

July 7, 2018

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

Scrip Code: SATIN**Scrip Code: 539404****Sub: Submission of Twenty Eighth Annual Report (FY 2017-18);**

Dear Sir/ Madam,

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find herewith enclosed the Twenty Eighth Annual Report (FY 2017-18) along with Statement on Impact of Audit Qualification (for audit report with un-modified opinion).

You are requested to take the above information on your records for its appropriate dissemination.

Thanking you,

Yours sincerely,
For Satin Creditcare Network Limited

(Choudhary Runveer Krishanan)
Company Secretary & Compliance Officer

Encl: a/a

ANNUAL REPORT | 2018



SATIN CREDITCARE NETWORK LTD.

Reaching out!

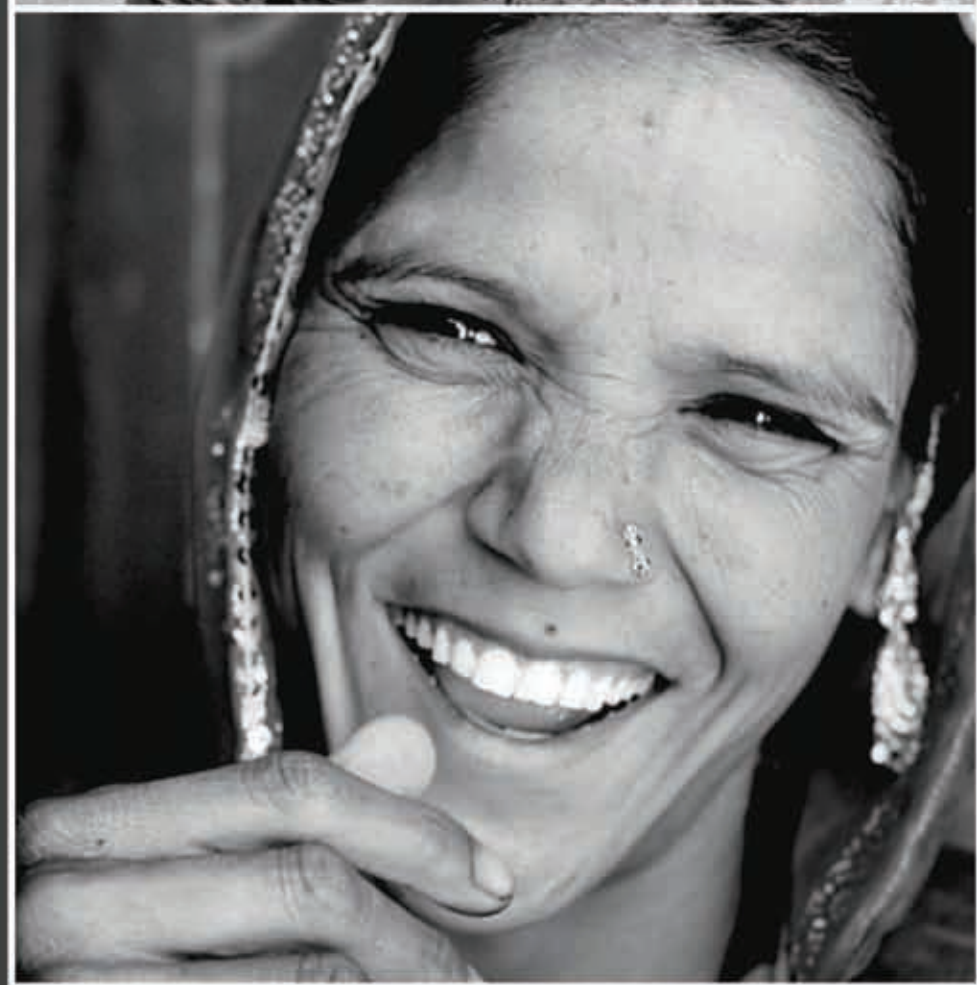


Table of Contents

CHAIRMAN'S LETTER	04
SCNL CORE VALUES	05
SCNL FOOTPRINTS	06
REACHING OUT STRATEGY	07
BOARD OF DIRECTORS	08
CORPORATE INFORMATION	09
SCNL PRODUCT PORTFOLIO	14
OPERATIONAL HIGHLIGHTS	15
GROSS AUM BY ECONOMIC ACTIVITY	18
SCNL SUBSIDIARIES	19
SCNL NEW INITIATIVES	24
SCNL TECHNOLOGY TRANSFORMATION	25
SCNL POWERFUL CATALYSTS	30
SCNL CORPORATE SOCIAL RESPONSIBILITY	32
SCNL EMPOWERMENT AND SOCIAL INITIATIVES	33
BOARD REPORT	36
CORPORATE GOVERNANCE REPORT	76
STANDALONE FINANCIAL STATEMENTS	113
CONSOLIDATED FINANCIAL STATEMENTS	172
NOTICE	221

Age is just a number proves Kanyawati Devi, Bareilly City, West UP

“I am highly thankful to SCNL family to let me be a part of such a big family and I am excited to venture my entrepreneurial journey at the age of 42.” As a house wife looking after 7 kids and family needs, never thought of working and contributing to the financial needs of the family.





ANNUAL REPORT 2018

Reaching out...

Satin Creditcare Network Limited, working on a mission to provide financial assistance to a large number of households which are excluded from the ambit of mainstream financial service providers aims at enhancing their livelihood and promoting a productive environment. As Satin Creditcare Network Limited fully thrives on “Reaching Out”, the expansion to North East, Odisha and West Bengal is an exemplary step taken to ensure SCNL reaches every doorstep.

“ **Process Driven
Systemic Control**

**Powered by
Technology** ”

**Satin Creditcare Network Limited
 (“SCNL”) ranked 34th for Dream
Companies to work in 2018 by
World Congress HRD Awarded
by Times Ascent**



SELECT ACCOLADES & KEY HIGHLIGHTS

- First Direct Equity Investment in Microfinance by Asian Development Bank
- Winner of “Best NBFC-MFI Award” in 2017 & Runner-up for “CSR Initiatives & Business Responsibility Award” in NBFC-MFI category– CIMSME Banking and NBFC Awards 2016
- “Client Protection Certificate” under the Smart Campaign – 2016 from M-CRIL
- Certificate for being the ‘Best Micro Finance Company in India’ from Worldwide Achievers at the Business Leaders’ Summit and Awards, 2016
- “India Iconic Name in Microfinance” Award- 2015 from IIBA
- First MFI to receive funding from Mudra Bank
- Raised multiple rounds of sub debt from reputed financial institutions (domestic and international) and ECB from World Business Capital
- First NBFC-MFI to raise funds from a domestic bank against guarantee by Asian Development Bank and IFMR Capital

**Award by MF
Transparency Organization**



**Client Protection Certificate
Smart Campaign - 2016**



**Award by Microfinance
Information Exchange**





CHAIRMAN'S LETTER

Dear Shareholders,

The past year has seen more milestones crossed for Satin Creditcare – we began operations in Assam in Q1 and Orissa in Q2 of 2018, with the goal of expanding our presence across East India and today, we are the second largest microfinance NBFC-MFI in terms of Gross Loan Portfolio, a figure amounting to Rs.57,568 mn.

We also launched our Housing Finance subsidiary in early 2018 and see huge potential for this segment to grow and expand, offering clients a quality value added service with regard to their requirements for affordable housing.

During the demonetization phase, we were one of the most impacted MFIs with 70% of our portfolio being in the geographies that were hardest hit. However, the turnaround in collection has served to prove not only the true strength of the JLG business model but also showcased Satin Credit care's commitment to boost financial inclusion in India.

Not only has the company successfully managed to overcome the effects of demonetization and return to profitability from Q2 and Q3 FY18, but have also managed to further build on that momentum with our PBT and PAT doubling in Q4 FY18, as compared to the previous quarter.

The credit for this goes to our operations team, who has worked relentlessly to make this possible. And it shows in the numbers. The overall collections on our new portfolio, disbursed from January 2017 onwards, stands at 98%; along with collection on our portfolio created via sourcing the new clients at 99.7%; the UP concentration being reduced from 34.7% to 29.7% as of March 2018.

During FY2017-18, Satin Creditcare raised Rs.643 million in equity via preferential allotment from ADB, Rs.450 million equity from promoters, Rs.350 million TIER II via OCCRPS from a large NBFC, Rs.1,500 million equity via QIP in October 2017, Rs.1,000 million equity via preferred allotment and Rs.450 million Tier II OCCRPS from IndusInd Bank.

As we take our first step towards becoming a fully digitized financial services firm, we are already set to go completely cashless on disbursements this financial year itself. In this endeavor, we are glad to be joined by New York-based investment firm Kora Management LP, which has recently picked up 4.6% equity stake in Satin Creditcare for an amount of Rs.800 mn, as they have a lot of on-ground experience in Fintech across Latin America and China.

With a great year behind us, we're hoping for an even better one ahead, where we will continue to work hard for our shareholders and be constructive partners to our portfolio companies, all the while aiming to support the government's mission of inclusion, by providing essential financial services to those who need it the most.

Thanking You,

With warm regards
H P Singh



SCNL CORE VALUES



Seeking Excellence: We seek excellence in everything we do, and hence growth has become a way of life for us at Satin, irrespective of the economic environment. Our treatment with customers and employees, the way we deal with clients and investors and the supportive, inspiring environment we create within our company demonstrate that.



Accountability & Ownership: It's all about accountability and the willingness to accept the task and be responsible for it. Ownership is the act, state or right of possessing something. However, the management defines it as the ability to take the responsibility and ensuring that someone is responsible for its end result and is also accountable for its outcome.



Teamwork & Collaboration: At SCNL, we believe in collaborative approach. Fitting in to needs of the organization is a way of life rather than individual gains. Collaboration brings the best in us.

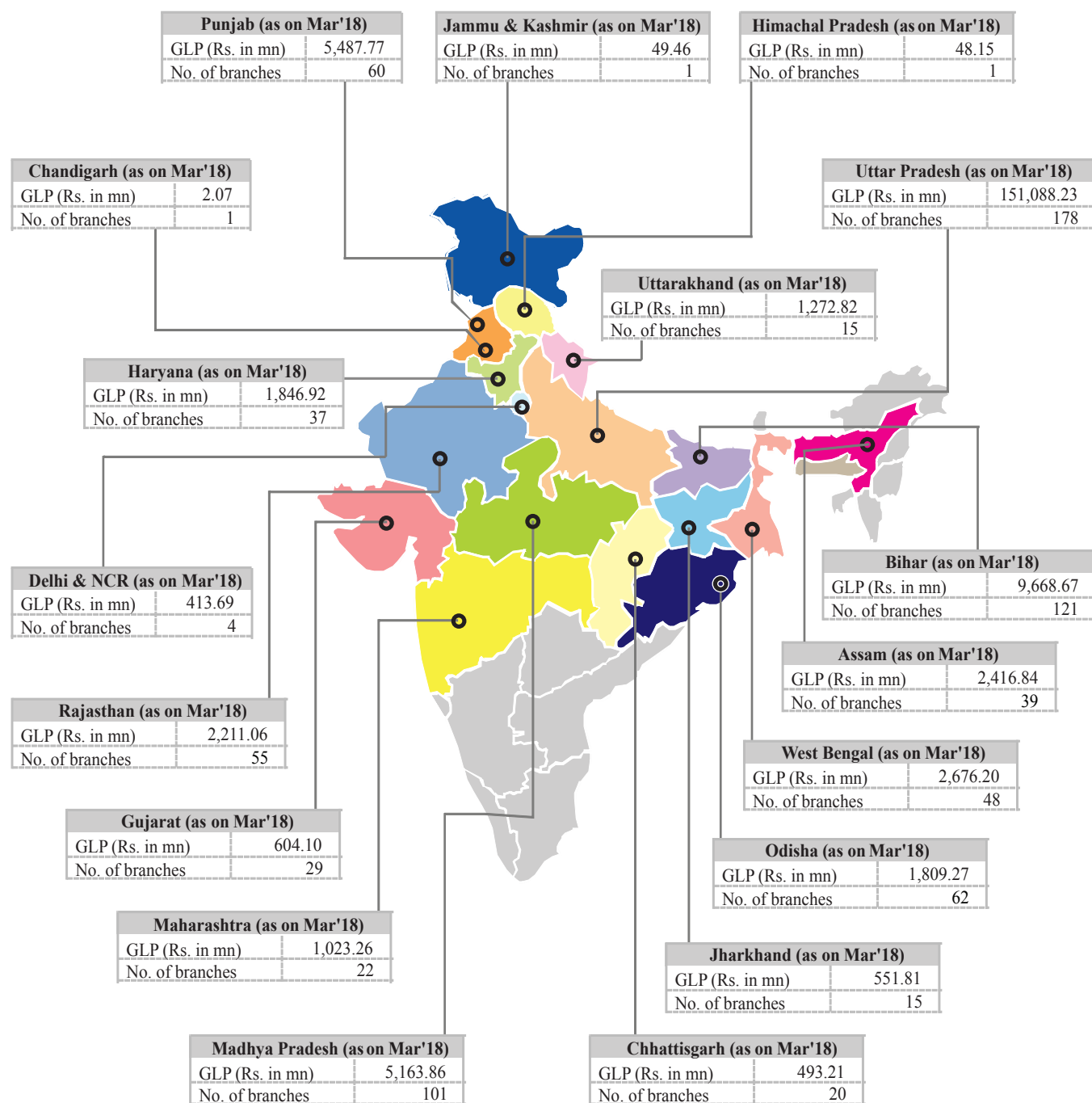


Integrity: Strength and stability- moral as much as fiscal- are the backbone of any business. We at SCNL, take the high road in all we do, holding ourselves to the highest financial, intellectual and ethical standards.



Nurturing lives: In all our endeavours and actions, we aim to create the value for all the people who are associated with us. Be our customers, our vendors or the people we work with, we handhold and ensure that we create value in everyone's lives.

SCNL FOOTPRINTS (STANDALONE)



○ *Satin area of Operation*

REACHING OUT STRATEGY*

We, Satin Creditcare Network Limited, are the second largest microfinance company in India. We offer loans for income generating activities at the doorstep of low-income women borrowers. Recently forayed in North East, Odisha and West Bengal to ensure we reach every doorstep to give financial service aid so as to enhance their livelihood and promote a productive environment.

Overall Performance in FY '18

₹ 57,568 mn

GROSS Loan Portfolio

2.82 mn

Number of Clients

35 %

Cashless Disbursement

995

Total Number of Branches

18

Number of States

23.7 %

Capital Adequacy Ratio

Strategic Tie up to ensure we Reach every doorstep and nurture Lives:

Business Correspondent Partnership- To serve SCNL members with diversified products and services- IndusInd Bank, Capital First, Paytm

Direct Partnership- To serve SCNL members a better life with Cycles, Solar and banking partnership for cashless transaction

Clients Reaching Out SCNL with Dedicated Customer Service

“SPARSH”

*Consolidated Numbers

BOARD OF DIRECTORS



Mr. H P Singh
Chairman and Managing Director



Mr. Satvinder Singh
Director



Mr. Rakesh Sachdeva
Independent Director



Mr. Sundeep Kumar Mehta
Independent Director



Mrs. Sangeeta Khorana
Independent Director



Mr. Goh Colin
Independent Director



Mr. Sanjay Kumar Bhatia
Independent Director



Mr. Anil Kumar Kalra
Independent Director



Mr. Davis Frederick Golding
Independent Director



Mr. Arthur Sletteberg
Nominee Director



Mr. Suramya Gupta
Nominee Director



Mr. Sanjaya Gupta
Nominee Director



Mr. Daniel Simpson Jacobs
Nominee Director

CORPORATE INFORMATION (As on March 31, 2018)

BOARD COMMITTEES

Audit 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)

Nomination & Remuneration Committee

Mr. Sundeep Kumar Mehta (Chairman)
Mr. H P Singh (Member)
Mr. Rakesh Sachdeva (Member)
Mrs. Sangeeta Khorana (Member)
Mr. Davis Fredrick Golding (Member)

Asset Liability Management Committee

Mr. H P Singh (Chairman)
Mr. Jugal Kataria (Member)
Mr. Amit Kumar Gupta (Member)
Mr. Ashish Gupta (Member)

Corporate Social Responsibility (CSR)

Mr. H P Singh (Chairman)
Mr. Rakesh Sachdeva (Member)
Mrs. Sangeeta Khorana (Member)

Risk Management Committee

Mr. Rakesh Sachdeva (Chairman)
Mr. Satvinder Singh (Member)
Mr. Sundeep Kumar Mehta (Member)

Working Committee

Mr. H P Singh (Chairman)
Mr. Satvinder Singh (Member)

OUR LEADERSHIP TEAM

HP Singh

Chairman cum Managing Director

Amit Sharma

Chief Executive Officer
Satin Housing Finance Limited

Subir Roy Chowdhury

Chief Human Resource Officer

Sanjeev Vij

Chief Executive Officer
Taraashna Services Limited

Dev Verma

Chief Operating Officer

Jugal Kataria

Chief Financial Officer

Sanjay Mahajan

Chief Information Officer



MANAGEMENT TEAM

Mr. Jugal Kataria	Chief Financial Officer
Mr. Dev Verma	Chief Operating Officer
Mr. Sanjay Mahajan	Chief Information Officer
Mr. Subir Roy Chowdhury	Chief Human Resource Officer
Choudhary Runveer Krishanan	Company Secretary and Compliance Officer
Statutory Auditor	Walker Chandiok & Co LLP 7 th Floor, Plot No 19 A, Sector 16A, Noida, 201301, Uttar Pradesh, India
Secretarial Auditor	S. Behera & Co. Practicing Company Secretary, S-1/3 & 4, First Floor, Near Uphaar Cinema, Green Park Ext., New Delhi-110016
Registrar & Share Transfer Agent	Link Intime India Pvt. Ltd. (For Equity and Preference Shares) 44, Community Center, 2nd floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028
	Karvy Computershare Pvt. Ltd. (For NCD's and Commercial Papers) Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034
Debenture Trustees (Non-Convertible Debentures)	
IDBI Trusteeship Services Ltd. Asian Building, Ground, Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400001	Catalyst Trusteeship Limited 213, 2nd Floor, Naurang House, 21, Kasturba Gandhi Marg, New Delhi -110001
	Axis Trustee Services Limited 2nd Floor 'E', Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025

LENDERS - BANKS AND FINANCIAL INSTITUTIONS

Banks

Abu Dhabi Commercial Bank	Karnataka Bank Ltd
Andhra Bank	Kotak Mahindra Bank Limited
Au Small Finance Bank Ltd	National Bank For Agricultural And Rural Development (NABARD)
Axis Bank Limited	Oriental Bank of Commerce
Bandhan Bank Limited	Punjab & Sind Bank
Bank of Baroda	Punjab National Bank
Bank of India	RBL Bank Limited
Bank of Maharashtra	SBER Bank
Bhartiya Mahila Bank	SBM Bank (Mauritius) Ltd
Canara Bank	Shinhan Bank
Catholic Syrian Bank Ltd.	Small Industries Development Bank Of India
CTBC Bank Co Ltd	Societe Generale
DCB Bank Limited	Standard Chartered Bank
Dena Bank	State Bank Of India
Dhanlaxmi Bank	Syndicate Bank
Doha Bank	The Hongkong & Shanghai Banking Corporation Limited (HSBC)
Federal Bank Limited	The Nainital Bank Ltd
HDFC Bank Limited	The South Indian Bank Limited
ICICI Bank Limited	Union Bank of India
IDBI Bank Limited	Vijaya Bank
Indian Bank	Yes Bank Limited
IndusInd Bank	

Financial Institutions

Northern Arc Capital Limited
INCRD Finance (Visu Leasing And Finance)
L&T Financial Services
Mahindra & Mahindra Financial Services Ltd
Manappuram Finance Limited
MAS Financial Services Limited
Micro Unit Development & Refinance Agency Ltd. (MUDRA)
NABARD Financial Services Limited (Nab\bins)
Nabkisan Finance Limited
Pirmal Finance Limited
Reliance Commercial Finance Limited
Religare Finvest Limited
Shriram City Union Finance Limited
Sundaram Finance Ltd
Tata Capital Financial Services Pvt. Ltd.
Utkarsh Small Finance Limited

External Commercial Borrowings

World Business Capital

CONTACT DETAILS

CIN	L65991DL1990PLC041796
Registered Office	5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033, India
Corporate Office	Floor 1 & 3, Plot No 97, Sector 44, Gurugram, Haryana-122003, India
Website & Contact No.	Website: www.satincreditcare.com Contact No: (124) 4715400, 450, 499

SCNL PRODUCT PORTFOLIO

	MFI Segment ⁽¹⁾	Non-MFI Segment	Business Correspondent services	Housing Finance
Product features as on Mar'18	MFI Lending	Loans to MSME ⁽²⁾	TSL ⁽³⁾	Satin Housing Finance Ltd ⁽⁴⁾
Start Date	May'08 (JLG)	Apr'16	May'12 ⁽³⁾	Feb'18
Ticket Size Range	Rs. 5,000 - Rs. 50,000	Rs. 100,000 - Rs. 1,500,000	Rs. 15,000 – Rs. 35,000 (JLG - Microfinance)	Rs 300,000 – Rs 1,500,000
Tenure	12 - 24 months	24 – 60 months	12 - 24 months	24 – 240 months
Frequency of Collection	Bi-Weekly / 2 Bi-Weekly *All new loans are Bi-weekly only	Monthly	Bi-Weekly / 2 Bi-Weekly	Monthly
No. of States/UTs	18	5	8	1
No. of Branches	804*	29*	184	2
Gross Loan Portfolio (Rs. mn)	50,102	746	6,699	21
No. of loan accounts	2,439,010	971	413,913	16
Avg. Ticket Size during FY18	Rs. 30,000 (JLG)	Rs. 870,000	Rs. 24,300	Rs. 1,300,000

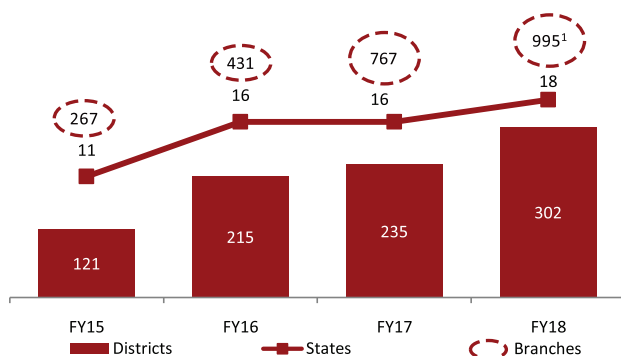
Notes - (1) As on Mar'18, MFI Segment included MFI Lending (loans under JLG model, water & sanitation loans and loans to individual businesses) and Product Financing (Loans for solar lamps);

(2) MSME: Micro, Small & Medium Enterprises; (3) TSL acquisition is effective Sep 1, 2016; (4) Satin Housing Finance Ltd was incorporated on April 17, 2017

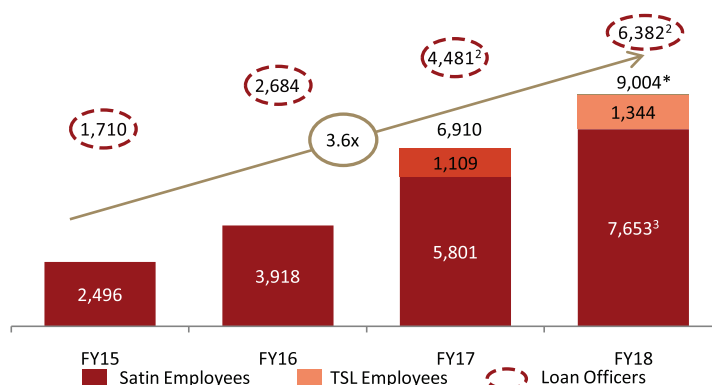
*As of FY18, there were 804 branches with Microfinance Operations & 29 branches with MSME operations. Out of the 29 MSME branches, 24 of them also had microfinance operations & 5 were unique.

