	Revised from BBB(SO)
37	Securitisation	52.98	ICRA Limited	A(SO)	Revised from A-(SO)
38	Securitisation	64.33	ICRA Limited	A+(SO)	Revised from A-(SO)
39	Securitisation	39.89	ICRA Limited	A(SO)/BBB(SO)	Revised from BBB+ (SO)/BB+(SO)
40	Securitisation	45.72	ICRA Limited	A(SO)/BBB+(SO)/ BBB(SO)	Revised from A(SO)/ BBB+(SO)/BBB(SO)
41	Securitisation	66.60	ICRA Limited	BBB+(SO)/BB+(SO)	Revised from A-(SO) /BBB-(SO)
42	Securitisation	64.36	ICRA Limited	A-SO/BBB(SO)	Revised from A-(SO) /BBB(SO)
43	Securitisation	57.09	ICRA Limited	[ICRA]A-(SO)	
44	Securitisation	93.57	ICRA Limited	[ICRA]BBB(SO)	
45	Securitisation	112.66	ICRA Limited	BBB-(SO)/BB-(SO)	Revised from A-(SO) /BBB-(SO)
46	Securitisation	72.52	ICRA Limited	A-(SO)/BBB-(SO)	
47	Securitisation	98.83	ICRA Limited	A-(SO)/BBB-(SO)	

(xv) Remuneration of Directors:-

(Amount in Rs.)

Particulars	Salary	Contribution to Provident Fund	Leave Travel Allowance	Sitting Fee
Mr. H P Singh	**15,929,540.00**	**1,751,630.00**	**1,332,600.00**	**Nil**
Mr. Satvinder Singh	**Nil**	**Nil**	**Nil**	**310,000.00**
Mr. Rakesh Sachdeva	**Nil**	**Nil**	**Nil**	**320,000.00**
Mr. Sundeep Kumar Mehta	**Nil**	**Nil**	**Nil**	**340,000.00**
Mrs. Sangeeta Khorana	**Nil**	**Nil**	**Nil**	**130,000.00**
Mr. Goh Colin	**Nil**	**Nil**	**Nil**	**80,000.00**
Mr. Sanjay Kumar Bhatia	**Nil**	**Nil**	**Nil**	**90,000.00**
Mr. Sujan Singh Chawla	**Nil**	**Nil**	**Nil**	**20,000.00**
Mr. Anil Kumar Kalra	**Nil**	**Nil**	**Nil**	**140,000.00**
Mr. Ramesh G. Dharmaji	**Nil**	**Nil**	**Nil**	**20,000.00**
Mr. Davis F. Golding	**Nil**	**Nil**	**Nil**	**40,000.00**

(xvi) Additional Disclosures:-

(a) Provisions & Contingencies:-

(Rs. In Crores)

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit & loss		**Year Ended 31.03.2017**
Provision for depreciation on Investment		-
Provision towards NPA		6.60
Provision made towards income tax		26.64
Other provision and contingencies (with details)		
i)	Provision for leave encashment	5.65
ii)	Provision for gratuity	3.55
Provision for Standard Assets		54.25

(b) Draw Down from Reserves:-

There has been no draw down from reserve during the year ended March 31, 2017.

(c) Concentration of Advances, Exposures and NPAs:-

(Rs. In Crores)

Particulars	**As At 31.03.2017**
Concentration of advances	
Total advance to twenty largest borrowers	**20.19**
% of Advance to twenty largest borrowers to total advances	**0.63%**
Concentration of exposures	
Total exposure to twenty largest borrowers/customers	**20.19**
% of Exposure to twenty largest borrowers/customers to total exposure	**0.63%**
Concentration of NPAs	
Total exposure to top four NPA account	**0.00**

(d) Sector-wise NPAs:-

Particulars		**As At 31.03.2017**
S.No.	**Sector**	**Percentage of NPAs to total advance to that sector**
1	**Agriculture & Allied activities**	**0.25%**
2	**MSME**	**0.02%**
3	**Corporate borrowers**	**-**
4	**Services**	**0.19%**
5	**Unsecured personal loans**	**-**
6	**Auto Loans**	**-**
7	**Other personal loans**	**0.00%**

(e) Movement of NPAs:-

(Rs. In Crores)