OPERATIONAL HIGHLIGHTS

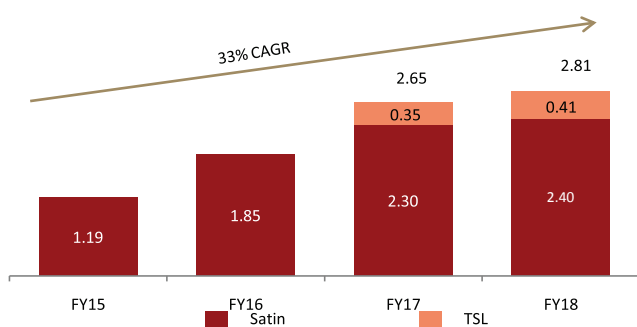
Districts, States and Branches



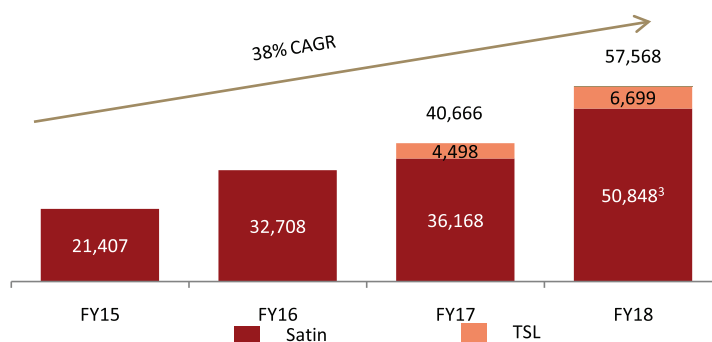
Employees & Loan Officers



Active Clients (mn)



Gross Loan Portfolio (Rs. mn)

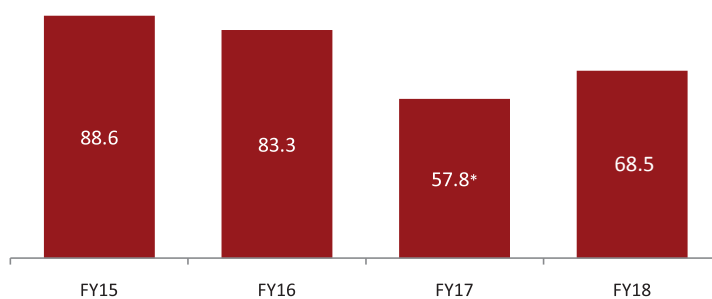


Note: (1) Data on a consolidated basis - On a standalone basis, the number of branches were 809 (FY18); (2) Data on a consolidated basis - On a standalone basis the number of loan officers were 7,653 (FY18); (3) On standalone basis; (4) Consolidated figures includes Satin Housing Finance Limited figures - As on 31st Mar 2018, AUM - Rs 21.11 mn, 7 employees, 1 loan officer & 16 clients

Disbursements¹ (Rs. mn) & No. of Loans¹ ('000)

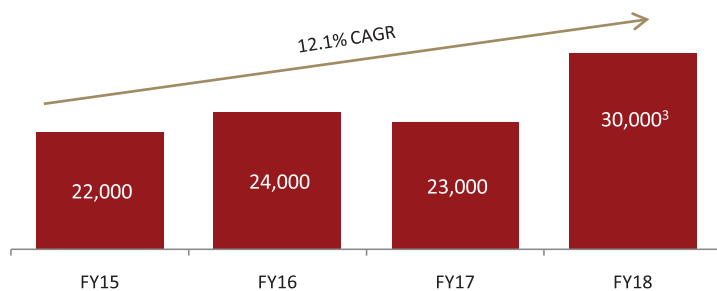


Disbursement Per Branch² (Rs. Mn)

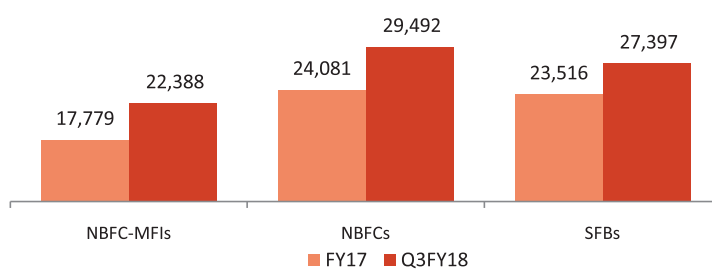


*Disbursements during FY17 impacted on account of demonetization
No. of Branches increased from 431 in FY16 to 809 in FY18

Satin JLG loans - Average Ticket Size³ (Rs)

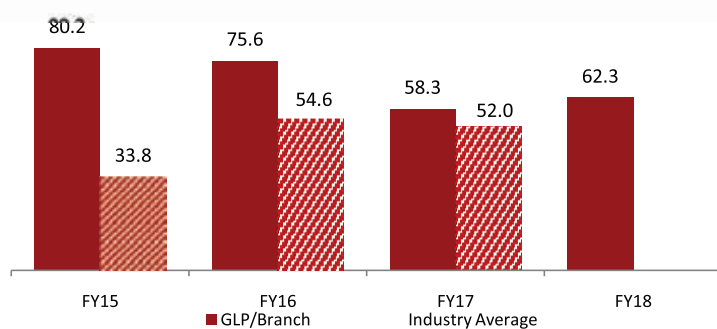


Industry Average Ticket Size⁴ (Rs)

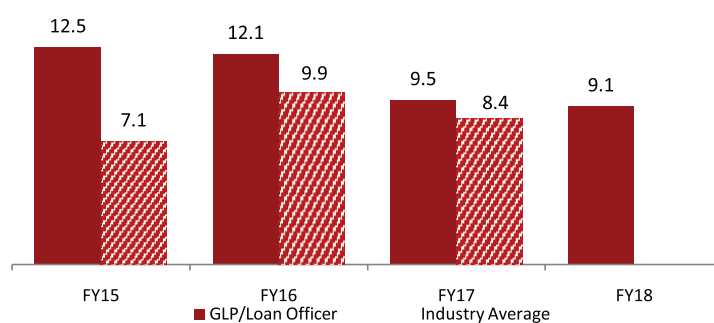


Note: (1) Standalone basis; (2) For MFI lending; (3) TSL's average ticket size was 24,300 (FY18) (4) Source for industry averages is MFIN, Micrometer report

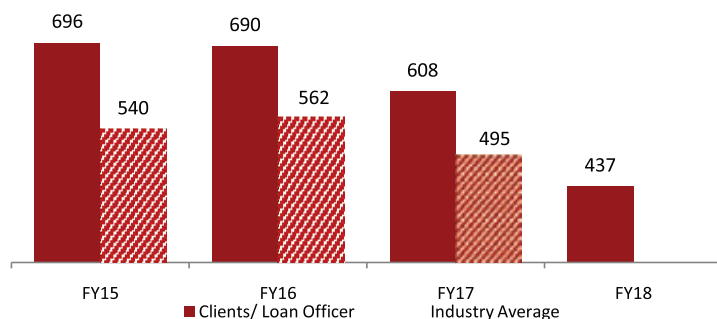
GLP/Branch – MFI Lending¹ (Rs. Mn)



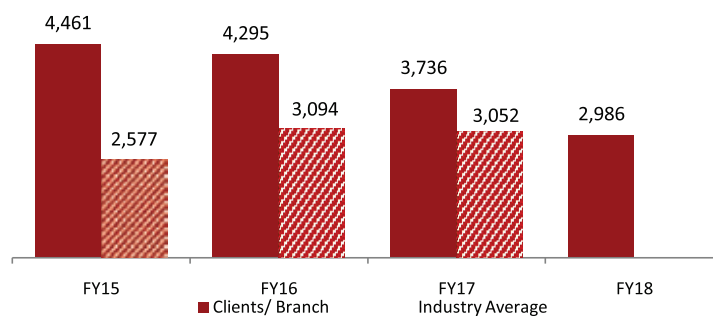
GLP/Loan Officer – MFI Lending¹ (Rs. Mn)



No. of Clients/ Loan Officer – MFI Lending¹



No. of Clients/ Branch – MFI Lending¹



(1) On standalone basis for JLG; Note: FY15-17 Industry data from MFIN Micrometer publication - Mar'17,

GROSS AUM BY ECONOMIC ACTIVITY

Amount in Mn

Gross AUM by Economic Activity (Rs. Mn)	Mar'17	% Mix Mar'17	Mar'18	% Mix Mar'18
Satin Creditcare - Standalone				
Agri/ Allied Activities	17,658.51	48.82%	34,406.27	67.66%
Production	1,848.56	5.11%	2,241.99	4.41%
Service/ Trade (ex. MSME)	11,711.13	32.38%	7,344.85	14.44%
Others	4,627.73	12.79%	6,108.49	12.01%
MSME	322.41	0.89%	746.37	1.47%
TOTAL	36,168.33	100.00%	50,847.97	100.00%

Taraashna Services Limited

Agriculture	3,686.84	81.97%	5,662.69	84.53%
Production	183.52	13.95%	174.68	2.61%
Trading	627.29	4.08%	859.01	12.82%
Transportation		-	2.86	0.04
Total	4,497.65	100.00%	6,699.24	100.00%

SCNL SUBSIDIARIES



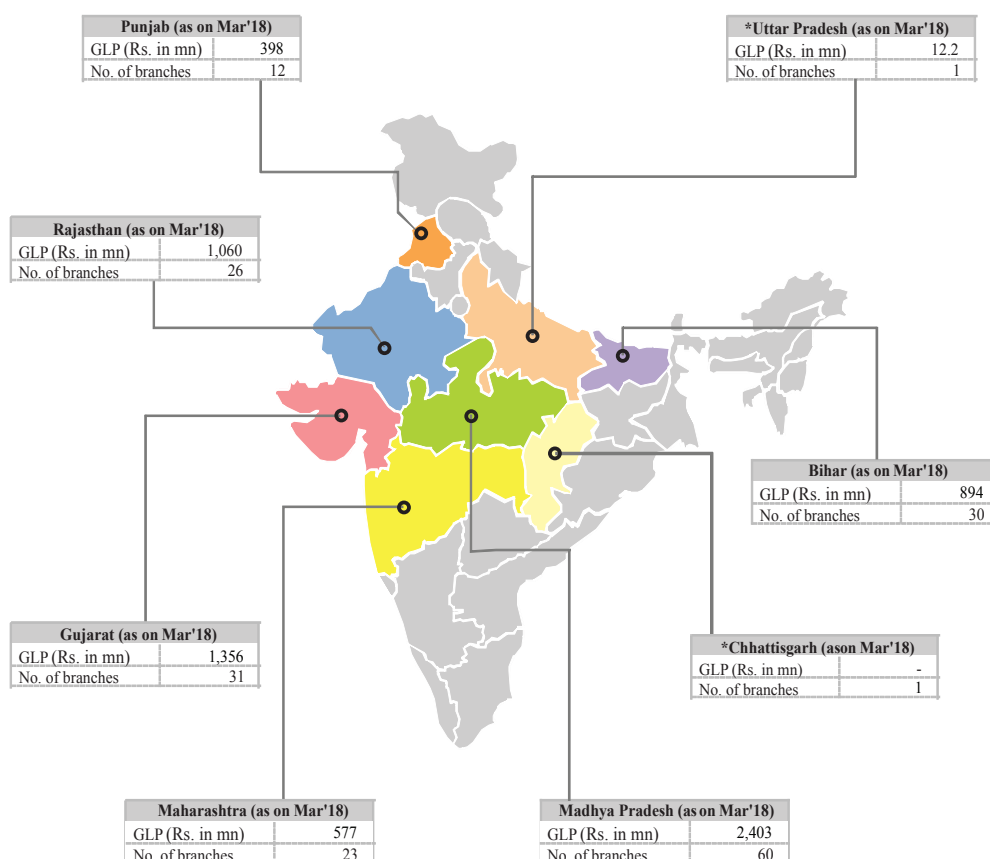
Taraashna Services Limited

Taraashna Services Limited (“TSL”) (Erstwhile Taraashna Services Private Limited), was incorporated on May 22, 2012 under the Companies Act, 1956 and an existing company within the purview of Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi and Haryana. TSL had enabled under its objectives, to carry on the business of, among other things, the promotion and nurturing of Joint Liability Group (JLG)/Self Help Group (SHG) and linking them to banks and other financial institutions for availing different financial services and to provide capacity building (enablers) support to JLG/SHG.

Satin Creditcare Network Limited (SCNL), the group Company, had acquired TSL as its subsidiary, pursuant to a special resolution passed by its shareholders on July 30, 2016. TSL acts as a business correspondent for banks & NBFCs and provides similar services to other financial institutions in rural and semi-urban areas.

Presence across Indian States with Principal Partners

TSL had 184 branches, spread across Madhya Pradesh, Gujarat, Bihar, Rajasthan, Maharashtra, Punjab, Uttar Pradesh & Chhattisgarh, and provided services in respect of gross loans aggregating to ₹ 8110 mn as on 31st March 2018.



*UP-Operating from sister concern; Chhattisgarh on run off mode.

● TSL's area of Operation

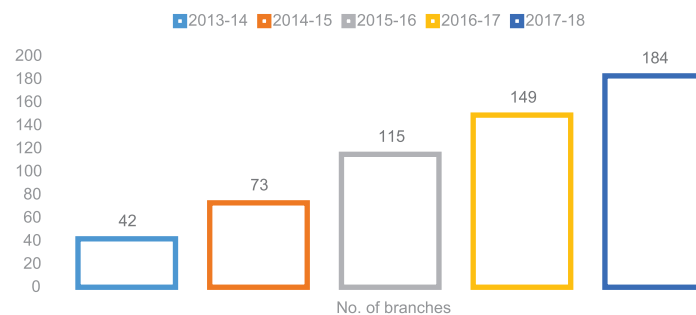
OUR PARTNERS & JOURNEY - GROWTH TRAJECTORY



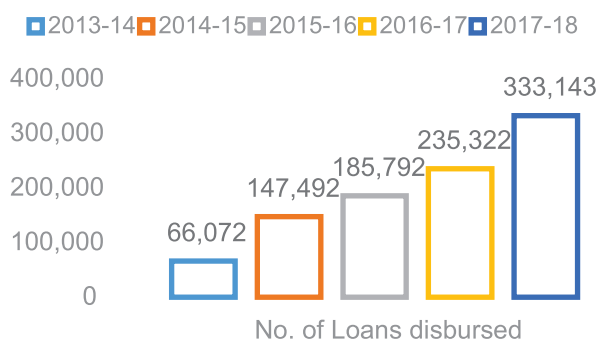
TSL has partnered with five sectoral banks (RBL Bank, Yes Bank, DCB Bank, IndusInd Bank and State Bank of India) and two NBFCs (Reliance Capital Limited and IFMR Capital) to provide such services and seeks to expand its association with other banks and financial institutions across geographies in the near future.

S.No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
1	No. of Loans disbursed	66,072	1,47,492	1,85,792	2,35,322	3,33,143
2	No. of Active Loan clients	62,460	1,94,223	2,77,354	3,49,239	4,13,913
3	Amount of Loan disbursed (mn)	1271	2880	3723	5345	8110
4	Total Portfolio as on 31st March (mn)	1158	2603	3458	4498	6699
5	No. of branches	42	73	115	149	184
6	No. of Regions	3	4	6	7	7

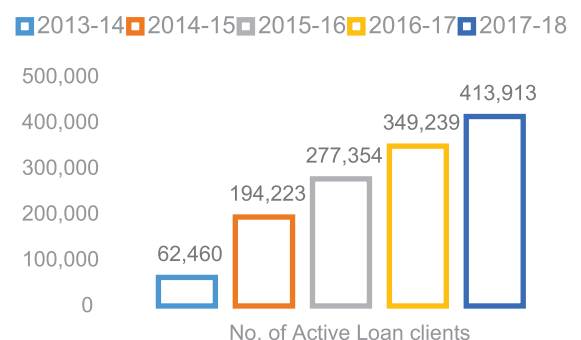
No. of Branches



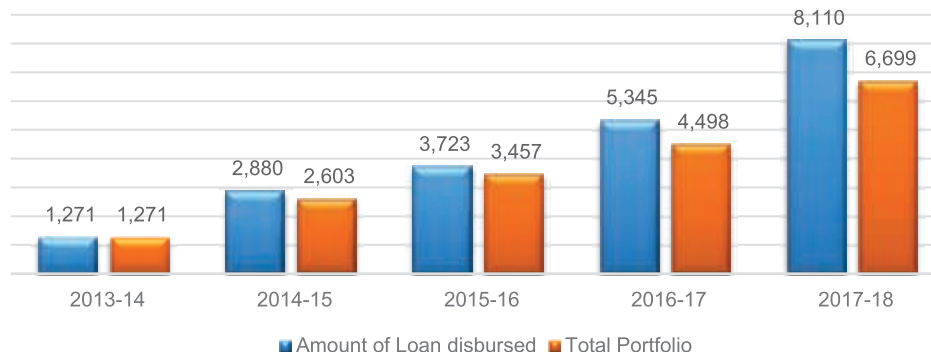
No. of Loans Disbursed



No. of Active Loans



Annual Disbursement Vs Portfolio(In Million)



The Winning Strategy

TSL seeks to enter into arrangements with various banks and financial institutions to scale the business model and allied services across multiple product and geographies. TSL believes there is significant business opportunity and regulatory push in this area, with the Reserve Bank and government actively supporting the financial inclusion business and facilitating the growth and the financial requirement of MSME sector (through SBL and Dairy loans).

TSL facilitates through a business correspondence model, to access the far flung areas, which otherwise would have been beyond the reach of the financial institutions.

BUSINESS MODEL - JLG, SBL AND CATTLE FINANCE



Joint Liability Group (JLG)

TSL facilitates the formation of Joint Liability Groups (JLGs) so that the group members may avail bank credit. The JLG members come together and offer a mutual guarantee to the lending institutions (NBFC/Bank) to avail loans. In order to be eligible for credit through TSL, the JLG members must be engaged in some income-generating activity.



Small Business Loan (SBL)

TSL provides secured loans to small businesses as well as other entities engaged in income generation activities mainly facilitating needs like small equipment purchase, business expansion, new business start-up and working capital requirement. The purpose of loan is to serve small business, self-employed segment, manufacturers, service entities requiring loans for business expansion and growth.



Dairy Loan (Cattle Finance)

TSL facilitates Dairy & Animal husbandry industry through a joint venture with Dairy companies, facilitating small entrepreneurs/farmers to increase the milk production by providing them with small & mid-sized ticket secured loans, with a charge on the Cattle and / or Land to the lending financial institution.

SCNL SUBSIDIARIES



Satin Housing Finance Limited

In line with Government of India mission of housing for all by 2022, SCNL has recently forayed into affordable housing “Satin Housing finance Limited”. With the existing strength of SCNL in rural and semi urban India, this is a strategic step to position Satin Housing Finance as one of the leaders in the affordable housing segment.

Satin Housing Finance Limited (“SHFL”) was incorporated on April 17, 2017 as a wholly owned subsidiary of Satin Creditcare Network Limited and received the Certificate of Registration from National Housing Bank (NHB) in November 2017. It has successfully commenced its operations from February 2018.

SHFL offers a suite of innovative and flexible Home Loan products to enable purchase, construction, extension and repair of affordable dwelling units. The company also provides Loan against Property with a clear focus on thin file clients and underserved sections of the society which are on the lowest and at mid-level of income pyramid.

Currently SHFL is operating with 2 branches located in Delhi & Gurgaon and sourcing business from Delhi/NCR region. Company has disbursed 16 Loans to individuals amounting to Rs 21.1 mn as on 31st March 2018 with average ticket size of Rs 1.32 mn.



SCNL **New** Initiatives

SCNL initiatives are the effective translation of SCNL's socio economic mission into practice. These are focused to serve its clients more effectively by assessment of credit worthiness, meeting compliance and improve overall operational performance to report to external stakeholders.

Introduction of Credit & Compliance Vertical (CCV):

SCNL have introduced credit and compliance vertical to monitor and control over operational process and meeting the compliance of government and regulatory bodies. The objective of the vertical is as below:



Risk Mitigation and Compliance adherence



Record keeping and Documentation



Customer Services



Grievance Redressal Mechanism



Financial Management

SCNL aims to provide quality services to its customers and all initiatives are based towards customer satisfaction. Credit & compliance vertical is the next step towards client satisfaction and it strengthens the relationship between client and SCNL. It also aims to meet the requirement of all stakeholders, mitigate risk, and fulfill compliance, regulatory norms and ensures optimum utilization of available financial resources.

Product Diversification - Reaching Out to our members with Material products:

Expanding product basket, SCNL is always trying to fulfill the requirements of its members in the form of material products helping them for betterment of life and increasing efficiency in terms of income generation. We are working towards getting to our clients home utilities and medical / hospital benefits in the coming future. At the moment following products are being offered under diversification:

Solar Light Products

Two Wheeler Loan

Loan for Water & Sanitation

Bicycle Loan

SCNL TECHNOLOGY TRANSFORMATION

In recent years, the influence of new technologies on society has grown faster than ever before and is impacting people at every level, from individuals to enterprises to the global economy. Major technological disruptions are ongoing in the fields of Banking and NBFC sector.

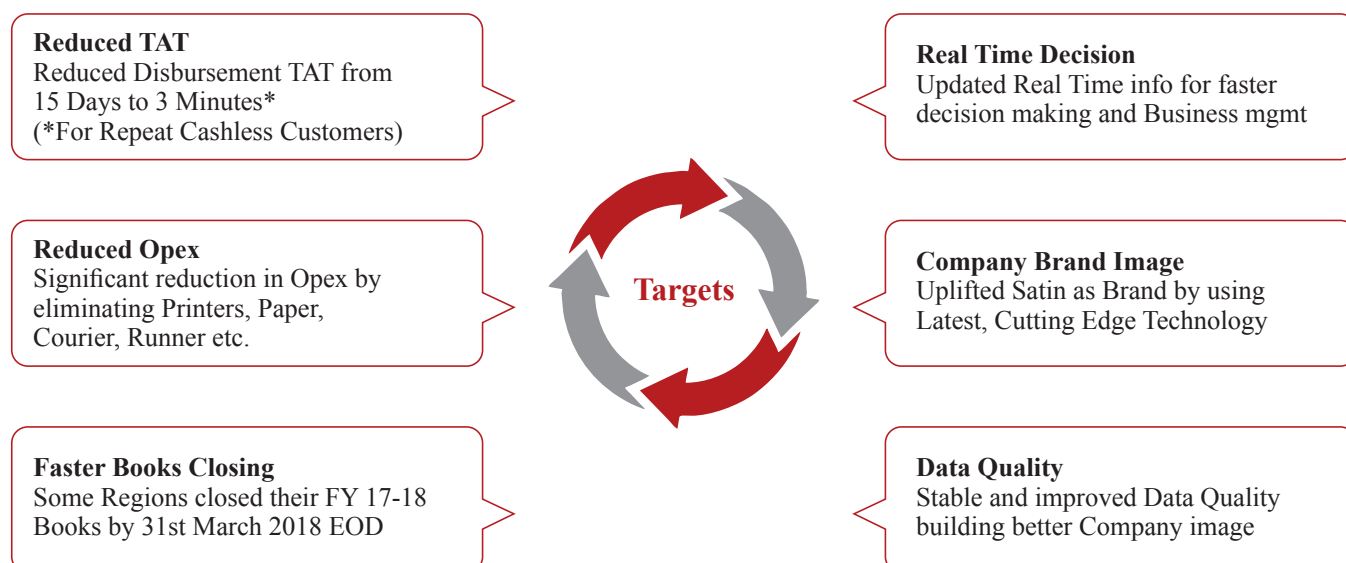
SCNL technology initiatives are the effective translation of SCNL's socio economic mission into practice. These are focused to serve its clients more effectively by assessment of credit worthiness, meeting compliance and improve overall operational performance and report to external stakeholders.

Robust Digital Ecosystem:

- SCNL has a robust digital ecosystem comprising of following pillars:
- IT Infrastructure (Android Tabs + Laptops + Connectivity at Branch Offices)
- Real time Credit Bureau Checks
- Real time Account validation
- Real time Bank Transfer (NEFT/IMPS) using API Banking
- Robust and Real time Business Intelligence

SCNL has developed a technology-based risk management framework to better assess business risks in a timely manner. It fulfils the requirement of customers through quick services and also mitigate risk parameter. Below are the new initiatives of SCNL:

System Achievements



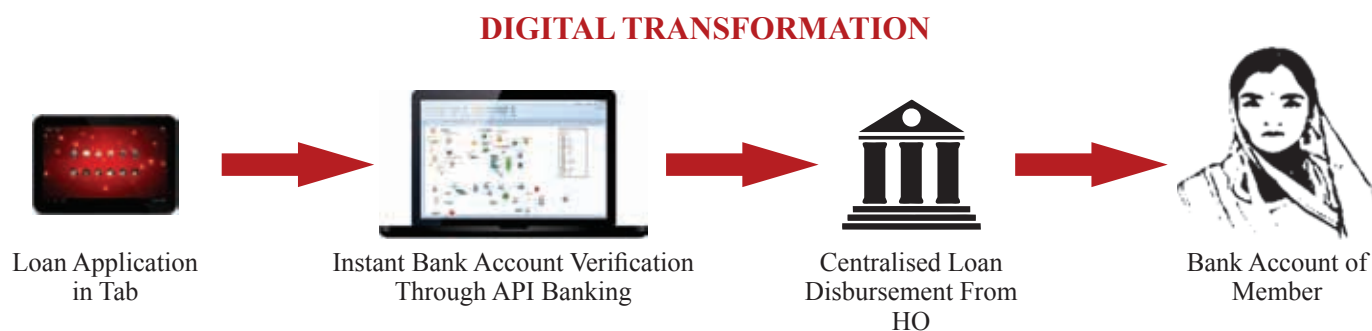
Last Mile Connectivity

The most important milestone in SCNL's Reaching Out strategy is to take technology to the last mile, where our client can see their Loan details, Credit Bureau reports and submit their data at their doorstep. SCNL has successfully achieved this target with the help of LMS rollout. With LMS, now KYC is done at Client's doorstep where they can instantly know their Loan eligibility after real time Credit Bureau check. They can also take a top up loan, submit a collection and know their outstanding instantly right at their doorstep.

All of our CSOs and Branch Managers are now equipped with Android to take technology to the last mile. All Tabs are equipped with 3G/4G SIM cards and branches have Wireless Internet facility. TABs work in online mode and offline mode where there is less or no connectivity.

Cashless Disbursement with API Banking:

SCNL has implemented its digital platform system in association with different Banks where loans are directly disbursed in the bank accounts of the clients. Processing payment directly to the bank account of clients would eliminate the risk of cash handling and will also encourage rural India to have access to bank accounts.



MOST ADVANCED WAY OF LOAN DISBURSEMENT

Cashless disbursements eliminates the risk of carrying physical cash.

Members need not travel to the branch for disbursal. Their effort, time and money is saved.

It is safer to have the loan amount in the bank account than at home.

Member can easily withdraw the desired amount as required from the bank, the rest can earn her an additional interest amount.

API Banking

Loan Application CSO takes Loan Application from Member through TAB
Instant Bank Account Validation Instant Bank Account Validation - UNIQUE in industry
Same Day Disbursement Disbursement mode-IMPS and NEFT
Real Time Account Credit Real time tracking of account transfer



We are the pioneer of cashless disbursement through API banking and this unique architecture has helped us to achieve the target with error free and systematic control

Instant Customer Bank Account Verification



SATIN BRANCH

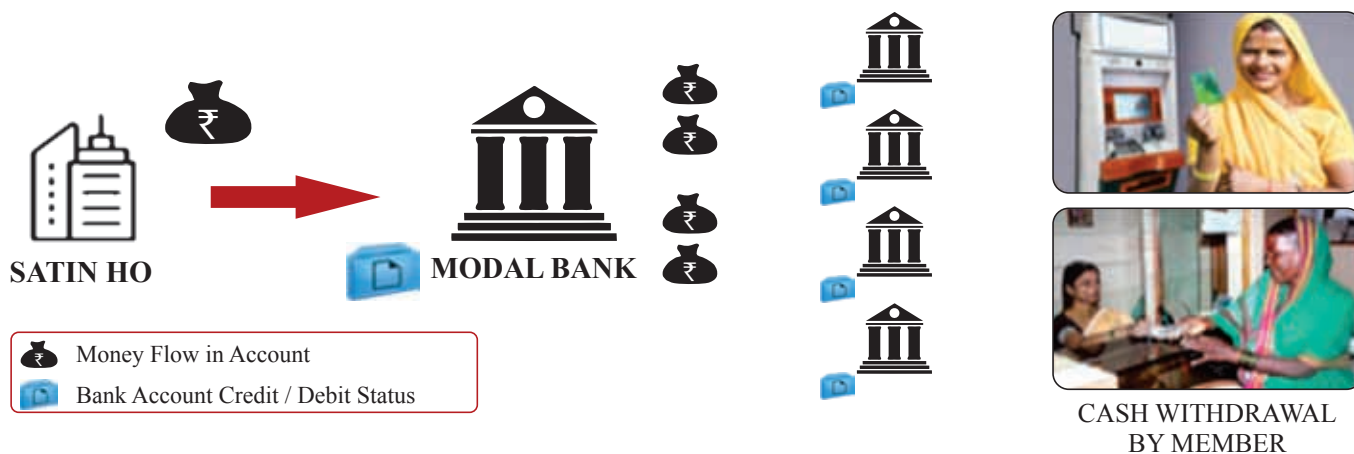
1 Rupee Transfer to Customer's Bank Account via IMPS

Instant Bank Account Validation

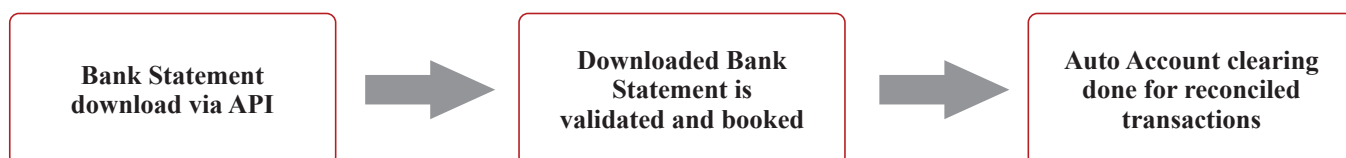


BANK

API Based – Same Day - Bank Account Disbursement



Auto Bank Reconciliation using API

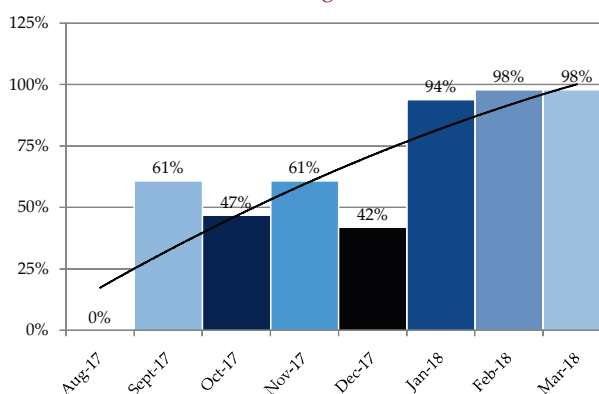


Auto Recon of Cashless Account

For RBL Disbursement Account

- One Click BRS using API
- No Manual File Download / Upload
- 98-99% Transactions Auto Recon
- Auto Recon for both NEFT / IMPS

Auto Recon Percentage for RBL Account

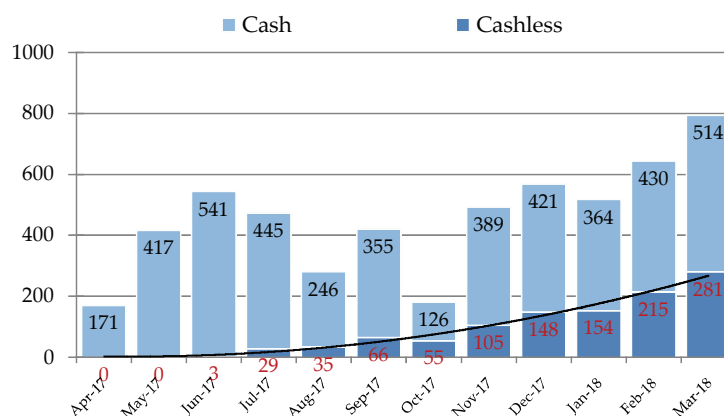


Cashless Journey

Satin has again achieved a remarkable milestone of disbursing 1,000 Cr. through cashless mode. This has made Satin one step forward in the journey of digital transformation.

Cashless Journey

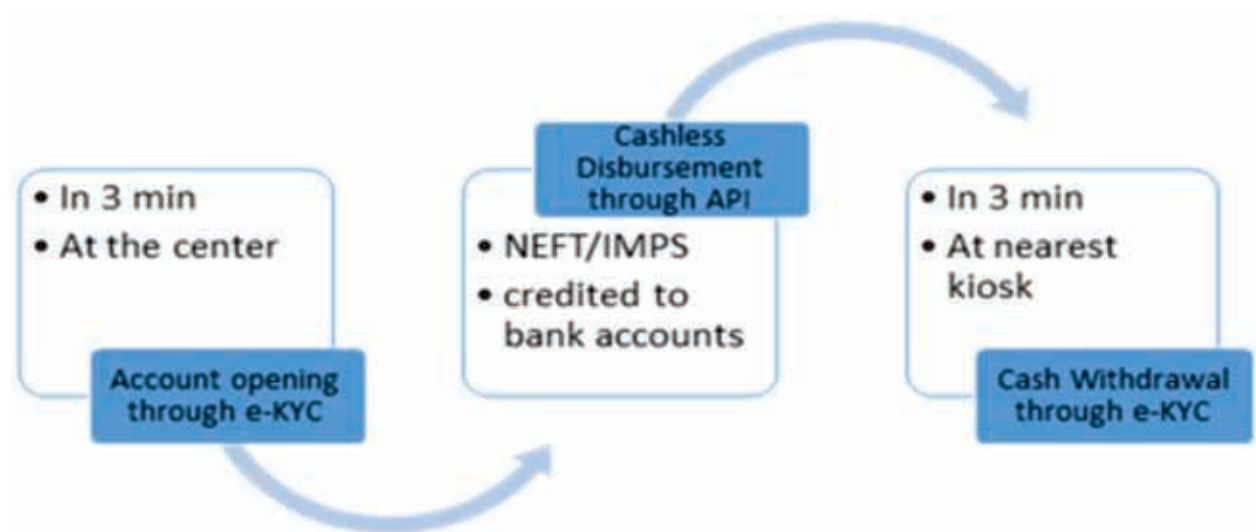
- Latest API Banking
- Instant Account Validation
- Real Time Disbursements
- One Click Reconciliation
- API Bank statement
- Easy to Scale up
- Fast & Secure



Instant Account Opening as Business Correspondent of Paytm

Paytm partnership is SCNL's another step towards the goal of "Reaching out..."

Association with Paytm helped SCNL in its vision to provide efficient and convenient services to the members at their doorstep. This association is one of a kind in MFI ecosystem due to its technical excellence and customer centric approach. We reached our clients with account opening services through e-KYC which meant no long queues, no paper work and hassle-free experience for our members, followed by direct disbursement to the newly opened bank account, eliminating the risk of carrying cash. Finally making cash withdrawal just one finger impression away with e-KYC which ensures zero error in member identification.

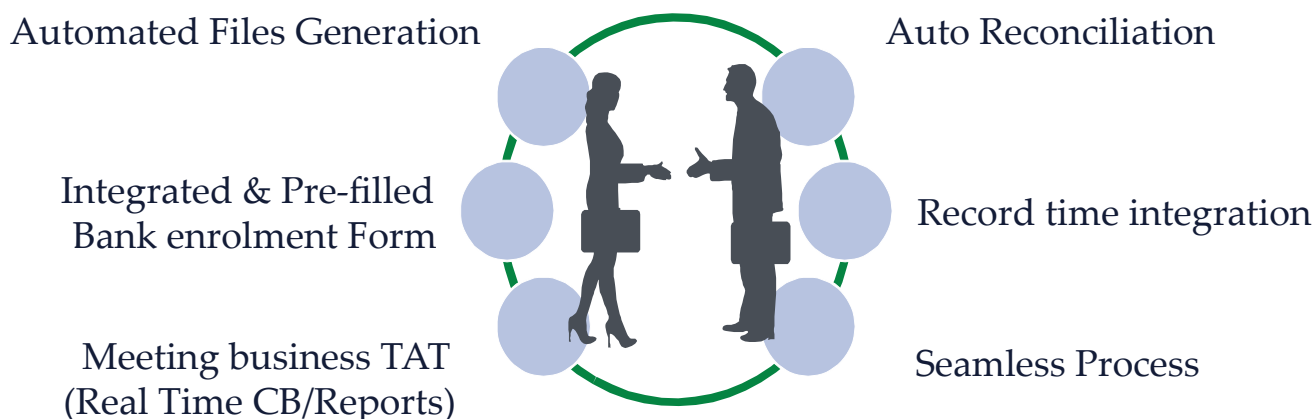


We are continuously exploring better and beneficial services for our members which can fulfill more and more of their needs in an efficient way. Initiating banking services with Paytm, is just a beginning towards that vision.

Business Collaboration –SCNL with IndusInd Bank

SCNL will act as business correspondent agent to IndusInd for microfinance business. This strategic partnership between two parties will result into smooth fund management and reduced risks for SCNL. The collaboration is to be done in 5 phases involving 5 states for a total duration of 12 months.

IndusInd Bank Integration



SCNL POWERFUL CATALYSTS



Mamta aged 40 years is a resident of Nahal, in Pilkhwa, Hapur. She lives with her husband and two children. Mamta's financial position was not very stable with her husband's earning of Rs. 300 per day which was too low for the survival of her family.

Two years back, she associated with SCNL for her first loan to start a Cloth shop. Mamta now earns about Rs.250-350 per day. Considering her growing business, her husband too supports her in business. She is now financially secure and plans to further strengthen her business.



Monika aged 34 years is a resident of Bhatinda, Punjab. She associated with SCNL for starting her own salon. With SCNL support and her entrepreneurial skills, she is successfully running her business in the village and also nurtured 3 more women by securing them with job.

SCNL has been providing her financial support from time to time.



Parwati Devi aged 35 years from Bareilly, Uttar Pradesh. Four years ago, Parwati bought a Buffalo from her savings and the money contributed out to her by SCNL. Today, she is not only a proud owner of 3 buffaloes 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.



Rekha aged 44 Years lives in Goniana Mandi, Bathinda, Punjab with her husband. Rekha got associated with SCNL about 3 year back to become financially independent and took a loan of Rs.25, 000 to open a small General Store in the village.

Rekha worked hard and was determined to improve the financial status of her family. Soon her business started to grow. Today Rekha has proved herself and improved the standard of living for her family.



Sabnam aged 32 year lives in Shahganj, Aligarh with her husband Nasir Khan and 2 children. She got loan of Rs. 25, 000 from SCNL 3 years ago. She started work of staleness polish on iron items. Two year later, she applied for next cycle loan of Rs.35,000 from SCNL to put more stock in her shop. She worked hard continuously and purchased some machines for Glass runner. Now she has given more financial support to her family.



Shanti Devi aged 47 year lives in Indira Nagar, Aligarh with her husband and 2 children. She got associated with SCNL 3 year back where a contribution of Rs.20000 was given to start her bangle selling business. She worked hard and purchased a molding machine for electronic socket for Rs.35000. Shanti is very happy with her decision of being financially independent as her income has increased.



Samina aged 45 year lives with her husband and child in the Bara Sumera area of Muzaffarpur district, Bihar. Three years ago, Samina approached SCNL to get a loan to scale up her traditional bangle business. She had all the prerequisite skills but needed some financial support to scale up her business. She was provided with a loan of Rs 15,000/- . Her business started growing; she successfully paid the first loan and approached SCNL for a second loan of Rs 30,000/-. She now owns a manufacturing unit and shop. The number of customers is also increasing. She is a proud entrepreneur now and is an inspiration to several women around her.



Rupa Kunwer is a client of SCNL of Mohaniya branch of Kaimur district, Bihar. She and her children faced adversity after the untimely death of her husband Shiv Kumar Shah. They had tough times, managing their daily affairs. She then joined one of the centres and took loan for business activity. Her elder son Sumit also supported her in this business activity. The first loan was of Rs 15,000. Later when her business started growing she took another loan of Rs 25000 and utilized the amount in the growth of her business. She was given loan of Rs 35,000 during March 2017, and this amount was used to increase the scale of her business. Her shop is getting popular day by day, and all the family members are actively associated with the shop. They are financially independent now, and they say it was possible because of timely loan from SCNL as per their requirement.



Munni Devi, aged 51 years lives in Neura Koiri Tola, Patna with her husband and two children. Munni Devi got associated with SCNL about 3 years back to become financially sound and provide her children with better education.