Particulars			**Year Ended 31.03.2017**
i)	Net NPAs to net advance (%)		**0.25**
ii)	Movement of NPAs (Gross)		
	a)	Opening balance	**4.24**
	b)	Addition during the year	**23.57**
	c)	Reductions/Write off during the year	**13.23**
	d)	Closing balance	**14.58**
iii)	Movement of net NPAs		
	a)	Opening balance	**2.12**
	b)	Addition during the year	**16.97**
	c)	Reductions/Write off during the year	**11.11**
	d)	Closing balance	**7.98**
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a)	Opening balance	**2.12**
	b)	Addition during the year	**6.60**
	c)	Write-off/Write back during the year	**2.12**
	d)	Closing balance	**6.60**

(f) Customer Complaints:-

Particulars		Year Ended 31.03.2017
a)	Number of complaints pending at the beginning of the year	-
b)	Number of complaint received during the year	**5,096**
c)	Number of complaint redressed during the year	**5,096**
d)	Number of complaint pending at the end of the year	-

(a) Instances of fraud:-

Instance of fraud for the year ended March 31, 2017:

(Rs.in Lacs)

Nature of Fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Cash embezzlement	**4**	**28.16**	**23.39**	**Nil**

As there is certainty of recovery for the amount of Rs.4.77 lacs, the Company has not made any provision.

(B) Information on Net Interest Margin :-

Particulars	As At 31.03.2017
Average Interest (a)	**22.32%**
Average effective cost of borrowing (b)	**13.41%**
Net Interest Margin (a-b)	**8.91%**

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

(Rs.in Lacs)

	Particulars		
	Liabilities side:		
1	**Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
	(a) Debentures : Secured	49,346.90	-
	: Unsecured (other than falling within the meaning of Public deposits)	30,182.12	-
	(b) Deferred Credits	-	-
	(c) Term Loans	299,064.65	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	9,597.97	-
	(g) Other Loans (specify nature) -		
	Public deposits	-	-
	Other unsecured loans	-	-
	Secured loans against assets of Company	80.95	-
	Assets side :	**Amount outstanding**	
2	**Break-up of Loans and advances including bills receivables (other than those included in (4) below) :**		
	(a) Secured		-
	(b) Unsecured		327,079.28
3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(I) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-
	(II) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(III) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
4	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(I) Shares : (a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others (please specify)		-
	2. Unquoted :		
	(I) Shares : (a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		2,045.21
	(IV) Government Securities		-
	(V) Others (please specify)		-
	Long Term Investments :		
	1. Quoted :		
	(I) Shares : (a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others (please specify)		-
	2. Unquoted :		
	(I) Shares : (a) Equity		4983.59
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		0.51
	(V) Others (please specify)		-
			7029.31

5	**Borrower group-wise classification of assets financed as in (2) and (3) above:**			
	Category	**Amount net of provisions**		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related Parties	-	313,832.57	313,832.57
	Total	**-**	**313,832.57**	**313,832.57**

6	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		
	Category	**Market Value / Breakup or fair value or NAV**	**Book Value (Net of Provision)**
	1. Related Parties		
	(a) Subsidiaries	4,978.59	4,978.59
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related Parties	2,050.72	2,050.72
	Total	**7,029.31**	**7,029.31**

7	**Other information**	
Particulars		**Amount**
(I)	Gross Non-Performing Assets	1,458.25
	(a) Related parties	-
	(b) Other than related parties	1,458.25
(II)	Net Non-Performing Assets	798.01
	(a) Related parties	-
	(b) Other than related parties	798.01
(III)	Assets acquired in satisfaction of debt	-

10. With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Group has undertaken activities as per the Corporate Social Responsibility ("CSR") Policy. During the financial year 2016-17, the Group has incurred a sum of Rs. 12,850,000.00 towards corporate social responsibilities in accordance with section 135 of the Companies Act 2013.

Note No. 33

Additional information as acquired by paragraph 2 of the General instructions for preparation of consolidated financial statements to schedule III of the Companies Act, 2013.

Name of the Entity	Reporting Currency	Net Assets, i.e. total assets minus total liabilities		Share in profit or (loss)	
		As % of consolidated net assets	Amount in Rs	As % of consolidated profit or loss	Amount in Rs
Holding					
Satin Creditcare Network Limited	INR	99.60%	6,622,191,226.93	98.30%	244,992,050.45
Subsidiary					
Taraashna Services Limited	INR	0.35%	3,743,194.57	1.50%	3,743,194.57
Minority Interest in Subsidiary	INR	0.05%	22,801,653.50	0.20%	518,735.29
Consolidated Net Assets/Profit after tax		**100%**	**6,648,736,075.00**	**100%**	**249,253,980.31**

Note No. 34

Being the first year of consolidation with subsidiary company (September 01, 2016 to March 31, 2017), previous year figures have not been given.