She approached Satin for a loan and after due diligence, she was provided with a loan of Rs 30000/-. She used the loan amount for her business and her business also started growing. She paid the entire amount and again approached SCNL for a loan of Rs 35000. She was provided with this loan. Munni Devi and her husband worked hard to increase their business and now they have got a decent scale in her business. Her children are studying in good schools and she also takes care of her mother. For her, all this was possible because of the timely loan from SATIN.

SCNL CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. Satin Creditcare Network Limited (SCNL) has been regularly contributing towards enhancing these benefits for the community it serves, through organizing centre leader workshops, medical camps, sanitation drives, financial literacy trainings, since its inception. Since FY '15, it has been actively contributing to Non-profit organisations/ NGOs as part of its CSR mandate as it gives SCNL an opportunity to work towards the betterment of the society and make it a better place to live.

For the FY '18, the company spent Rs.114.30 Lakhs as part of its CSR by supporting Maharaja Agrasen Hospital Charitable Trust (MAHCT), a society registered under the Societies Act, 1860. MAHCT, New Delhi was established in 1980 by some prominent handful of donors of the society with the main objective to give free medical aid to every deserving human being irrespective of caste, creed and religion. It also aims to set up, manage and organize Hospitals, Dispensaries, Charitable Institutions and Medical Institutions and to provide training for Doctors, Nurses and Para-Medical staff for achieving objectives of the Trust.

Objective of SCNL's CSR through MAHCT

To set up a Medical University, at Noona Mazra, Tehsil-Bahadurgarh, Jhajjar, Haryana to increase the admission opportunities for students in medical colleges to promote higher education and enhance professional job opportunities for them. This will in turn also result into better medical treatment for needy people.



Picture 1: Maharaja Agrasen Medical

Project Overview

Update on Project Undertaken



Picture 2: Maharaja Agrasen

The project is undertaking establishment of Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute and Maharaja Agrasen Management Institute. These institutions are committed to developing trained and professional manpower competent and responsive to the challenges of a dynamic and vibrant society. The main purpose of these colleges is to empower the women and the youth of surrounding area with quality education.

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 be run through CSR funds.

Construction of Maharaja Agrasen Medical University is almost 80% complete. Maharaja Agrasen Nursing College started its first batch of B.Sc. Nursing and G.NM in August 2017. The college is recognised by Indian Nursing Council, New Delhi; Government of Haryana; Haryana Nurses and Nurse Midwives Council, Panchkula and affiliated to Pt. B. D. Sharma University of Health Sciences, Rohtak. Maharaja Agrasen Hospital, Bahadurgarh under Maharaja Agrasen Medical University, is expected to be functional effective August 2018.

SCNL EMPOWERMENT AND SOCIAL INITIATIVES

At SCNL, we believe that community enrichment is a key to open the doors of success for every organization in the business today. Social performance is the effective translation of an institution's social mission into practice. The social value of SCNL relates to the way financial services improve the lives of financially excluded clients and their families to widen the range of opportunities for communities.

Designing Products to Enhance Quality of Life of Women

Our approach to alleviate poverty framed by Social Performance Management (SPM) ensures that we understand our clients' needs to design products and services that will enable them to most effectively transform their future and their communities. In its quest to make a difference in quality of lives of its clients, SCNL is offering customized loans to facilitate clients' access to safe water and sanitation facilities, clean energy and better mobility in addition to the business loans.

Water and Sanitation (WASH) Loans- Market research and subsequent pilot conducted by Satin in selected branches in Bihar and Uttar Pradesh revealed that while the upfront cost of a toilet or a piped water connection can easily equal a household's entire monthly income, many are willing to purchase this infrastructure if they can spread the cost over time by saving or borrowing. Realizing this, SCNL is offering loans to its clients to enable them to establish water and sanitation facilities at their households. Our motivated field staff and presence (in terms of number of branches/staff/clients) in low sanitation coverage areas of Bihar has enabled SCNL to reach out to more than 26,000 households in a short span of eight months during FY 2017-18. Sanitation lending has also provided bridge financing for people who are eligible for subsidies, but await their delivery.

Clients in front of their newly constructed toilet and water facility





Clients with their newly purchased solar lamps in Guwahati

Clean Energy Loans- With a vision to make villages more independent and progressive, the clean energy loans' initiative further reduces the dependence on kerosene oil for lighting purpose. During FY 2017-18, we upgraded from simple solar lamp launched during last year, to solar home lighting system to enable better access to electricity at clients' home.

Two-Wheeler Loans- SCNL has recently launched loans for purchase of two-wheelers and bicycles to enhance clients' mobility to manage their home and work. The feedback of clients in response to these loans during pilot phase has been very positive as clients believe that having a two wheeler or bicycle of her own can open new avenues for women in terms of enhanced access to market, banks, government offices etc.

SCNL along with Nordic Microfinance Initiative (NMI) – a Public-Private partnership between Government of Norway and the leading Norwegian financial institution, is organizing a series of 'Women Leadership Empowerment Workshops' across its operational area. The main focus of these workshops is to strengthen social performance at the grassroot level through sharing information regarding financial literacy, banking knowledge, women empowerment, Government social security and welfare schemes and discussion around social issues such as women empowerment, girl child education, importance of savings, safe sanitation etc.



Women Leadership Empowerment Workshops



Centre leaders at Chandousi

Three workshops of the series were organized in the months of February and March 2018 at selected branches in Ambala, Bareilly and Sagar regions. More than 250 centre leaders participated in each of these workshops. Representatives from district administration, RBI, NABARD, Lead Bank were also invited to interact with the centre leaders and to provide them information regarding various government social schemes, financial literacy, banking knowledge etc.

Main highlight of the events were various stalls of wooden work, clay idols and handicrafts set up by the centre leaders. Some centre leaders also came up on the stage and shared their inspirational journey with

SCNL and urged other centre leaders to come forward and work toward strengthening their social and financial well-being with SCNL's support.

On a regular basis, SCNL organises health check-up camps and campaigns to focus on health and hygiene concerns of the community it works with. During FY 2017-18, we organised a total of nine health check-up camps for our clients and their families in Aligarh, Amravati, Guwahati, Jaipur, Muzaffarpur, Siliguri and Sultanpur regions. On an average, around 300-400 villagers attended these camps at each location and benefitted from free health examination and medical care provided by expert doctors.



Health Check-up Camps

Support in Flood Relief

SCNL organised relief activities and distribution of ration for the villages in flood hit districts in Bihar and West Bengal during monsoons of 2017. Our field team at the affected locations did a need analysis and came out with specific needs and flood relief plan for the victims. The basic target was to cover as many families as possible. Apart from ration distribution at our branch offices, our relief teams also went to flood hit areas in jeeps and boats to distribute ration packages and blankets.



Staff distributing ration and relief material to flood victims in Muzaffarpur and Katihar in Bihar



Elementary Education Support Program was organised in the Government Primary School at Salaimpur village, Ludhiana region, where SCNL distributed school bags, pencils, erasers, sharpener and note books to all the students, as part of spreading awareness on SarvaSikshaAbhiyaan among villagers. The field team also participated in the local religious celebration in the village to strengthen connect with the community. SCNL also donated an RO unit to a local primary school in Muradabad region to ensure provision of safe drinking water for students.

Supporting Local Schools

Client Protection

SCNL adheres to the following client protection principles in compliance with Fair Practice Code to ensure maximum benefit to its clients. Appropriate product design and delivery channel. Ensure avoidance of over-indebtedness by its clients. Transparency in its processes and procedures through sharing of all relevant information with its clients. Responsible pricing by ensuring that pricing, terms and conditions are set in a way that is affordable to clients while allowing SCNL to be sustainable. Ensuring fair and respectful treatment of its clients by SCNL's employees. Privacy of client data is respected in accordance with the laws and regulations. Timely and responsive mechanisms in place for complaints resolution for clients.

Board Report

Dear Members,

The Directors are pleased to present the Twenty Eighth Annual Report along with the Audited Financial Statement of your Company for Fiscal 2017-18.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	March 2018	March 2017	March 2018	March 2017
Revenue	976.64	776.67	1,031.42	801.47
Total Expenses	958.98	733.84	1023.86	757.60
Profit before Depreciation and tax	17.66	42.83	7.57	43.86
Depreciation and amortization expenses	14.06	5.63	14.74	6.05
Profit Before Tax	3.60	37.20	(7.18)	37.81
Tax expenses	(0.43)	12.70	(3.74)	12.89
(Loss)/Profit after Tax	4.03	24.50	(3.43)	24.92
Less: Share of minority interest	-	-	(0.74)	0.05
Net (Loss)/Profit for the year	4.03	24.50	(2.69)	24.87
Brought forward from Previous Year	109.59	89.99	109.96	89.99
Profit available for appropriation	113.62	114.49	107.27	114.86
Transfer to Statutory Reserve Fund	0.81	4.90	0.81	4.90
Dividend Paid-Preference Share Capital	2.44	-	2.44	-
Dividend Distribution Tax	0.50	-	0.50	-
Surplus carried to Balance Sheet	109.87	109.59	103.52	109.96

OPERATIONS, FUND RAISE, PROSPECTS AND FUTURE PLANS

During the financial years your Company has done well on all parameters. Your Company has undertaken initiatives with an objective to enhance customer reach, improve operating efficiencies, reduce operating cost by implementing cashless system/digitization in 33 Regional Offices and 414 Branches and has disbursed more than Rs. 1070 Crore through cashless mode as of March 31, 2018 which has enhanced the level of reporting system, improving internal control, ensure transparency, promptness and fairness in disclosure. To achieve better efficiency at operating level your Company has also entered into Business Correspondent Agreement for Microfinance business verticle with a leading commercial bank and has started the pilot launch from Siliguri Regional Office in state of West Bengal. Furtherance to this, to achieve optimum utilization of resources available, Company has also entered into Business tie-up agreement(s) (BTA) with a large NBFC, to act as service provider to offer non Microfinance Financial products to Company's existing as well as potential customer segments in terms of the BTA and started pilot for disbursement of two wheeler loans from Jodhpur region in state of Rajasthan.

Operational Highlights in brief (Standalone basis):

- The aggregate gross loan portfolio (GLP) of the Company stood at Rs 5,084.80 Crore as on March 31, 2018. This represents a year on year (YoY) growth of 40.59 % as compared to March 31, 2017.
- Loan amount of Rs. 5,571.66 Crore was disbursed in FY 17-18, representing an increase of 55.02 % as compared to FY 16-17.
- The Company disbursed Rs.18.16 Lakh loans during FY 17-18, an increase of 15.96% over FY 16-17.
- Average loan amount disbursed per account during FY 17-18 was Rs. 30,675, an increase of 33.69 % from FY 16-17.
- The Company now cover 18 states/union territories.

Particulars	March 31, 2018	March 31, 2017
Number of branches	809	618
Number of active loan	24,01,701	22,98,095
Total Assets under management including securitized and assigned portfolio (Net of Provision) (Rs. in Crore)	4,989.73	3,555.98

Fund raise during FY 2017-18:

In view of expanding business operations and to meet the capital requirements, the Company has raised equity capital by way of a preferential allotment of 15,43,187 equity shares of Rs. 10 each from “Asian Development Bank” (ADB), an entity belonging under non-promoter entity, at an issue price of Rs. 416.67 per shares on April 21, 2017 in terms of the Investment Agreement executed on April 10, 2017 and simultaneously issued and allotted 6,58,690 Fully Convertible Warrants to an entity under Promoter Category at an aggregate amount of approx. Rs. 30 Crore at an issue price of Rs. 455.45 per warrant which was subsequently converted into equivalent number of equity shares on June 30, 2017.

The Company has issued and allotted 12,30,098 [0.01% Optionally Convertible Redeemable Preference Shares (“OCRPS”) of Rs. 10 each] to “Capital First Limited”, an entity belonging under non-promoter entity, at an issue price of Rs. 284.53 on August 10, 2017 in terms of Investment Agreement executed on July 08, 2017.

Further, Company has also raised approx. Rs. 150 Crore by way of a Qualified Institutional Placement (QIP) and allotted 49,18,032 equity shares of Rs.10 each to Qualified Institutional buyers (QIBs) at an issue price of Rs. 305 per equity share on October 11, 2017 under the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, and section 42 & 62 of the Companies Act, 2013 including the rules made thereunder.

During third quarter your Company has successfully completed third round of equity raise by way of a preferential allotment of 29,85,073 equity shares of Rs. 10 each to “Kora Investments I LLC” and “Nordic Microfinance Initiative Fund III KS (formerly known as NMI Fund III KS)” (entities under non-Promoter Category), an entities belonging under non-promoter entity, at an issue price of Rs. 335 per share on December 28, 2017 in terms of Investment Agreements entered on December 19, 2017 and simultaneously issued and allotted 17,91,044 Fully Convertible Warrants(FCW) to an entity under Promoter Category at an aggregate amount of approx. Rs. 60 Crore at an issue price of Rs. 335 per warrant. The Company has also issued and allotted 13,43,283 [0.01% Optionally Convertible Cumulative Redeemable Preference Shares (“OCCRPS”)] on preferential basis to “IndusInd Bank Limited” (IBL), an entity belonging under non-promoter entity, at an issue price of Rs. 335 per OCCRP in terms of Investment Agreement executed on December 19, 2017.

Your Company has continued to diversify the sources of funds and raised a sum of Rs. 3,888 crore by way of short-term loans, long-term loans, issue of Non-Convertible Debentures, Securitization & Assignments and Commercial Paper, which has helped the Company to achieve its' business target for FY 2017-18. Out of overall borrowings, Company has raised Rs. 2,054 Crore by way of term loan and Rs. 1,111 Crore by way of PTC transactions and proportion of NCD in total borrowing is Rs. 473 Crore. The Company already has borrowing arrangement with large number of lenders and keep on diversifying its lender base. Please refer the **Management Discussion and Analysis Report** for more information.

Company's Prospects, Future Plans and Business Overview:

Financial year under review was an extraordinary year evidencing the impact of currency shortage immediately after demonetization on the repayment of microfinance borrower. Though it has impacted the profitability for the year as a whole, eventually your Company has emerged much stronger and performed satisfactory during the year under review. However, the Company has increased its capital base and started working on cashless model and achieved a milestone of disbursing Rs. 1070 Crore through cashless mode. Moreover, Company has taken several new initiatives to embark on a profitable growth path in difficult time, by writing off NPAs and showed a positive growth during last three quarters in the year under review. Further, your directors are quite hopeful to achieve new milestones of achievement in years to come.

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 investments are mentioned in financial statements of this Annual Report. The Company has not given any guarantee on behalf of a third party.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has documented its policies, controls and procedures, covering all financial and operating functions, designed to provide a reasonable assurance with regard to reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations, prevention and detection of fraudulent activities etc. The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct internal audit. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened and corrective actions initiated. Please refer to the Section "Internal Control Systems and their Adequacy" in the Management Discussion and Analysis section of this report.

MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2018 and the date of the Directors' Report. Pursuant to the Investment Agreement dated July 8, 2017 entered into by Capital First Limited with the Company and its Promoters, we have received communication from Capital First Limited about their willingness to convert 12,30,098 Optionally Convertible Redeemable Preference Shares (OCRPS) issued at a price of Rs. 284.53 per OCRPS into equivalent number of equity shares, in terms of the aforesaid agreement.

SUBSIDIARY AND ASSOCIATES COMPANIES

During previous financial year 2016-17, Taraashna Services Limited (TSL) became subsidiary of your Company, on acquisition of 87.83% equity stake in TSL. During FY 2017-18, your Company has infused funds of Rs. 12 Crore approx. in two tranches and acquired additional 3.28% stake in TSL. As on March 31, 2018, your Company holds 91.11% stake in TSL.

In order to move towards diversification and to tap new market segment, your Company has incorporated a wholly owned subsidiary "Satin Housing Finance Limited" (SHFL) with Authorized Capital of Rs. 15 Crore and paid up Equity Share Capital of Rs. 10 Crore on April 17, 2017. Further, to meet regulatory and projected growth of SHFL, Company has infused further equity of Rs. 5 Crore in two tranches. SHFL recently got License from National Housing Board on November 14, 2017, to commence business and operations. As on March 31, 2018, your Company holds 100% stake in SHFL.

Business highlights of Taraashna Services Limited:

Taraashna Services Limited ("TSL") is engaged in Business Correspondent activity and during FY 2017-18 has achieved a gross turnover of Rs. 53.83 Crore against total gross turnover of Rs 40.48 Crore during previous year showing a growth of 32.97%. Further, TSL has incurred loss of Rs. 6.63 Crore. Primary reason for the loss is the crystallization of the First Loss Default Guarantee paid/payable to various principal partners amounting to Rs. 20.85 Crore. However, TSL has earned the operational profit before credit cost and tax of Rs. 11.07 Crore Your Company is quite hopeful for TSL in the year to come.

Business highlights of Satin Housing Finance Limited:

Satin Housing Finance Limited, wholly owned subsidiary's net worth stood at Rs 14.49 Crore for the period ended March 31, 2018. As on March 31, 2018, regulatory Capital to Risk Assets Ratio (CRAR) was 685.96% which is well above the regulatory

requirement of 12%. SHFL has sanctioned loans of Rs. 3.77 Crore and disbursed loans of Rs. 2.11 Crore which led to total income during the period ended March 31, 2018 of Rs 0.69 Crore indicates a positive sign towards growth in this segment. Your Company is quite positive to do well in affordable housing finance segment.

Consolidated Financial Statements:

In accordance with section 129(3) of the Companies Act, 2013 and regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary companies, forms part of this Annual Report. The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

Further, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 also form part of the Annual Report. Further, Company has neither any Associates nor any Joint Ventures as on March 31, 2018.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

All the Directors have varied experience and specialized knowledge in various areas of relevance to the Company. The Board consists of directors appointed as per the provisions of the Companies Act, 2013.

Mr. Arthur Sletteberg (DIN: 07123647), who is liable to retire by rotation and being eligible, offers himself for re-appointment in the ensuing AGM. Further, Nomination & Remuneration Committee and the Board of directors have recommended his re-appointment for consideration of the members. Brief resume of Mr. Arthur and his educational/professional qualifications, nature of his working experience, achievements, name(s) of the companies in which he holds Directorships, Memberships and Chairmanships in various Committees and his relationship between directors inter-se are provided erstwhile in the Annual Report.

Mr. Richard Benjamin Butler (DIN: 06574786), Nominee director of MV Mauritius Limited and Mr. Ramesh G Dharmaji (DIN-01186341) Nominee Director of Small Industries Development Bank of India, have ceased to be Directors of the Company with effect from January 19, 2018 and November 08, 2017 respectively. The Board wishes to place on record the appreciation for the valuable contribution of Mr. Richard Benjamin Butler and Mr. Ramesh G. Dharmaji in the sustained growth of the Company during their tenure as Directors of the Company.

The Board, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Sanjaya Gupta (DIN: 02939128) as Nominee director to represent "Asian Development Bank" w.e.f. August 21, 2017 and Mr. Daniel Simpson Jacobs (DIN: 07858118) as Nominee director to represent "Kora Investments I LLC" w.e.f. January 08, 2018 on the Board of the Company.

There were no change in the Key Managerial Personnel during the year under review.

During the year, 6 (six) Board Meetings were held. These Board Meetings were held on May 26, 2017, July 08, 2017, August 14, 2017, November 13, 2017, November 24, 2017 and February 14, 2018.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

The Companies Act, 2013 and SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015 stipulates the performance evaluation of the Directors including Chairperson, Board and its Committees. Further, SEBI vide its circular dated January 5, 2017 issued a guidance note on Board Evaluation for listed companies. In view of the same and in terms of Board approved Nomination and Remuneration policy, the annual evaluation of directors of their own performance, Board Committees and individual directors (including Independent Directors) based on criteria for the Directors and the Board are done through separate structured questionnaires.

The performance of Board and its Committees, individual Directors, and Chairpersons were found satisfactory.

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

Pursuant to section 149(6) and schedule IV 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 for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That they have 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 they have 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 they have prepared the annual accounts for financial year ended March 31, 2018 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 during the financial year ended March 31, 2018; 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 during the financial year ended March 31, 2018.

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

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

RELATED PARTY TRANSACTIONS

During the financial year 2017-18, there is no materially significant related party transaction with the Company's promoters, directors, the management or their 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.satincredicare.com.

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

Justification for entering into related party transactions:

Your Company has entered into affordable housing finance business through a wholly owned subsidiary that can be beneficial for the growth of the Company. In April 2017, the Company has incorporated a wholly owned subsidiary in the name of Satin Housing Finance Limited ("SHFL") with Authorized Capital of Rs. 15 Crore and paid up Equity Share Capital of Rs. 10 Crore with the objective of balancing the risk by diversification into secured lending. Further, during the year under review your Company has infused more equity into SHFL in tranches to meet the regulatory requirement to maintain CRAR and to finance its disbursement targets. As on May 30, 2018, SHFL's Authorized Share Capital and paid up Equity Share Capital stood at Rs. 60 Crore and Rs. 14.96 Crore respectively.

In order to expand the business operations of Taraashna Services Limited (TSL), your Company has also invested approx. Rs. 12 crore in two tranches. Further, the management of TSL is of the view that to meet its budgeted plans, the technological transformation is very essential. In view of this TSL has planned to implement Loan Management System for its operations to reduce the operational and administrative cost. Hence, your Company has entered into a Technology Service Agreement with TSL.

Furtherance to this, the remuneration paid to Mr. 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:

M/s Walker Chandio & Co LLP, Chartered Accountants, bearing Registration No. 001076N/N500013 have been appointed on the recommendation of the Audit Committee and of the Board of Directors (in conformity with the provisions of sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014) (includes amendments thereto), as the Statutory Auditors of the Company for the period of 5 years from the conclusion of the twenty seventh AGM till the conclusion of the thirty second AGM. They have confirmed their eligibility for FY 2018-19 under section 141 of the Companies Act 2013 (includes amendments thereto), and the said appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

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. The Auditors' Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

The Board has placed on record its sincere appreciation for the services rendered by M/s Walker Chandio & Co LLP, as Statutory Auditors of the Company.

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. Practicing Company Secretaries (ICSI PCS Registration No. 5980) as the Secretarial Auditor of the Company for the financial year 2017-18. Secretarial audit report as provided by M/s S. Behera & Co. Company Secretaries is also annexed to this Report, in the prescribed Form MR-3, as **Annexure-II**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

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 30, 2018 for the financial year 2018-19.

Reporting of Frauds by Auditors:

During the year under review, the Statutory Auditors and the Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

However, eighteen instances of misappropriation including embezzlement of cash by the employees amounting to Rs.94 lakh were reported. Company has recovered Rs. 26 lakh and written off Rs. 65 lakh out of the said amount. Consequently, Company has terminated the services of such employees and also initiated legal action against such employees.

AUDIT COMMITTEE

In accordance with regulation 18 of SEBI (LODR) Regulations, 2015 and in accordance with the provisions of section 177 of the Companies Act, 2013 and as per other applicable laws the Company has an Audit Committee. All members of the Committee are financially literate. The Chairman of the Committee was present at the last Annual General Meeting to answer the queries of the Members. The scope of the activities of the Audit Committee is as set out in SEBI (LODR) Regulations, 2015 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 dividend of Rs.3,02,51,333.39 (excluding dividend distribution tax) on Preference shares as stated below:

S. No.	Preference Shares	Period of dividend	Type of dividend	Amount (in Rs.)*
1.	12.10% Rated, Cumulative, Non-Convertible and Compulsorily Redeemable Preference Shares	April 01, 2017 to March 31, 2018	Final dividend	3,02,50,000.00
2.	0.01% Optionally Convertible Cumulative Redeemable Preference Shares	December 28, 2017 to March 31, 2018	Final dividend	345.94
3.	0.01% Optionally Convertible Redeemable Preference Shares	August 10, 2017 to March 31, 2018	Final dividend	788.61
4.	0.01% Optionally Convertible Redeemable Preference Shares	April 01, 2018 to till date of conversion (i.e. May 30, 2018)	Interim dividend	198.84
Total				3,02, 51,333.39

*Amount of dividend is excluding of dividend distribution tax

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, 2018.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has a vision to drive 'holistic empowerment' of the community and carries CSR initiatives through a trust(s), qualified to undertake CSR activities in accordance with schedule VII of the Companies Act, 2013 (includes amendments thereto). Sustainability and social responsibility are an integral element of corporate strategy of the Company. In compliance with section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee (CSR Committee) in the financial year 2014-15 and the composition, function and details of meetings attended by the Committee Members are provided in the Corporate Governance Report.

The Board adopted the CSR Policy, formulated and recommended by the CSR Committee, and the same is available on the Company's website.

During the year under review, your Company has spent approx. Rs.114.30 lakh on CSR projects/programs. Your Company is in compliance with the statutory requirements in this regard.

As per the requirement of rule 8(1) of The Companies (Corporate Social Responsibilities) Rules, 2014 the Annual Report on CSR is annexed as **Annexure III** to this report and the same is posted on the website of the Company i.e. www.satincreditcare.com. The Company has carried out the CSR initiatives through Maharaja Agrasen Charitable Hospital Trust (MAHCT), an eligible trust qualified to undertake CSR activities in accordance with schedule VII of the Companies Act, 2013, MAHCT is in process of establishment of Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute and Maharaja Agrasen Management Institute. 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.

E-VOTING

To widen the participation of shareholders in Company's decisions pursuant to provisions of section 108 of Companies Act, 2013 read with rule 20 of The Companies (Management and Administration) Rules, 2014 as amended and in terms of regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Company has provided e-voting facility to its members, in respect of all members' resolutions to be passed at General Meeting(s) of the Company. The Company is providing this facility to enable them to cast their votes electronically on all resolutions set forth in the Notice. The instruction(s) for e-voting for ensuing Annual General Meeting is also provided with notice to members 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 members approval in their general meetings or through postal ballots.

REGISTER E-MAIL ADDRESS

To contribute towards greener environment, the Company again proposes to send documents like members meeting notice/other

notices, audited financial statements, boards' report, auditors' report or any other document, to members in electronic form at the e-mail address provided by them and/or available to the Company by the Depositories. Members who have not yet registered their e-mail address (including those who wish to change their already registered e-mail address) may get the same registered/updated either with their depository participants or by writing to the Company.

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 (ESOS Schemes)" which provides for grant of equity shares of Satin Creditcare Network Limited to employees of the Company and its subsidiaries. The scheme provide for grant of options to employees of the Company and its subsidiaries that vest in a graded manner and that are to be exercised within a specified period.

The Company had allotted 4,25,000 equity shares to Satin Employees Welfare Trust at Rs. 20 each (including premium of Rs. 10 each) on November 27, 2009. The Company had further allotted 1,00,000 shares to Satin Employees Welfare Trust at Rs. 22 each (including premium of Rs. 12 each) on June 22, 2010. The Company had further allotted 1,50,000 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 4,25,000 Equity Shares issued to Satin Employees Welfare Trust under Satin ESOP 2009, the Company granted 1,50,000 Options to two employees of the Company as per the terms of Satin ESOP 2009 on January 12, 2010. These entire options are vested and exercised as per terms set out under ESOP 2009. Further, the Company granted 98,300 Options to various employees as per the terms of Satin ESOP 2009 on December 02, 2013. Out of 98,300 shares granted, 25,824 were exercised on December 02, 2014 and 22,633 were exercised on December 03, 2015 and 27,243 were exercised on December 03, 2016. Further, the Company has granted 87,900 Options Equity Shares to various employees as per the terms of Satin ESOP 2009 on December 02, 2016. Out of 87,900 shares granted, 21,100 were exercised in between December 2, 2017 to February 1, 2018. The exercised shares transferred in terms of ESOP Scheme 2009 are required to be lock in period of one year from the date of transfer of shares from Satin Employees Welfare Trust to employees. Further, as the Satin Employee Stock Options Scheme, 2017 (Satin ESOS, 2017) has come into operations and all unvested options are transferred to the Satin ESOS 2017 from July 6, 2017, Company has granted 1,45,200 Options to various employees as per the terms of Satin ESOS 2017 on August 14, 2017.

DISCLOSURE UNDER SECTION 62 OF THE COMPANIES ACT, 2013, RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND THE SEBI (EMPLOYEE STOCK OPTIONS SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES 1999, FOR THE YEAR ENDED MARCH 31, 2018

The Board of Directors of your Company has approved an Employees' Stock Option Scheme during the Year 2009 and 2010 in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Regulations") with the objective of strengthening employee bond with the Company and creating a sense of ownership. Your Board felt it appropriate to extend Employee Stock Options to permanent employees in the management staff, including Managing Director and Whole-time Director(s) in order to motivate and retain the best talent. Further, during the year the Company has amended the scheme as per the new regulations i.e. SEBI (Share Based Employee Benefit) regulations, 2014. On July 6, 2017, Company came up with Satin Employee Stock Option Scheme, 2017 ("Satin ESOS, 2017"), which is drawn in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, to create, grant, offer, issue and allot from time to time, in one or more tranches, options not exceeding 3,61,400 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.

A. Disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards.

1. The Company had 'nil' share-based payment arrangements during the year ended March 31, 2018.

2. The estimated fair value of each stock option granted in the general employee stock option plan is Rs.420.75 and Rs. 166.98. This was calculated by applying Black Scholes pricing model. The model inputs were as follows:

Inputs	Satin ESOP 2009			ESOS SCHEME 2017		
Share price at grant date (In Rs.)	416.50			264.90		
Vesting	First	Second	Third	First	Second	Third
Exercise price (In Rs.)	20	20	20	160	160	160
Expected volatility (%)	60.39	60.39	60.39	55.86	62.90	62.90
Expected dividends yield	-	-	-	-	-	-
Contractual life (in years)	-	0.70	1.70	0.40	1.40	2.40
Risk free interest rate	6.09%	6.04%	6.03%	6.35%	6.40%	6.45%

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

Particular	Year ended March 31, 2018	Year ended March 31, 2017
Expense arising from employee share-based payment plans	Rs. 1,89,07,983	Rs.52,03,662

- 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: Rs. 0.25.

Effects of Share Options on Diluted Earnings per Share (Accounting year April 01, 2017 to March 31, 2018):

Particulars	
Net profit for the year ended 2018 (in Rs.)	1,08,37,968
Weighted average number of equity shares outstanding during the year ended 2018	4,21,66,114 Shares
Average fair value of one equity share during the year ended 2018	420.75 & 166.98
Weighted average number of shares under option during the year ended 2018	4,05,567 Shares
Weighted average number of shares under Conversion during the year ended 2018	11,34,552 Shares
Exercise price for shares under option during the year ended 2018 (in Rs.)	20 & 160

Computation of earnings per share:

Particulars	Earnings	Shares	Earnings Per Share
Net profit for the year ended 2018 (Rs.)	1,08,37,968	-	-
Weighted average number of shares outstanding during year ended 2018	-	4,21,66,114	-
Basic earnings per share (Rs.)	-	-	0.26
Number of shares under option	-	4,05,567	-
Number of shares under conversion	-	11,34,552	-
Diluted earnings per share (Rs.)	1,08,35,395	43,70,6,233	0.25

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)	Satin ESOS Scheme 2017
a)	Date of shareholders' approval	June 01, 2009	March 26, 2010	December 15, 2010	July 6, 2018
b)	Total number of options approved under ESOS	4,25,000	1,00,000	1,50,000	3,61,400 and such other unvested options under existing ESOP Schemes
c)	Vesting requirements/ Conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the Satin ESOS, 2017.
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)	Nomination and Remuneration Committee is free to determine the exercise price based on Market Price
e)	Maximum term of options granted	3 Years	3 Years	3 Years	3 years or as the Committee may deem fit.
f)	Source of shares (primary, secondary or combination)	Primary	Primary	Primary	Primary
g)	Variation in terms of options	Not Applicable	Not Applicable	Not Applicable	Variations in Terms of Grants can be done by the Nomination and Remuneration Committee

(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)	Satin ESOS Scheme 2017 (Remarks)*
Number of options outstanding at the beginning of the period	1,20,700	1,00,000	1,50,000	3,61,400#
Number of options granted during the year	-	-	-	1,45,200
Number of options forfeited / lapsed during the year	12,900	-	-	67,800
Number of options vested during the year	22,300	-	-	-
Number of options exercised during the year	21,100	-	-	-
Number of shares arising as a result of exercise of options	21,100	-	-	-
Money realized by exercise of options (INR/Rs.), if scheme is implemented directly by the company	Rs. 4,22,000	-	-	-
Loan repaid by the Trust during the year from exercise price received	Rs. 4,22,000	-	-	-
Number of options Shifted to the New ESOS Scheme, 2017	1,33,600	1,00,000	1,50,000	-
Number of options outstanding at the end of the year	-	-	-	3,06,200
Number of options exercisable at the end of the year	44,600	-	-	77,400

* Figures of Outstanding Options under Satin ESOS, 2017 are reported considering figures of Existing ESOP Scheme and Satin ESOS, 2017

9300 options expired/lapsed under earlier ESOP Scheme in FY 2016-17 are adjusted.

(iv) Weighted-average exercise prices :

- when the exercise price is equal/exceeds to market price: **NA**
- when the exercise price is less than market price- Rs. 20 and Rs. 160

Weighted-average fair values

- when the exercise price is equal/exceeds to market price: **NA**
- when the exercise price is less than market price- Rs. 420.75 and Rs. 166.98.

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

(a) Senior managerial personnel

Details of Options Granted to Senior Managerial Personnel during this financial year					
S. No.	Name of Employee	Designation	Number of Option granted during the year	Exercise Price (in Rs.)	Company
1.	Mr. Sanjay Mahajan	Chief Information Officer	12,000	160	Satin Creditcare Network Limited
2.	Mr. Subir Roy Chowdhury	Chief Human Resource Officer	12,000	160	Satin Creditcare Network Limited
3.	Mr. Dev Vrat Tiwari	Head Legal	1,200	160	Satin Creditcare Network Limited
4.	Mr. Sanjeev Vij	Chief Executive Officer	12,000	160	Taraashna Services Limited
5.	Mr. Punit Sharma	AVP-Human Resource	3,000	160	Taraashna Services Limited
6.	Mr. Milind Govindrao Deshmukh	Chief Operating Officer	4,500	160	Taraashna Services Limited
7.	Mr. Abhay Thakkar	Chief Financial Officer	1,200	160	Taraashna Services Limited
8.	Mr. Kuldeep Singh Yadav	Company Secretary	1,200	160	Satin Housing Finance Limited

(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. Sanjay Mahajan	Chief Information Officer	12,000
2.	Mr. Subir Roy Chowdhury	Chief Human Resource Officer	12,000
3.	Mr. Sanjeev Vij	Chief Executive Officer	12,000

(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.

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

POLICIES

Vigil Mechanism/Whistle Blower Policy:

The Company has formulated a vigil mechanism through Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected, fraud or violation of Company's code of conduct or ethics policy and details of the same are explained in the Corporate Governance Report. The Policy is also available on the Company's website.

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 with objective to have diversified Board and to harmonize the aspirations of human resources consistent with the goals of the Company and also 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, Nomination and Remuneration Committee had approved 'policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) & Senior Management and Other Employees'. The aforesaid policy was approved by the Board of Directors vide its meeting dated February 10, 2016. The Company shall periodically conduct familiarization programme for the independent directors, their roles, rights, responsibilities, nature of the industry in which the Company operates and its business model, etc. The detail of such familiarization programmes is disclosed on the Company's website i.e. www.satincarecreditcare.com.

Risk Management Policy:

The Board of Directors has adopted the Risk Management Policy based on the recommendation of the Risk Management Committee in order to assess, monitor and manage risk throughout the Company. Risk is an integral part of any business, and sound risk management is critical for the success of any organization. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment to monitor and mitigate the risk through internal audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

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

Your Company has in place a formal policy for prevention of sexual harassment of its employees at workplace. The Company is in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and has adopted a revised policy on Sexual Harassment on August 14, 2017 to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

Further, during the year under review, there was no case 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 second largest microfinance institution (MFI) in terms of Gross Loan Portfolio (GLP) (source: MFIN: Micrometer March, 2018). The Microfinance Industry has played a vital role in promoting financial inclusion across the country. The whole microfinance industry was impacted by major reform towards the Indian economy on the account of demonetization. The relative slowdown in the growth of microfinance sector, was primarily due to shortage of currency immediately after demonetization. Due to non-availability of cash, the business activity in rural areas decreased. Additionally, due to factors such as local activism, misinterpretation of regulations and misplaced expectations of loan waivers, the collections dwindled, forcing MFIs to show caution from further lending. However, during FY 2017-18, despite all these hurdles, your company has attained growth in all parameters. Demonetization had impacted the Company and whole industry negatively in the short run but the digital push, opening of Jan Dhan Bank account has created future growth platform for MFIs.

With increase in the rural income and consequent decrease in the level of unemployment, loan collections getting back on track. Also, the level of disbursement has substantially grown up and the result of this is visible in improved profitability from last three quarters.

Resources and liquidity:

After challenging Quarter 4 of FY 2016-17 and Quarter 1 of FY 2017-18, the overall environment has improved for funding in the Microfinance industry in India. During FY 2017-18, the Company has (i) total income increased to Rs. 976.64 Crore from Rs. 776.67 Crore, a growth of 25.75% in current year as compared to previous year; (ii) profit after tax decreased to Rs. 4.03 Crore from Rs. 24.50 Crore, reflecting the decrease of 83.57% in current year as compared to previous year, and (iii) net worth increased from Rs. 662.22 Crore to Rs. 1,095.06 Crore, a growth of 65.36% in current year as compared to previous year. Your Company accomplishes its funding requirement through a diverse set of sources which include loans from banks and financial institutions, funding through issuance of preference shares, non-convertible debentures, and commercial papers etc. Your Company accomplishes its funding requirement through a diverse set of sources which include loans from banks and financial institutions, funding through issuance of preference shares, non-convertible debentures, and commercial papers etc. During FY 2017-18, the Company has raised debt of Rs 2,777 Crore as against Rs 2,937 Crore raised in FY 2016-17. The Company has also securitized some of its future receivables resulting in reduction in its debt servicing cost and raised Rs. 1,111 Crore in FY 2017-18 against 795 Crore in FY 2016-17. Your Company's resource needs have also been supplemented by capital infusions, and the Company has raised aggregate Rs 439 Crore in several rounds of capital with the continued support of its existing and new investors. Your Company'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 improves its financial performance, capital adequacy level, credit rating and relationships with lenders and investor. Outlook of credit rating got revised from Negative to Stable from CARE/ICRA/India Ratings.

Further, 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.

Nature of Business:

Your Company is the second largest microfinance institutions in terms of GLP with a strong presence in north, east and central India. The business of the Company is primarily based on the 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 providers. The operations are spread across 18 states and union territories in India including Uttar Pradesh, Bihar, Madhya Pradesh, Punjab, Haryana, Rajasthan, Uttarakhand, Maharashtra, West Bengal, Gujarat, Jharkhand, Delhi & NCR, Chhattisgarh, Assam, Orissa, Himachal Pradesh, Jammu & Kashmir and Chandigarh, with a focus on rural and semi-urban areas. A number of the regions in which we operate have moderate or low rate of penetration of micro finance institutions. Your Company 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 criterion 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 delivery model in partnership with various institutions.

Your Company has also offered loans to individual businesses including MSME, product loans for financing solar lamps and for development of water connection and sanitation facilities. During the year under review, the Company has incorporated a wholly owned housing finance subsidiary named Satin Housing Finance Limited (SHFL), with a view to provide financing in the affordable housing segment and leveraging rural outreach. Subsequently, National Housing Bank has granted "Certificate of Registration (u/s 29A of the National Housing Bank Act, 1987) bearing Registration No. 11.0161.17 on November 14, 2017" to commence business as housing finance to SHFL. On receipt of license, SHFL has started its loan disbursement and first loan was disbursed on February 07, 2018 in Delhi/ NCR Region. Entry into the MSME and Housing Finance segments is in-line with company's strategy of product diversification as well as diversification from un-secured into secured lending.

The Directors are quite hopeful to achieve a new milestone of achievement in the years to come.

Industry Scenario:

Rural India is heavily dependent on the informal sector and has witnessed a significant transformation in recent years. With rising digital penetration across rural areas and the uptake of mobile phones and internet since 2005 have led to strong growth in digital commerce. There are around 50 Crore mobiles subscribers in rural India (as of June 2017) of which 11 crore users use own smartphones. [source: *Mobile headset penetration: Why rural consumer is not rural anymore*, Financial Express] Digitization holds key benefits for MFIs including improved payment security, reduced collection costs, easy access to e-commerce and reduced paperwork. Further, increased internet penetration could also lead to significant reduction in customer acquisition and marketing costs for MFIs. Further, in Budget 2018, Government has increased focus on improving digital infrastructure in rural areas which coupled with Jhan Dhan Account will help in financial inclusion. The improved internet and telecom infrastructure will help microfinance companies to accelerate cashless disbursement and collection resulting in better and cost effective delivery.

Further, after demonetisation, microfinance industry witnessed a sharp surge in the non-performing assets (NPAs) since the sector dealt largely in cash. The loan repayment took a severe hit in the cash-based sector. To improve the situation Government has taken decision to review refinancing policy of MUDRA for better financing of NBFCs is a good news for NBFC-MFIs. MUDRA has been an important source of financing for microfinance companies and after this announcement MFI sector expects easier access of finance at lower rates in the future through MUDRA and also introduced incentives for MSMEs in the form of capital support and corporate tax reduction to 25% for companies with turnover under Rs. 250 crore, through this move government encouraging small entrepreneurs in both urban and rural areas. Clubbed with increased target for MUDRA Yojana for this year, encourages small and medium entrepreneurs to expand their businesses. [Source: Budget 2018]

Moreover Government of India through its digital India programme continues to invest and drive various digital ecosystem of the Country. This move shall boost the microfinance industry as a whole.

Business Review:

Financial year under review was a challenging year for the Company. The repayments were impacted due to cash shortage resulting in higher NPA and lower profitability. The strong field force of the Company supported by all other team members have worked hard to bring Company back on growth path. The disbursement and collection has started improving and the profitability is consistently improving for the last 3 quarters. In order to achieve its' growth target, the Company has increased its capital base, improved technology, enhanced cashless disbursement, focused on training of manpower and improved system and processes during the year. To diversify business and for optimum utilization of resources; your Company has entered into a Business tie-up agreement with a large NBFC on July 08, 2017 in respect of a business sourcing and management relationship for non-microfinance loan products.

Furtherance to this, for sustained funding for microfinance business, Company has also entered into a Business Correspondent Agreement with a leading commercial bank on February 07, 2018. In over 27 years of operation, your Company has developed partnerships with over large number of public sector banks, private sector banks, foreign banks and other domestic and overseas financial institutions. During the year under review, 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.

To strengthen the capital need of the expanding business operations and to augment capital base to meet Capital Adequacy ratio your Company has raised equity capital by way of preferential allotment of equity shares from "Asian Development Bank" (ADB) for an aggregate amount of approx. Rs. 65 Crore and simultaneously issued and allotted Fully Convertible Warrants to an entity in the Promoter Category for an aggregate amount of approx. Rs. 30 Crore which was subsequently converted into equivalent number of equity shares. Company has allotted 0.01% Optionally Convertible Redeemable Preference Shares to "Capital First Limited" for an aggregate amount of approx. Rs. 35 Crore. Further, Company has also raised approx. Rs. 150 Crore by way of Qualified Institutional placement.