As per our report of even date attached
For A.K. Gangaher & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

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

Satvinder Singh
(Director)
DIN: 00332521

Place : Delhi
Dated: 26th May, 2017

Jugal Kataria
(Chief Financial Officer)

Choudhary Runveer Krishanan
(Company Secretary & Compliance Officer)
FCS: 7437

SATIN CREDITCARE NETWORK LIMITED
CIN: L65991DL1990PLC041796
Regd. Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033
Corp. Office: 909-914, ABC, 9th Floor, Kanchenjunga, Building, 18, Barakhamba Road, New Delhi-110001
Phone: 011-47545000 **Fax :** 011-23328951 **E-mail:** investors@satincreditcare.com
Website: www.satincreditcare.com

ATTENDANCE SLIP

(To be presented at the entrance)

Members are requested to bring their copy of the Annual Report along with them to the 27th Annual General Meeting. Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name: Folio No. / DP & Client ID:

Address: No. of Shares Held:

I hereby record my presence at the 27th Annual General Meeting held on July 06, 2017 at 11.00 A.M. at '**KAMANI AUDITORIUM'**, 1, Copernicus Marg, New Delhi - 110001.

SIGNATURE OF THE SHAREHOLDER/PROXY *

*Strike out whichever is not applicable.

SATIN CREDITCARE NETWORK LIMITED

CIN: L65991DL1990PLC041796
Regd. Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033
Corp. Office: 909-914, ABC, 9th Floor, Kanchenjunga, Building, 18, Barakhamba Road, New Delhi-110001
Phone: 011-47545000 **Fax :** 011-23328951 **E-mail:** investors@satincreditcare.com
Website: www.satincreditcare.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address:

E-mail Id:

Folio No. / DP & Client ID:

I/We, being the member (s) of …….……..……. Equity shares of Satin Creditcare Network Ltd., hereby appoint :

1. Name:.....
2. Address:.....
3. E-mail Id:.....
4. Signature:....., or failing him.

1. Name:.....
2. Address:.....
3. E-mail Id:.....
4. Signature:....., or failing him.

1. Name:.....
2. Address:.....
3. E-mail Id:.....
4. Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on July 06, 2017 at 11.00 A.M. at "**KAMANI AUDITORIUM'**, 1, Copernicus Marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution(s)	Particular of Items
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2017 and the Reports of Directors' and Auditors' thereon.
2	To declare Final Dividend on Preference Shares (12.10% Cumulative, Rated, Non Participative, and Non-Convertible & Compulsorily Redeemable Preference Shares) for the financial year 2016-17.
3	To appoint a Director in place of Mr. Satvinder Singh (DIN: 00332521), who retires by rotation and being eligible, offers himself for re-appointment.
4	To appoint statutory auditors from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting, to fix their remuneration and to authorize them also to conduct audit of accounts of the Company's Branches.
5	To appoint Mr. Davis Frederick Golding (DIN: 00440024) as an Independent Director
6	To consider, discuss and approve the issuance of Non-Convertible Debentures, in one or more series/tranches pursuant to section 42 of the companies act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014
7	To approve termination of earlier ESOP Schemes
8	To approve Satin Employee Stock Option Scheme 2017
9	To approve grant of stock options to the employees of subsidiary Company(ies) (present & future) under the Scheme
10	To approve further issuance of Securities
11	To approve amendments in the articles of association of the company under Section 14 of the Companies Act, 2013

Signed this..... day of ....., 2017

Signature of the shareholder(s): .....

Signature of proxy holder(s): .....

Affix Re. 1 Revenue Stamp

Note:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

(2) Those Members who have multiple folios with different joint holders may use copies of this attendance slip/Proxy form.

If Undelivered please return to:

Satin Creditcare Network Ltd.

CIN: L65991DL1990PLC041796

Corporate Office:
909-914-ABC, 9th Floor,
Kanchenjunga Building,
18, Barakhamba Road,
New Delhi-110001
Phone : (011) 47545000
Fax : (011) 23328951

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

SATIN CREDITCARE NETWORK LTD.

Reaching out!