The Company has successfully raised equity capital by way of preferential allotment to "Kora Investment I LLC" and "Nordic Microfinance Initiative Fund III KS" for an aggregate amount of approx. Rs. 100 Crore and simultaneously allotted fully convertible warrants to an entity in the Promoter Category for an aggregate amount of approx. Rs. 60 Crore (out of which 25% was received by the Company rest 75% shall be receivable at the time of conversion of warrants into equity). Further, the Company has allotted 0.01% Optionally Convertible Redeemable Preference Shares to "IndusInd Bank Limited" for an aggregate amount of approx. Rs. 45 Crore.

The rating agency, CARE ratings assigned grading of 'MFI 1' (MFI One) to the Company. Grading is assigned on an eight-point scale with MFI1 (MFI one) being the highest and MFI5 being the lowest.

Our Client Protection Practices and customer grievance redressal mechanism are aligned with industry COCA standards for which the Company have received the rating C2 from ICRA Limited. Assessment on Code of Conduct was done on the indicators pertaining to Transparency, Client Protection, Governance, Recruitment, Client Education, Feedback & Grievance Redressal and Data Sharing. SCNL's code of conduct grading takes into account the company's transparent communication mechanism, robust client protection norms and its compliance with best practices related to Governance, Recruitment, Client Education and Data Sharing.

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

Scenario post demonetization:

By the end of third quarter of the financial year under review, the positive outcome of demonetization was felt by whole MFIs sector towards digitization's that leads to upgrade the Information Technology systems (IT System) to better understand their customers and accelerate their customer acquisition and loan disbursement process using Core Banking Solutions (CBS). Regulators also focussing on digitization to improve the efficiency and financial inclusion in the economy. In view of the same, Reserve Bank of India, has also come up with the various regulatory reforms to monitor IT system of the NBFCs.

Your Company has also developed cashless model for collection & disbursement in partnership with various agencies which opens the door towards new horizon in this business segment.

Opportunities:

Microfinance industry has already proved its viability as a business model, as well as, its ability to reach out to a significant section of the population which needs mainstreaming. It will continue to remain a relevant and important conduit for providing financial services to a vast segment of the population, acting in complementarity to banks. However, given the inherent vulnerability of the customer base, it is important to plan for current and future risks that can impact repayments and slow down the access to regulate credit lines for the underserved. Technology has penetrated into rural India through the surge in usage of smartphones. Increasing use of technology to reach rural India is a paradigm-shifting enabler. Internet kiosk based channels are expected to become the bridge that connects rural India to the financial services sector. As rural India gets connected to the outside world, consumer

awareness on formal channels of financing will increase thus providing a platform for rural focused companies to chart new growth regions. Currently, Company can see lot of potentials for growth in various regions which are still untapped and where there is substantial need, demand and opportunity for microfinance, also affordable housing finance and MSME finance. We intend to expand our reach and operations in the states where we are currently present and new states by establishing new offices, 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 through various business verticals of the Company, which 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 your Company, which we believe will further enhance the 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.

The Indian MSME sector is open for new participants to enter in this segment as rapid growth promises positive outlook. Timely policy decisions in the sector and due support from stakeholders which have resulted in rendering the Indian MSMEs globally viable.

Further, as a business correspondent Company, Taraashna Services Limited (subsidiary of Satin Creditcare Network Limited) seeks to enter into arrangements with various other banks and financial institutions to scale the business correspondent and allied services business across multiple product and geographies. TSL believes there is significant business opportunity and regulatory push in this area, with the Reserve Bank of India and government actively supporting the financial inclusion business and facilitating the growth of MSME sector (through small bank loans and dairy loans) in the economy through meeting their financial requirement. TSL is building innovative process in place for operations and Information Technology along with very strong corporate governance systems and best ethical practices codes in place to conduct its business operations. TSL will continue to follow the best client centric policies and approach.

As per the research conducted, affordable housing finance segments is likely to grow to Rs. 6,00,000 Crore in the next four years from Rs. 1,50,000 Crore now. This will make housing segment a major contributor to the overall housing finance activity. The accelerated urbanization on account of fast economic growth over the last decade- and-a-half has created massive need for affordable housing. Hence, Company has floated a wholly owned subsidiary (Satin Housing Finance Limited, "SHFL") to tap housing finance sector. The financial year 2018-19 is going to be a year in which SHFL will use technology and digitisation for excellence in business. SHFL will implement robust systems, one of the best state of art software and excellent technological framework for paperless environment and customer experience. SHFL plans to build innovative process in place for credit, operations and information technology along with very strong corporate governance systems and best ethical practices codes in place to conduct its business operations. SHFL owns very diversified and unique business approach catering to middle and low income customers of Urban and Rural areas for their varied housing finance needs. SHFL has signed the MOU with the National Housing Bank for the credit linked subsidy scheme and mortgage guarantee schemes and is also looking forward to participate actively in the Pradhan Mantra Awas Yojna (PMAY). SHFL will focus on the much talked about affordable housing sector and housing for all schemes to promote the government vision of facilitating home loan finances at reasonable rates and housing for all vision till 2022.

Overall, in the year to come your Company can see more opportunities and new horizons to tap new markets, untapped regions to diversify loan portfolios.

Challenges:

There are several challenges for microfinance sector in India that are limiting the growth of MFIs in terms of reach and disbursement. Further, as industry is looking for more partners in coming time, talent acquisition and retention is also one of the major challenges for MFIs industry as this industry has to compete with Banks & other NBFCs also. While the target customers of MFIs are predominantly woman, hiring woman has been a challenge due to travelling requirements of the Job. MFIs incur high operational costs, especially for searching and collecting information during loan origination and during monitoring and collections, which limits their ability to maximize the outreach. The small loan sizes and short tenure further intensify the challenge. Further, post demonetization delinquency rate have also increased due to cash- shortage. Further, to compete with Banks MFIs facing challenge to raise capital and manage credit risks. Somehow in recent years competition for MFIs sector from Banks and NBFCs have increased in terms of lending rate as MFIs cannot accept deposits leads to higher cost of funds, additionally policy barriers such as capping of margin at 10 percent affects the profitability.

Outlook:

The overall outlook for the Microfinance Industry has been improving, cost of funds seems declining that leads to positive outlook towards Microfinance Industry. 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. Your Company has implemented Loan Management System in the year under review and working towards robust systems, and excellent technological framework for paperless environment and customer experience. It will reduce the operational risk and increase the outreach of customer.

Risk & Concerns:

Our microfinance loans are unsecured and therefore exposed to operational and credit risks along with financial, operational and political risks. Furthermore, our Company has exposed to following types of risks that evolved with this Microfinance industry.

- Failure to comply with financial and other covenants under our loan agreements may materially and adversely affect our financial condition, results of operations, cash flows and business prospects.
- 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.
- Operations involve handling cash in high volumes through a dispersed network of branches which makes us susceptible to operational risks.
- The sector 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.
- Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and loan markets and, as a result, may adversely affect our net interest margin and our results of operations.
- Taraashna Services Limited ("TSL") is dependent on banks and other financial institutions for its business and receives commission. In the event that, banks and other financial institutions, do not outsource business correspondence and other services for any reason or do not pay adequate commission to TSL, our business and financial condition may be adversely affected.

Further, few risk are beyond the control of Company, which may adversely affect the business:

- changes in exchange rates and controls.
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs.
- any downgrading of India's debt rating by an international agency.
- political instability, resulting from a change in government or in economic and fiscal policies.
- social and civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the financial markets.
- changes in government policies, including taxation policies, and other political, social and economic developments in or affecting India. or
- natural calamities and force majeure events.

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. Further, Company has sufficient caution in the system/ process to mitigate the adverse effect of the risk.

Adequacy of internal controls:

The Company has proper and adequate internal control 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.

Company's Internal Audit department has an annual audit plan based on the risk profile of business activities of the organization. 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. The company has documented its policies, controls and procedures, covering all financial and operating functions, designed to provide a reasonable assurance with regard to reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations, prevention and detection of fraudulent activities etc. The Company has continued its efforts to align all its processes

and controls with leading practices. The Audit Committee of the Board of Directors, comprising of independent directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls, compliances applicable on the Company. 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. Further, 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.

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, 2018 stood at 7,653 (Previous Year 5,801). During FY 2017-18, the Company continued to show signs of positivity and growth, providing the Management an appetite for enhancing potential and driving growth and development of its people. Initiated various career progression & retention programs like created internal pool of first line leaders, internal job posting, over 200 employees were promoted this would leads in retention of employees across all level has been 83% that leads to decrease in attrition rate. Further, Human Resource department is continuously reviewing the expense policy to become more cost effective. Further, your Company has also launched Microfinance course in partnership with NSE/BSE. Furthermore, to boost the employee morale launched core values of SATIN and to celebrate overcoming the most difficult time Company has also organized "Satin Utsav", the employee forum with over 500 employees across functions and geographies that envisages the morale of the employees. Further, during the year under review your Company has been ranked 34th for Dream Companies to work in 2018 out of 50 companies felicitated by World Congress HRD.

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 Company has neither accepted public deposit during preceding financial year nor would accept any public deposit during the financial year 2018-19.

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 23.65% as on March 31, 2018. 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 ("NBFC-MFI") on November 6, 2013. As a result, the Company is required to comply with the NBFC-MFI Directions. In view of the same Company is in compliance with the "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time)". 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 etc. Further, 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 S. Behera & Co., Practicing Company Secretary (ICSI PCS Registration No. 5980) 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 of the Companies Act, 2013 read with rule 5, sub-rule (1), (2) & (3) of Companies (Appointment & Remuneration) Rules, 2014, the necessary disclosures are annexed as **Annexure IV** with this report.

LISTING WITH STOCK EXCHANGES

The equity share of the Company is listed on BSE Limited (BSE) and National Stock Exchange Limited (NSE).

Pursuant to Board approval dated November 09, 2016, your Company is voluntarily delisted from the Calcutta Stock Exchange ("CSE") with effect from January 19, 2018 vide their approval letter dated January 18, 2018. Your Company is now listed with National Stock Exchange and Bombay Stock Exchange, i.e., NSE and BSE. Your Company has no due pending with the any stock exchange.

EXTRACT OF ANNUAL RETURN

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

OTHER INFORMATION

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

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

Expenditure in foreign currency (on accrual basis):

(Amount in Rs.)		
Nature	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling expenses	28,99,447	69,78,354
Professional fee	74,30,967	1,13,16,229
Interest payment - External Commercial Borrowing	3,44,49,260	3,55,04,242
Sitting fee	1,20,000	20,000
Business promotion	-	2,56,004
Share/ Debenture issue expenses	82,45,897	68,04,618
Total	5,31,45,571	6,08,79,447

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Delhi
Date: May 30, 2018

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, 2018.

Place: Delhi
Date: May 30, 2018

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

ANNEXURES TO THE DIRECTORS' REPORT

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, 2018, which were not at arm's length basis.

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

Name of the Related Party	Nature of Contract	Date of Approval by Board	Nature of Relationship	Duration of Contract	Silent Terms	Amount paid as advance, if any
Taraashna Services Ltd.	Investment in subsidiary	May 26, 2017	Subsidiary Company	N.A.	As specified in Board Approval	Not Applicable
	Office Rent	November 13, 2017	Subsidiary Company	11 Month from November 15, 2017	As specified in Rent Agreement	Nil
Satin Housing Finance Limited	Investment in subsidiary	May 26, 2017	Subsidiary Company	N.A.	As specified in Board Approval	Not Applicable
	Rent received	November 13, 2017	Subsidiary Company	11 Month from November 15, 2017	As specified in Rent Agreement	Nil
Niryas Food Products Private Limited	Rent received	November 09, 2016	Influence of Key managerial Personnel & Relatives	11 Months from November 01, 2016	As specified in Rent Agreement	Nil

For and on behalf of the Board of Directors

Place: Delhi
Date: May 30, 2018

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

Annexure II

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED March 31, 2018

[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, New Delhi-110 033

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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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, 2018 and made available to us, 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, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) 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;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Employees' Provident Funds & Misc. Provisions Act, 1952;
- vii. Employees' State Insurance Act, 1948;
- viii. Maternity Benefit Act, 1961;
- ix. Minimum Wages Act, 1948;
- x. Payment of Bonus Act, 1965
- xi. Payment of Gratuity Act, 1972
- xii. Delhi Shops and Establishments Act, 1954
- xiii. RBI Act, 1934 relating to NBFC's

We have also examined compliance with the applicable clauses of the following

- (i) Secretarial Standard Issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, and Guidelines mentioned above.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliances report of Company Secretary/Chief Financial Officer/Managing Director taken on record by the Board of Directors of the Company, in our opinion, adequate system and process exist in the Company to monitor and ensure compliances with provisions of applicable general laws like labour laws and environmental laws.

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. 8428

Place: Delhi
Date: May 18, 2018

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
Azadpur, New Delhi
PIN – 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
FCS 8428

Place: Delhi
Date: May 18, 2018

Annexure III

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.

(B) Overview of the CSR projects undertaken in FY 2017-18:

Organization	Brief Profile of the Organizations	Project Undertaken	Project Overview
Maharaja Agrasen Hospital Charitable Trust (MAHCT)	MAHCT, a society registered under the Societies Act 1860. MAHCT, New Delhi was established in 1980 by some prominent handful of donors of the society with the main objective to give free medical aid to every deserving human being irrespective of caste, creed and religion. It also aims to set up, manage and organize Hospitals, Dispensaries, Charitable Institutions and Medical Institutions and to provide training for Doctors, Nurses and Para-Medical staff for achieving objectives of the Trust.	To set up Maharaja Agrasen Medical University, at Noona Mazra, Tehsil-Bahadurgarh, Jhajjar, Haryana	<p>The project will undertake establishment of Maharaja Agrasen Medical College, Maharaja Agrasen Nursing Institute, Maharaja Agrasen Paramedical Institute and Maharaja Agrasen Management Institute, to increase the admission opportunities for students in medical colleges to promote higher education and enhance professional job opportunities for them. This will in turn also result into better medical treatment for needy people.</p> <p>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.</p>

(C) Web-link of CSR Policy

1. **The Corporate Social Responsibility policy is disclosed on the website at the below link:-**
https://www.satincreditcare.com/pdf/CSR_Policy_version_2.pdf
2. **The Composition of the CSR Committee.**

Name of Committee Member	Designation
Mr. H P Singh	Promoter, Executive & Non Independent Director (Chairman)
Mr. Rakesh Sachdeva	Independent Director (Member)
Mrs. Sangeeta Khorana	Independent Director (Member)

3. **Average net profit of the company for last three financial years:** Rs.57.13 Crore
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs. 114.27 Lakh
5. **Details of CSR spent during the financial year:**
 - a. Total amount spent for the financial year: Rs. 114.30 Lakh
 - 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.

S. No	CSR project or activity Identified	Sector in which the Project Is covered	Projects or programs 1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or Programs wise (Rs.)	Amount spent on the projects or the programs Sub-heads: (1)Direct expenditure on projects or programs- (2)Overheads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency (Rs.)
1.	Establishing Maharaja Agrasen Medical University at Jajjhar District of Haryana.	Health	The project will undertake 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	1,14,30,000	1,14,30,000	2,19,30,000	Amount spent by implementing agency

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

Name of Trust	Address of Trust	Contact Person	Contact Info:
Maharaja Agrasen Charitable Trust	Maharaja Agrasen Charitable Trust Maharaja Agrasen Hospital, Punjabi Bagh, New Delhi-110026	CA Ritu Bhatia	011-40777777

7. **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 2017-18 to its project implementing partner. The allotted CSR fund has been utilised by Maharaja Agrasen Hospital Charitable Trust.

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

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

Place: Delhi
Date: May 30, 2018

H P Singh
Chairman cum Managing Director &
Chairman-CSR Committee
DIN: 00333754

Annexure IV

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

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

S. No.	Name of Director(s)	Annual Remuneration(in Rs.) for FY 2017-18	Median Annual Remuneration of Employees for the Financial Year 2017-18 (in Rs.)	Ratio of remuneration of each director of the median remuneration of the employees for Financial year
1	H P Singh	1,55,38,684	4,06,488	38.2:1

(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 2016-17 (In Rs.)	Annual Remuneration during financial year 2017-18 (In Rs.)	Percentage increase in remuneration since last financial year
1	H P Singh, Chairman cum Managing Director	1,90,13,770	1,55,38,684	-18.28%
2	Jugal Kataria, Chief Financial Officer	69,71,750	72,00,020	3.27%
3	Choudhary Runveer Krishanan, Company Secretary & Compliance Officer	20,22,500	26,07,500	28.92%

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

Median Annual Remuneration (In Rs.) of employees for the F/Y 2016-17	Median Annual Remuneration (In Rs.) of employees for the F/Y 2017-18	Percentage increase in Median Annual remuneration (In Rs.) of employees
4,21,000	4,06,488	-3.44%

(iv) Number of permanent employees on the rolls of the Company – 7,653

(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 – Not applicable

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

- 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
- 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. - None

- (iii) 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

List of Top Ten Employees of the Company:

S.No.	Name of Employee	Designation	Remuneration received (amount in Rs.)	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
1.	Mr. H P Singh	Chairman cum Managing Director	1,55,38,684	Permanent	CA , LLB	October 16, 1990	57	NA	0.87%	Brother of Mr. Satvinder Singh
2.	Mr. Sanjay Mahajan	Chief Information Officer	1,00,00,000	Permanent	PGDCA-IT, 27 Years	January 06, 2016	49	Bata India Limited	-	None
3.	Mr. Dev Verma	Chief Operating Officer	72,55,004	Permanent	PGDBM, 21 Years	September 14, 2016	46	SKS Microfinace	-	None
4.	Mr. Jugal Kataria	Chief Financial Officer	72,00,020	Permanent	ICWA,CS, CA, 27 Years	April 01, 2000	50	Berger Paints Ltd - Rajdoot Division	0.14%	None
5.	Mr. Subir Roy Chowdhury	Chief Human Resource Officer	68,72,444	Permanent	PGDM-HR, 21 Years	April 04, 2016	45	Magma Fincorp Limited	0.01%	None
6.	Mr. Ram kumar Gunasekaran	Senior Vice President	61,66,668	Permanent	MBA, 17 Years	October 19, 2016	42	Tata Motors Finance	-	None
7.	Mr. Partha Mukherjee	Dy. COO	43,96,670	Permanent	MBA, 17 Years	April 18, 2016	47	NCDEX e Markets Ltd	0.00%	None
8.	Mr. Ashish Gupta	Head-Finance	38,58,334	Permanent	CA, MBF, 11 Years	September 25, 2015	35	New Habitat Housing Finance & Development Limited	-	None
9.	Mr. Amit Kumar Gupta	Vice President - Account & Finance	35,21,780	Permanent	CA, LLB, 13 Years	May 12, 2008	39	Lea Associate South Asia Pvt. Ltd	0.01%	None
10.	Mr. Sulabh Jain	Vice President-Audit	13,75,000	Permanent	PGDBM, 09 Years	November 01, 2017	44	Simpa Energy India Pvt. Ltd.	-	None

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

Place: Delhi
Date: May 30, 2018

H P Singh
Chairman cum Managing Director
DIN: 00333754

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2018

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	1st & 3rd Floor, Plot No. 97, Sector -44, Gurugram 122003 Phone: 0124-4715400
7.	Whether listed company	Listed Company
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<p>a) Equity Shares and Preference Shares:</p> <p>Link Intime India Pvt. Ltd. 44, Community Center, 2nd floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028 Tel No : +91 11 4141059293/94 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in</p> <p>b) Non-Convertible Debentures:</p> <p>Karvy Computershare Pvt. Ltd. (For NCD's and Commercial Paper) 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034 Phone: +91 040 44655041</p>

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non-Banking Financial Activities (Micro Finance)	64990	98.21%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1.	TARAASHNA SERVICES LIMITED 504, 5 th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033	U74140DL2012PTC 236314	Subsidiary of Satin Creditcare Network Limited	91.11	section 2(87)
2.	SATIN HOUSING FINANCE LIMITED 505, 5th Floor, Kundan Bhawan Azadpur Commercial Complex Delhi North Delhi -110033	U65929DL2017PLC 316143	Wholly owned Subsidiary of Satin Creditcare Network Limited	100.00	section 2(87)

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, 2017]				Shareholding at the end of the year [As on March 31, 2018]				% 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	17,01,603	-	17,01,603	4.53	17,01,603	-	17,01,603	3.57	-0.96
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									
	Bodies Corporate	1,07,12,378	-	1,07,12,378	28.51	1,13,71,068	-	1,13,71,068	23.85	-4.66
	Sub Total (A)(1)	1,24,13,981	-	1,24,13,981	33.04	1,13,71,068	-	1,13,71,068	27.42	-5.62
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	1,24,13,981	-	1,24,13,981	33.04	1,30,72,671	-	1,30,72,671	27.42	-5.62
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	22,56,951	-	22,56,951	6.01	72,88,798	-	72,88,798	15.29	9.28
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-

S. No.	Category of Shareholders	Shareholding at the beginning of the year [As on April 01, 2017]				Shareholding at the end of the year [As on March 31, 2018]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	54,45,818	-	54,45,818	14.50	78,54,505	-	78,54,505	16.48	1.98
(f)	Financial Institutions / Banks	53,088	-	53,088	0.14	15,61,305	-	15,61,305	3.28	3.13
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	77,55,857	-	77,55,857	20.64	1,67,04,608	-	1,67,04,608	35.04	14.40
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	29,67,453	2,49,671	32,17,124	8.56	19,92,889	1,90,548	21,83,437	4.58	-3.98
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4,88,456	48,000	5,36,456	1.43	6,26,319	10,300	6,36,619	1.34	-0.09
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Trusts	58,102	-	58,102	0.15	300	-	300	-	-0.15
	Foreign Nationals	-	3,200	32,00	0.01	-	3,200	3,200	0.01	0.00
	Hindu Undivided Family	1,95,339	-	1,95,339	0.52	1,26,087	-	1,26,087	0.26	-0.26
	Foreign Companies	95,71,433	-	95,71,433	25.48	1,13,73,741	-	1,13,73,741	23.86	-1.62
	Non Resident Indians (Non Repat)	1,50,904	-	1,50,904	0.40	1,51,788	-	1,51,788	0.32	-0.08
	Non Resident Indians (Repat)	1,67,394	-	1,67,394	0.45	1,65,665	-	1,65,665	0.35	-0.10
	Clearing Member	3,44,339	-	3,44,339	0.92	95,801	-	95,801	0.20	-0.72
	Bodies Corporate	26,90,958	14,400	27,05,358	7.20	26,95,177	36,475	27,31,652	5.73	-1.47

S. No.	Category of Shareholders	Shareholding at the beginning of the year [As on April 01, 2017]				Shareholding at the end of the year [As on March 31, 2018]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Sub Total (B)(3)	1,66,34,378	3,15,271	1,69,49,649	45.12	1,72,27,767	2,40,523	1,74,68,290	36.64	-8.48
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	2,43,90,235	3,15,271	2,47,05,506	65.76	3,39,32,375	2,40,523	3,41,72,898	71.68	5.92
	Total (A)+(B)	36804216	315271	37119487	98.80	47005046	240523	47245569	99.10	0.30
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	4,49,300	-	4,49,300	1.20	4,28,200	-	4,28,200	0.90	-0.30
	Total (A)+(B)+(C)	3,72,53,516	3,15,271	3,75,68,787	100.00	4,74,33,246	2,40,523	4,76,73,769	100.00	

ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year [As on April 01, 2017]			Shareholding at the end of the year [As on March 31, 2018]			% change in shareholding during the year
		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	
1	Parishek Finance Pvt. Ltd.	21,50,880	5.73	3.32	21,50,880.00	4.51	4.51	-1.21
2	Parinita Investments Pvt Ltd.	17,65,720	4.7	0	17,65,720.00	3.7	0.52	-1.00
3	Satin (India) Ltd	16,69,209	4.44	0	16,69,209.00	3.50	0.31	-0.94
4	Niryas Food Products Private Limited	14,68,420	3.91	0	14,68,420.00	3.08	0.62	-0.83
5	Satin Media Solutions Ltd.	13,19,669	3.51	0	13,19,669.00	2.77	0	-0.74
6	Taco Consultants Private Limited	12,42,660	3.31	0	12,42,660.00	2.61	0.2	-0.7
7	Uv Associates Private Limited	10,95,820	2.92	0	10,95,820.00	2.30	0.2	-0.62
8	Anureet H P Singh	4,85,356	1.29	0	4,85,356.00	1.02	0.19	-0.27
9	H P Singh	4,15,123	1.11	1.1	4,15,123.00	0.87	0.87	-0.23
10	Harbans Singh	4,06,402	1.08	0	4,06,402.00	0.85	0	-0.23
11	Satvinder Singh	2,57,011	0.68	0.68	2,57,011.00	0.54	0.54	-0.15
12	Neeti Singh	1,37,711	0.37	0.37	1,37,711.00	0.29	0.29	-0.08
13	Trishashna Holdings & Investments Private Limited	-	0	0	6,58,690.00	1.38	0	1.38
	Total	1,24,13,981	33.04	8.25	1,30,72,671.00	27.42	8.25	-5.62

(iii) Change in Promoters' Shareholding:

S. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 01, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		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	Satin Media Solutions Limited	13,19,669	2.77	-	-	13,19,669	2.77
	At the end of the year					13,19,669	2.77
2	Parishek Finance Pvt. Ltd.	21,50,880	4.51	-	-	21,50,880	4.51
	At the end of the year					21,50,880	4.51
3	Satin (India) Ltd	16,69,209	3.50	-	-	16,69,209	3.50
	At the end of the year					16,69,209	3.50
4	Parinita Investments Pvt Ltd.	17,65,720	3.70	-	-	17,65,720	3.70
	At the end of the year					17,65,720	3.70
5	Niryas Food Products Private Limited	14,68,420	3.08	-	-	14,68,420	3.08
	At the end of the year					14,68,420	3.08
6	Taco Consultants Private Limited	12,42,660	2.61	-	-	12,42,660	2.61
	At the end of the year					12,42,660	2.61
7	UV Associates Private Limited	10,95,820	2.30	-	-	10,95,820	2.30
	At the end of the year					10,95,820	2.30
8	Trishashna Holdings & Investments Private Limited	-	-	-	-	-	0
	Allotment	-	-	August 18, 2017	6,58,690	6,58,690	1.38
	At the end of the year					6,58,690	1.38
9	Anureet H P Singh	4,85,356	1.02	-	-	4,85,356	1.02
	At the end of the year					4,85,356	1.02
10	H P Singh	4,15,123	0.87	-	-	4,15,123	0.87
	At the end of the year					4,15,123	0.87
11	Harbans Singh	4,06,402	0.85	-	-	4,06,402	0.85
	At the end of the year					4,06,402	0.85
12	Satvinder Singh	2,57,011	0.54	-	-	2,57,011	0.54
	At the end of the year					2,57,011	0.54
13	Neeti Singh	1,37,711	0.29	-	-	1,37,711	0.29
	At the end of the year					1,37,711	0.29

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10) at the end of the year is 4,76,73,769 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.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 01, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		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	Nordic Microfinance Initiative Fund III Ks	27,72,304	5.82	-	-	27,72,304	5.82
	Increase	-	-	February 09, 2018	5,97,014	33,69,318	7.07
	At the end of the year					33,69,318	7.07
2	SBI FMO Emerging Asia Financial Sector Fund Pte Ltd	33,13,609	6.95	-	-	33,13,609	6.95
	At the end of the year					33,13,609	6.95
3	DSP Blackrock Equity & Bond Fund	13,33,864	2.8	-	-	13,33,864	2.80
	Increase	-	-	August 25, 2017	8,450	13,42,314	2.82
	Decrease	-	-	September 22, 2017	-1,292	13,41,022	2.81
	Increase	-	-	October 13, 2017	7,50,862	20,91,884	4.39
	Decrease	-	-	October 20, 2017	-2,251	20,89,633	4.38
	Increase	-	-	November 24, 2017	60,562	21,50,195	4.51
	Increase	-	-	December 08, 2017	50,756	22,00,951	4.62
	Increase	-	-	December 15, 2017	1,09,799	23,10,750	4.85
	Increase	-	-	January 12, 2018	2,73,350	25,84,100	5.42
	Increase	-	-	January 19, 2018	28,891	26,12,991	5.48
	Increase	-	-	January 26, 2018	96,441	27,09,432	5.68
	Increase	-	-	February 02, 2018	7,665	27,17,097	5.70
	Increase	-	-	February 09, 2018	19,833	27,36,930	5.74
	At the end of the year					27,36,930	5.74
4	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	4,71,120	0.99	-	-	4,71,120	0.99
	Decrease	-	-	May 19, 2017	-17,811	4,53,309	0.95
	Decrease	-	-	June 02, 2017	-18,400	4,34,909	0.91
	Decrease	-	-	July 07, 2017	-27,211	4,07,698	0.86
	Increase	-	-	July 14, 2017	24,000	4,31,698	0.91
	Increase	-	-	September 08, 2017	43,000	4,74,698	0.10
	Increase	-	-	September 15, 2017	54,400	5,29,098	1.11

S. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 01, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		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
	Increase	-	-	October 13, 2017	14,09,836	19,38,934	4.07
	Increase	-	-	October 20, 2017	39,781	19,78,715	4.15
	Increase	-	-	October 27, 2017	32,866	20,11,581	4.22
	Increase	-	-	November 10, 2017	15,000	20,26,581	4.25
	Increase	-	-	December 01, 2017	6,500	20,33,081	4.26
	Increase	-	-	December 08, 2017	2,26,134	22,59,215	4.74
	Increase	-	-	December 19, 2017	33,000	22,92,215	4.81
	Increase	-	-	December 22, 2017	28,000	23,20,215	4.87
	Decrease	-	-	December 29, 2017	-4,25,000	18,95,215	3.98
	Increase	-	-	January 05, 2018	4,45,000	23,40,215	4.91
	Increase	-	-	January 12, 2018	24,426	23,64,641	4.96
	Increase	-	-	February 02, 2018	1,000	23,65,641	4.96
	Decrease	-	-	March 09, 2018	-7,088	23,58,553	4.95
	Increase	-	-	March 16, 2018	16,500	23,75,053	4.98
	Increase	-	-	March 23, 2018	16,000	23,91,053	5.02
	Increase	-	-	March 31, 2018	41,500	24,32,553	5.10
	At the end of the year					24,32,553	5.10
5	Kora Investments I LLC	-	-	-	-	-	0
	Increase	-	-	February 09, 2018	23,88,059	23,88,059	5.01
	At the end of the year					23,88,059	5.01
6	MV Mauritius Limited	34,85,520	7.31	-	-	34,85,520	7.31
	Decrease	-	-	August 04, 2017	-1,00,000	33,85,520	7.10
	Decrease	-	-	September 29, 2017	-3,00,000	30,85,520	6.47
	Decrease	-	-	December 29, 2017	-6,00,000	24,85,520	5.21
	Decrease	-	-	January 05, 2018	-5,00,000	19,85,520	4.16
	Decrease	-	-	March 16, 2018	-3,00,000	16,85,520	3.54
	Increase	-	-	March 31, 2018	6,17,235	23,02,755	4.83
	At the end of the year					23,02,755	4.83
7	Morgan Stanley Mauritius Company Limited	18,92,312	3.97	-	-	18,92,312	3.97
	At the end of the year					18,92,312	3.97

S. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 01, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		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	Asian Development Bank	-	0	-	-	-	0
	Increase	-	-	May 26, 2017	15,43,187	15,43,187	3.24
	At the end of the year					15,43,187	3.24
9	Government Pension Fund Global	5,90,000	1.24	-	-	5,90,000	1.24
	Increase	-	-	August 25, 2017	10,606	6,00,606	1.26
	Increase	-	-	October 13, 2017	3,64,614	9,65,220	2.02
	Increase	-	-	January 12, 2018	82,443	10,47,663	2.20
	At the end of the year					10,47,663	2.20
10	Bhawani Finvest Pvt. Ltd.	5,97,440	1.25	-	-	5,97,440	1.25
	Increase	-	-	April 28, 2017	10,800	6,08,240	1.28
	Increase	-	-	March 09, 2018	300	6,08,540	1.28
	Increase	-	-	March 16, 2018	900	6,09,440	1.28
	At the end of the year					6,09,440	1.28
11	Rajsonia Consultancy Services Private Limited	5,03,061	1.06	-	-	5,03,061	1.06
	Increase	-	-	August 25, 2017	46,900	5,49,961	1.15
	Increase	-	-	March 09, 2018	10,900	5,60,861	1.18
	Increase	-	-	March 16, 2018	5,875	5,66,736	1.19
	At the end of the year					5,66,736	1.19

Note:

- 1. Paid up Share Capital of the Company (Face Value Rs. 10) at the end of the year is 4,76,73,769 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		4,15,123	0.87	4,15,123	0.87
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease.	N.A	NIL	NIL	4,15,123	NIL
	At the end of the year				4,15,123	0.87
Mr. Satvinder Singh, Director	At the beginning of the year		2,57,011	0.54	2,57,011	0.54
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease.	N.A	NIL	NIL	2,57,011	NIL
	At the end of the year				2,57,011	0.54
Mr. Rakesh Sachdeva, 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		75,284	0.20	75,284	0.20
	April 20, 2017	Sale of Shares	8780		8780	0.03
	At the end of the year				66,504	0.14
Choudhary Runveer Krishanan, Company Secretary & Compliance Officer	At the beginning of the year		NIL	NIL	NIL	NIL
	January 25, 2018	ESOP Exercise			2000	0.00
	At the end of the year				2000	0.00

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10) at the end of the year is 4,76,73,769 Shares.
2. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.
3. Except above, no other directors and/or KMPs on 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 01.04.2017				
i) Principal Amount	33,68,72,04,159	4,79,25,21,523	-	38,47,97,25,682
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28,46,61,745	5,47,77,737	-	33,94,39,482
Total (i+ii+iii)	33,97,18,65,904	4,84,72,99,260	-	38,81,91,65,165
Change in Indebtedness during the financial year				
Addition	23,70,67,19,893	3,64,26,54,320	-	27,34,93,74,213
Reduction	19,44,84,74,842	2,55,31,23,079	-	22,00,15,97,921
Net Change	4,25,82,45,050	1,08,95,31,241	-	5,34,77,76,292
Indebtedness at the end of the financial year 31.03.2018				
i) Principal Amount	37,94,54,49,210	5,88,20,52,764	-	43,82,75,01,974
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35,14,10,858	5,27,75,877	-	40,41,86,735
Total (i+ii+iii)	38,29,68,60,068	5,93,48,28,641	-	44,23,16,88,709

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	1,19,65,200	11,965,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	20,60,860	20,60,860
	(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	14,83,824	14,83,824
	Total (A)	1,55,09,884	1,55,09,884
	Car perquisites(B)	28,800	28,800
	Grand Total	1,55,38,684	1,55,38,684
	Ceiling as per the Act	Approx. Rs. 1.20 Crore plus perquisites as per schedule V of the Companies Act, 2013	

B. Remuneration to other directors

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Rakesh Sachdeva	Sundeep Kumar Mehta	Sangeeta Khorana	Goh Colin	Sanjay Kumar Bhatia	Anil Kumar Kalra	Davis Frederick Golding	
1	Independent Directors								
	Sitting Fee (Board meetings & Committee Meeting)	2,70,000	2,70,000	80,000	1,00,000	60,000	1,20,000	20,000	9,20,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	2,70,000	2,70,000	80,000	1,00,000	60,000	1,20,000	20,000	9,20,000
2	Other Non-Executive Directors	Satvinder Singh							
	Fee for attending board committee meetings & Committee Meeting	2,30,000	-	-	-	-	-	-	2,30,000
	Commission	Nil	-	-	-	-	-	-	Nil
	Others, please specify	Nil	-	-	-	-	-	-	Nil
	Total (2)	2,30,000	-	-	-	-	-	-	2,30,000
	Total (B)=(1+2)	-	-	-	-	-	-	-	11,50,000
	Total Managerial Remuneration								1,66,88,664
	Overall Ceiling as per the Act								Approx Rs. 1.20 Crore (On the basis of effective capital calculated pursuant to schedule V of the Companies Act, 2013)

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	66,24,020	23,56,000	89,80,020
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,76,000	2,51,500	8,27,500
	(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		7,200,020	26,07,500	98,07,520

VII. Penalties / Punishment/ Compounding of Offences: No penalties, punishments & compounding of offences were imposed on the Company during Financial Year 2017-18:

There were no material penalties/punishment/compounding of offences for the year ending March 31, 2018

Place: Delhi
Date: May 30, 2018

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

Corporate Governance Report

1. COMPANY'S PHILOSOPHY AND PRACTICE ON CORPORATE GOVERNANCE

At Satin Creditcare Network Limited, the philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices. The Corporate Governance practices followed by the company are compatible with best practices and the company is constantly striving to better them. Through the Governance mechanism in the company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

In pursuing its mission of “providing financial assistance to a large number of households which are excluded from the ambit of mainstream financial services providers so as to enhance their livelihood and promote a productive environment”, your company had implemented cashless system/ digitization in 33 Regional Offices and 414 Branches and has disbursed Rs. 1070 Crore through cashless mode as of March 31, 2018 which has enhanced the level of reporting system, improving internal control, ensure transparency, promptness and fairness in disclosures and communication with all stakeholders including customers, government authorities, lenders, employees, members/shareholders and the community at large which ultimately contribute to overall governance.

For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, 2013, SEBI Regulations, RBI Direction/ Circular, Accounting Standards, Secretarial Standards, etc. strong governance practices have rewarded the company in the sphere of valuations, stakeholders' confidence, market capitalization and high credit ratings in positive context apart from obtaining of awards from appropriate authorities. Your Company makes all efforts to comply with such standards.

2. BOARD OF DIRECTORS

(a) Composition

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and also direct, supervise and control the performance of the Company. The Company is in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter, “SEBI LODR”) and the Companies Act, 2013 and also in terms of Guidelines as issued by Reserve Bank of India with respect to Composition of Board.

As on March 31, 2018, Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors. The Board consist of 13 (thirteen) directors out of which 7 (seven) are independent (including one Women director) 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.

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under regulation 16(1)(b) of the SEBI LODR and section 149 of the Companies Act, 2013. All the directors have made necessary disclosures regarding their directorships as required under section 184 of the Companies Act, 2013 and on the Committee positions held by them in other companies.

As on March 31, 2018, the 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 and Non-Independent Director	Chairman cum Managing Director
2	Mr. Satvinder Singh	00332521	Promoter, Non-Executive and Non-Independent Director	Director
3	Mr. Davis Frederick Golding	00440024	Non-Executive and Independent Director	Director
4	Mr. Rakesh Sachdeva	00333715	Non-Executive and Independent Director	Director
5	Mr. Sundeep Kumar Mehta	00840544	Non-Executive and Independent Director	Director
6	Ms. Sangeeta Khorana	06674198	Non-Executive and Independent Director	Director
7	Mr. Goh Colin	06963178	Non-Executive and Independent Director	Director

8	Mr. Sanjay Kumar Bhatia	07033027	Non-Executive and Independent Director	Director
9	Mr. Anil Kumar Kalra	07361739	Non-Executive and Independent Director	Director
10	Mr. Arthur Sletteberg	07123647	Non-Executive and Non-Independent Director	Nominee Director (Representing Nordic Microfinance Initiative Fund III KS)
11	Mr. Suramya Gupta	06816354	Non-Executive and Non-Independent Director	Nominee Director (Representing SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd)
12	Mr. Sanjaya Gupta	02939128	Non-Executive and Non-Independent Director	Nominee Director (Representing Asian Development Bank)
13	Mr. Daniel Simpson Jacobs	07858118	Non-Executive and Non-Independent Director	Nominee Director (Representing Kora Investments I LLC)

The aforementioned Nominee Directors are representing Equity investors of the Company. Mr. Ramesh G. Dharmaji (DIN: 01186341) Nominee Director of Small Industries Development Bank of India (SIDBI) has vacated the Board on November 08, 2017 and Mr. Richard Benjamin Butler (DIN: 06574786) Nominee Director of MV Mauritius Limited has resigned from the Board on January 19, 2018 in terms of surviving provisions of Restated Shareholders Agreement dated February 20, 2015 and also in terms of Article 104A of the Article of Association of the Company.

During the year, Board of Directors has approved the appointment of Mr. Sanjaya Gupta (DIN: 02939128), Nominee Director of Asian Development Bank with effect from August 21, 2017 and Mr. Daniel Simpson Jacobs (DIN: 07858118), Nominee Director of Kora Investments I LLC with effect from January 08, 2018.

The dates for the Board meetings are fixed after taking into account the convenience of all the directors and sufficient notice, in terms of applicable laws, is given to all of them. All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis via e-mail to all the directors at least seven days in advance from the date of Board Meeting and Committee meetings. The Company actively uses the facility of video conferencing permitted under section 173(2) of the Companies Act, 2013 read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, thereby saving resources – cost to the Company and valued time of the directors. All the information required for decision making are incorporated in the agenda. 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.

The names of the directors on the Board, their attendance at the Board meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2018 are given herein below. Other directorships do not include alternate directorships (if any), directorships of private limited companies, foreign companies and companies incorporated under section 8 of the Companies Act, 2013. In terms of regulation 26 of SEBI LODR, only Chairmanships/Memberships of Board Committees shall include Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Satin Creditcare Network Limited) have been considered.

Name of Director	No. of Board meetings during the year 2017-18		Whether Attended the last AGM held on July 06, 2017	No. of Directorships in other Public Companies		No. of Committee position held in other Public Companies	
	Held during their tenure	Attended		Chairman	Member	Chairman	Member
Mr. H P Singh	6	6	Yes	-	4	-	1
Mr. Satvinder Singh	6	5	No	-	-	-	-
Mr. Arthur Sletteberg	6	5	No	-	-	-	-
Mr. Rakesh Sachdeva	6	6	Yes	-	1	-	-
Mr Sundeep Kumar Mehta	6	6	Yes	-	2	-	-
Ms. Sangeeta Khorana	6	3	No	-	-	-	-
Mr. Goh Colin	6	5	No	-	-	-	-

Mr. Sanjay Kumar Bhatia	6	3	No	-	1	-	-
Mr. Suramya Gupta	6	3	No	-	1	-	-
Mr. Anil Kumar Kalra	6	6	No	-	-	-	-
Mr. Davis Frederick Golding	6	1	No	-	-	-	-
Mr. Sanjaya Gupta*1	3	2	No	-	2	1	1
Mr. Ramesh G. Dharmaji*2	5	0	No	-	-	-	-
Mr. Daniel Simpson Jacobs*3	1	0	No	-	-	-	-
Mr. Richard B. Butler*4	5	3	No	-	-	-	-

*1 Mr. Sanjaya Gupta was appointed on the board w.e.f August 21, 2017.

*2 Mr. Ramesh G. Dharmaji has vacated the board w.e.f November 08, 2017.

*3 Mr. Daniel Simpson Jacobs was appointed on the board w.e.f January 08, 2018.

*4 Mr. Richard B. Butler has resigned from the board w.e.f January 19, 2018.

(b) Number and dates of Board meetings held during the financial year ended March 31, 2018

During the Financial year 2017-18, our Board has met 6 (six) times and the Meetings of our Board of Directors were held on May 26, 2017, July 08, 2017, August 14, 2017, November 13, 2017, November 24, 2017 and February 14, 2018. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under section 173 of Companies Act 2013 and regulation 17 of the SEBI LODR and Secretarial Standards as issued by the Institute of Company Secretaries of India (ICSI). As per applicable laws, minimum four Board meetings is required to be held every year (one meeting in every calendar quarter). The Company has convened additional Board meetings to address specific needs of the company. In case of any exigency/ emergency, resolutions are passed by circulation.

(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 a Promoter, Non-Executive and Non-Independent Director and is brother of Mr. H P Singh.

(d) Number of shares and convertible instruments held by non- executive directors

The following directors of the Company are holding equity share in the Company.

Name	Category	No. of Equity share
Mr. Satvinder Singh	Promoter, Non-Executive and Non-Independent Director	2,57,011
Mr. Rakesh Sachdeva	Non-Executive and Independent Director	7,211

As on March 31, 2018, none of the Non-Executive Directors of the Company are holding any convertible instruments of the company.

(e) Information on Directors Appointment/ Re-appointment

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

Appointments/ Re-appointments

In terms of section 152 of Companies Act, 2013 and the rules made thereunder and pursuant to the Notice of ensuing Annual General Meeting (AGM), Mr. Arthur Sletteberg, Nominee Director, is liable to be retire by rotation and offer himself for re-appointment at the ensuing AGM.

Mr. Arthur Sletteberg, aged 58 years, is a Nominee Director for Nordic Microfinance Initiative Fund III KS on the Board of our company. He 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 for the World Economy, Germany. He has an experience of 30 years in central banking, commercial banking, pension fund

management and investments. He is currently the managing director of Nordic Microfinance Initiative AS and has previously worked with Norges Bank, DNB, Storebrand, OPF and Ferd.

S. No.	Names of the Companies/ bodies corporate/firms /association of individuals	Nature of interest or concern/ Change in interest or concern
1	NMI AS	CEO
2	Arctic Securities AS	Board Member
3	Bahati AS	Owner, Chairman of the Board (private Investment Company)
4	Arctic Capital AS	Chairman of the Board
5	Arctic Offshore International AS	Board Member

(f) Meeting of Independent Directors

An Independent Directors meeting in accordance with the provisions of section 149(8) read with schedule IV of the Companies Act, 2013, Secretarial Standards -1 as issued by Institute of Company Secretaries of India and Regulation 25(3) and 25(4) of the SEBI LODR was convened on February 14, 2018.

(g) Training and Familiarisation for Independent Directors

The Independent Directors of the Company are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as directors.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company at <https://www.satincreditcare.com/uploads/director-familiarisation.pdf>.

The Company through its Chairman cum Managing Director/Senior Managerial Personnel makes presentations regularly to the Board on the business strategies, operations review, quarterly and annual results, review of Internal Audit Report and Action Taken Report, Statutory Compliances, Risk Management, etc. Head of Departments of Company are required to give presentation in Board Meeting to familiarise the Board with their activities and allied matters. A new director is welcomed on the Board 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. This enables the directors to get a deeper insight into the operations and functioning of the Company.

(h) Code of conduct as per regulation 17(5) of the SEBI LODR

The Company has adopted the Code of conduct as per regulation 17(5) of the SEBI LODR and is applicable to all its Board members and senior management personnel of the company. Pursuant to regulation 26(5) of the SEBI LODR, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the company at large. Pursuant to regulation 26(3) of the SEBI LODR, all the Board members and senior management of the Company as on March 31, 2018 have affirmed compliance with their respective codes of conduct. A declaration signed by the Company's Chairman cum Managing Director is published in this Report is enclosed as **Annexure-1**. The Copy of code of conduct is also available on the website of the Company on web link <https://www.satincreditcare.com/pdf/Code-of-Conduct-for-Board-of-Directors-Senior-Management.pdf>

(i) Code of conduct as prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

The Company has adopted an insider trading policy to regulate, monitor and report trading by insider under the SEBI (Prohibition of insider trading) Regulations, 2015. This policy also includes practice and procedure for fair disclosure of unpublished price sensitive information, initial and continual disclosure. The Company has automated the declaration and disclosure to identified designated employees. The Board reviews the policy on a need basis. The Company is in full compliance with the SEBI (Prohibition of Insider Trading), Regulations, 2015 w.r.t pre-clearance, closing of trading window etc. The Company has suitable framework and necessary mechanism which was built and developed by entering into an agreement with a service provider whereby the company has maintained and furnished the details of all designated employees and directors including the details of their permanent account number, email id and employee id etc., which helps to track the dealing of Insiders and also help the Company to comply/monitor with SEBI (Prohibition of Insider Trading) Regulations, 2015.

During the year, the Company has amended the policy which is available on the website of the company and can be accessed from the link below: https://www.satincreditcare.com/pdf/COC_for_fair_disclosure_of_UPSI_V2.pdf.

(j) 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. In terms of applicable laws, the Board had appointed Choudhary Runveer Krishnan as Company Secretary & Compliance Officer of the Company to undertake various responsibilities as stipulated under SEBI Guidelines, Companies Act, 2013, RBI Guidelines and other applicable laws. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board and Chairman 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.

(k) Board Diversity

The Nomination and Remuneration Committee has devised policy on Board Diversity is in line with SEBI LODR 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.

3. COMMITTEES OF THE BOARD

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set/actions directed by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out. The Board of Directors and the Committees also take decisions by circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting.

Currently, the Company has 8 (eight) Committees of Board: Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Asset Liability Management Committee, IT Strategy Committee and Working Committee.

(A) AUDIT COMMITTEE

The primary objective of the audit committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting.

The Audit Committee of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013, regulation 18 of the SEBI LODR and as per RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Promoter, Non-Executive and Non-Independent Director, all of whom are financially literate and have relevant finance and/or audit exposure. Mr. Rakesh Sachdeva, Chairman of the Committee is a qualified Chartered Accountant and has expertise in the field of finance, accounting and audit areas. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Audit Committee has also attended the last Annual General Meeting of the Company.

The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Director(s)	Designation/Category	No. of meetings held/attended during the Financial year 2017-18		% of attendance
		Held during their tenure	Attended	
Mr. Rakesh Sachdeva	Chairman (Non-Executive & Independent Director)	4	4	100
Mr. Satvinder Singh	Member (Promoter, Non-Executive & Non-Independent Director)	4	4	100
Mr. Sundeep Kumar Mehta	Member (Non-Executive & Independent Director)	4	4	100

There has been no change in the composition of the committee during the year. 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>. The Company Secretary acts as the secretary to the audit committee.

During the period under review, 4 (four) Audit Committee meetings were held on May 25, 2017, August 14, 2017, November 13, 2017 and February 14, 2018. The maximum gap between any two meetings was less than 120 days. Generally, the Statutory Auditor, Chief Financial Officer, Internal Auditor and/or Head- Audit and Risk Management and Chief Operating Officer of the Company were invitees to the meetings of the Committee held in the financial year 2017-18.

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 May 30, 2018 for the Audit Committee are as follows:

- Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: (a) matters required to be included in the directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transaction; (g) modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;

- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the audit committee, in terms of any other applicable guidelines or any other applicable law, as amended from time to time;
- Any other matters as delegated by the Board of Directors from time to time;
- The audit committee shall mandatorily review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32(7).

(B) RISK MANAGEMENT COMMITTEE

The Company has in place the Risk Management Committee in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and in Compliance with regulation 21 of the SEBI (LODR).

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Promoter, Non-Executive and Non-Independent director. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Risk Management Committee has also attended the last Annual General Meeting of the Company.

The Composition of the Risk Management Committee and the details of meetings attended by its members are given below:

Name of Director(s)	Designation/Category	No. of meetings held/attended during the Financial year 2017-18		% of attendance
		Held during their tenure	Attended	
Mr. Rakesh Sachdeva	Chairman (Non-Executive & Independent Director)	2	2	100
Mr. Sundeep Kumar Mehta	Member (Non-Executive & Independent Director)	2	2	100
Mr. Satvinder Singh	Member (Promoter Non-Executive & Non-Independent Director)	2	2	100

There has been no change in the composition of the committee during the year. 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>. The company secretary acts as the secretary to the Risk Management Committee. During the financial year 2017-18, Risk Management Committee met 2 (two) times. The meetings were held on May 25, 2017 and August 14, 2017.

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 LODR, are as follows:

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

Specific deliverables:

The Committee's deliverables are based on 2 (two) 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:

- 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.
- Monitoring legal and regulatory compliance.
- 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.
- Monitoring compliance with Company Policies and investigating allegations of breaches of those policies.
 - Reviewing and recommending to the Board, policies to avoid conflicts of interest between the Company and its employees.

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The purpose of the committee is to assist the Board and the Company in maintaining healthy relationships with all stakeholders. The Committee oversees the mechanisms for redressing grievances and complaints from stakeholders including shareholders, debenture holders, other security holders, vendors, customers, employees and others. The Company has formed Stakeholders Relationship Committee as per the requirements of section 178(5) of the Companies Act, 2013 and regulation 20 of the SEBI (LODR) Regulations.

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Promoter, Non-Executive and non-independent director. Mr. Sundeep Kumar Mehta is a Non-Executive & Non-Independent Director and Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Stakeholders Relationship Committee has also attended the last Annual General Meeting of the Company.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name of Director(s)	Designation/Category	No. of meetings held/attended during the Financial year 2017-18		% of attendance
		Held during their tenure	Attended	
Mr. Sundeep Kumar Mehta	Chairman (Non-Executive & Independent Director)	1	1	100
Mr. Sanjay Kumar Bhatia	Member (Non-Executive & Independent Director)	1	-	0
Mr. Satvinder Singh	Member (Promoter, Non-Executive & Non-Independent Director)	1	1	100

There has been no change in the composition of the Committee during the year. The aforesaid composition of the Stakeholders Relationship Committee is also disseminated on the website of the company with the link <http://www.satincreditcare.com/board-director.php>. Choudhary Runveer Krishanan (Company Secretary & Compliance Officer) acts as the secretary to the Stakeholder Relationship Committee. 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.

During the year under review Committee met 1 (one) time on November 13, 2017. Further, Grievances relating to Stakeholders / Investors may also be forwarded to the Company Secretary and Compliance officer of the Company at secretarial@satincreditcare.com.

Complaints received and redressed during the year 2017-18 under SEBI Complaints Redress System (SCORES):

There was only 1 (one) complaint received from an Equity Shareholder during the financial year ended March 31, 2018.

Details of complaints received and resolved by the Company during the financial year 2017-18 are given below:

Nature of complaints	Pending as on March 31, 2017	Received during the financial year 2017-18	Disposed of during the financial year 2017-18	Pending as on March 31, 2018
Non receipt of certificates lodged for Transfer / Transmission, issue of Duplicate shares	Nil	1	1	Nil
Non-receipt of Dividend	Nil	0	0	Nil
Dematerialization/Rematerialization of shares	Nil	0	0	Nil
Others (Non-receipt of bonus shares/ POA/ change of signatures/address etc.)	Nil	0	0	Nil
Total	Nil	1	1	Nil

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.

As on March 31, 2018, there is no complaint pending from equity shareholder(s) under SCORE or at any other forum/platform.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted to formulate and recommend to the Board of Directors, a corporate social responsibility policy which shall indicate the activities to be undertaken by the company, recommend the amount of expenditure to be incurred on such activities and monitor the corporate social responsibility policy of the company from time to time.

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.

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Promoter, Executive and Non-Independent Director. Mr. H P Singh is Promoter & Executive Director of the company and Chairman of the committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Corporate Social Responsibility Committee has also attended the last Annual General Meeting of the Company.

The Composition of the Corporate Social Responsibility Committee and the details of meetings attended by its members are given below:

Name of Director(s)	Designation/Category	No. of meetings held/attended during the Financial year 2017-18		% of attendance
		Held during their tenure	Attended	
Mr. H P Singh	Chairman (Promoter, Executive and Non Independent Director)	1	1	100
Mr. Rakesh Sachdeva	Member (Non-Executive & Independent Director)	1	1	100
Ms. Sangeeta Khorana	Member (Non-Executive & Independent Director)	1	1	100

There has been no change in the composition of the committee during the year. The aforesaid composition of the Corporate Social Responsibility Committee is also disseminated on the website of the company with the link <http://www.satincreditcare.com/board-director.php>. During the financial year 2017-18, Corporate Social Responsibility Committee met 1 (One) time. The meeting was held on February 14, 2018.

The Company has formulated a corporate social responsibility policy as required under the provisions of section 135 of the Companies Act, 2013 and rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 indicating therein

the activities to be undertaken by the company as specified in schedule VII of the Companies Act, 2013. The CSR Policy is uploaded on the company's website with the link https://www.satincreditcare.com/pdf/CSR_Policy_version_2.pdf.

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.

(E) NOMINATION AND REMUNERATION COMMITTEE

The Committee oversees key processes through which the Company recruits new members to its Board, and also the processes through which the Company recruits, motivates and retain outstanding senior management and oversees the Company's overall approach to human resources management. As per the requirement of section 178 of the Companies Act, 2013 and regulation 19 of SEBI LODR, the company has constituted Nomination and Remuneration Committee.

The Committee comprises of 5 (five) Directors, out of which 4 (four) are Independent Directors and 1 (one) is Promoter, Executive and Non-Independent Director, Mr. Sundeep Kumar Mehta is the Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Nomination and Remuneration Committee has also attended the last Annual General Meeting of the Company.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of Director(s)	Designation/Category	No. of meetings held/attended during the Financial year 2017-18		% of attendance
		Held during their tenure	Attended	
Mr. Sundeep Kumar Mehta	Chairman (Non-Executive & Independent Director)	2	2	100
Mr. H P Singh	Member (Promoter, Executive and Non Independent Director)	2	2	100
Mr. Davis Fredrick Golding	Member (Non-Executive & Independent Director)	2	-	-
Mr. Rakesh Sachdeva	Member (Non-Executive & Independent Director)	2	2	100
Ms. Sangeeta Khorana	Member (Non-Executive & Independent Director)	2	1	50

There has been no change in the composition of the Committee during the year. 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 financial year 2017-18, Nomination and Remuneration Committee met 2 (two) times. The meeting was held on May 26, 2017 and August 14, 2017.

During the year under review, stock options (under Employees Stock Option Plan, 2017) were approved and granted to various employees. Also the Committee under the guidance of the board has formulated the criteria and framework for the performance evaluation of every director on the board, including the Executive and Independent Directors. The Committee also identified ongoing training and education programs to ensure that the Non-Executive Directors are provided with adequate information regarding the business, the industry, and their legal responsibilities and duties.

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 achievements 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 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 on the website of the company at <https://www.satincreditcare.com/pdf/Nominationa-Remuneration-Policy.pdf>. In accordance with section 178, aforesaid policy is annexed to this report as **Annexure-2**.

(F) ASSET LIABILITY MANAGEMENT COMMITTEE

The Company has in place the Asset Liability Management Committee in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

As on March 31, 2018, the Committee comprises of 4 (four) Members out of which 1 (one) is Director and 3 (three) are other Members of the Company, Mr. H P Singh is a Promoter, Executive and Non Independent Director of the Company and Chairman of the Committee.

The composition of the Asset Liability Management Committee (ALM Committee) and the details of meetings attended by its members are given below:

Name of Director/Member	Designation	No. of meetings held/attended during the Financial year 2017-18		% of attendance
		Held during their tenure	Attended	
Mr. H P Singh	Chairman	2	2	100
Mr. Jugal Kataria	Member	2	2	100
Mr. Amit Kumar Gupta	Member	2	2	100
Mr. Ashish Gupta	Member	2	2	100
Mr. Rajeev Bhatia*	Member	2	2	100

*Resigned w.e.f. December 29, 2017.

During the year under review, Committee met 2 (two) times on May 16, 2017 and October 16, 2017.

Further, the Board of Directors of the Company vide its meeting held on May 30, 2018 has reconstituted Asset Liability Management Committee with following member along with revised scope of work as stated below:

Name of Director/Members	Designation
Mr. H P Singh	Chairman
Mr. Jugal Kataria	Member
Mr. Amit Kumar Gupta	Member
Mr. Ashish Gupta	Member
Mr. Vikas Mor	Member

The terms of references of Asset Liability Management Committee in terms of RBI guidelines are as follows:

- (1) To address concerns regarding asset liability mismatches.
- (2) To address Interest rate risk exposure.

- (3) To achieve optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects.
- (4) Adhering to the relevant policies and regulations.
- (5) To carry out any other function as is mentioned in the terms of reference of the ALM committee and also in terms of any other applicable guidelines or any other applicable law and
- (6) To carry out any other function as may be delegated by the Board of directors of the Company from time to time.

(G) IT STRATEGY COMMITTEE

The Company has also in place IT Strategy Committee in terms of “Master Direction - Information Technology Framework for NBFC Sector” issued by RBI on June 08, 2017.

The Board of Directors in their meeting held on May 30, 2018 has constituted the IT Strategy Committee with the following Director(s)/member(s).

S. No.	Name of Director/Member	Category/Designation	Position in the Committee
1.	Mr. Rakesh Sachdeva	Independent Director	Chairman
2.	Mr. H P Singh	Promoter, Executive and Non Independent Director	Member
3.	Mr. Daniel Simpson Jacobs	Nominee Director- Kora Investments I LLC	Member
4.	Mr. Jugal Kataria	Chief Financial officer	Member
5.	Mr. Sanjay Mahajan	Chief Information officer	Member

The terms of reference of the IT Strategy Committee as approved by the Board of Directors in their meeting held on May 30, 2018 are as follows:

- (1) To carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and matters related to IT Governance.
- (2) To approve and recommending to Board of Directors of the Company, “IT strategy and policy documents” and ensuring that the management has put an effective strategic planning process in place.
- (3) To ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business.
- (4) To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable.
- (5) To monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- (6) To ensure proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
- (7) To carry out any other function in terms of any other applicable guidelines or in any other applicable law (within the ambit of IT Governance system).
- (8) To undertake and ensure other function and responsibilities as stipulated under Master Direction -Information Technology Framework (Ref.: RBI/DNBS/2016-17/53 Master Direction DNBS.PPD.No.04/66.15.001/2016-17) for the NBFC Sector, as amended from time to time.

(H) WORKING COMMITTEE

Board of Directors in 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

The Board of Directors of the Company vide its meeting dated May 26, 2017 has revised the scope and functions of Working Committee. During the financial year 2017-18, Working Committee met 58 times. These meetings were held on and attended by all the members of the Committee on the following dates:

April 13, 2017, April 21, 2017, April 26, 2017, May 05, 2017, May 12, 2017, May 18, 2017, May 23, 2017, May 29, 2017, May 30, 2017, June 08, 2017, June 26, 2017, June 27, 2017, July 24, 2017, July 28, 2017, August 01, 2017, August 04, 2017, August 18, 2017, August 24, 2017, September 05, 2017, September 16, 2017, September 20, 2017, September 23, 2017, September 26, 2017, September 29, 2017, October 03, 2017, October 04, 2017(at 9:30 A.M.), October 04, 2017(at 8:30 P.M.), October 06, 2017, October 07, 2017, October 11, 2017, October 16, 2017, October 30, 2017, October 31, 2017, November 09, 2017, November 16, 2017, November 27, 2017, November 29, 2017, December 07, 2017 (5:30 P.M.), December 07, 2017 (6:00P.M.), December 08, 2017, December 11, 2017, December 14, 2017 (11:00A.M.), December 14, 2017 (5:00P.M.), December 18, 2017, December 19, 2017, December 21, 2017, December 28, 2017, December 29, 2017, January 18, 2018, January 29, 2018, January 30, 2018, February 06, 2018, February 08, 2018, February 14, 2018, February 26, 2018, March 14, 2018, March 22, 2018 and March 27, 2018.

Further, the Board of Directors of the Company in their meeting held on May 30, 2018 has reconstituted Working Committee with following members along with revised scope of work as stated below:

S. No.	Name of Director(s)/Member(s)	Position in the Committee
1.	Mr. H P Singh	Chairman
2.	Mr. Satvinder Singh	Member
3.	Mr. Jugal Kataria	Member
4.	Mr. Ashish Gupta	Member
5.	Mr. Amit Kumar Gupta	Member

The Board of Directors of the Company has revised the scope of work which broadly covers to Consider, review and approve routine matters of the Company which includes but not limited to evaluation and approval of various proposals for borrowings, investments etc. in ordinary course of business within the limits authorised by the Board/shareholder. Moreover, Committee also consider and approve various Banking operations for smooth functioning and other general purposes of the Company as may be authorised/ delegated by the Board from time to time.

4. 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 2017-2018 is given below:

Particulars	Mr. H P Singh, Chairman cum Managing Director (Rs.)
Salary	1,19,65,200
Provident Fund	14,83,824
Gratuity	-
Leave Encashment	-
Approximate value of perquisites	20,89,660
Total	15,538,684
Present period of agreement for remuneration	June 01, 2017 to September 30, 2020
Present period of agreement of appointment	October 01, 2015 to September 30, 2020

Considering the time and efforts made by the Non-Executive Directors, it is necessary that appropriate sitting fees are paid to the Non- Executive Directors for attending the meetings of the Board and its Committees. The Board of Directors through circulation on January 12, 2016 had approved the structure for sitting fee with effect from February 01, 2016.

During the year under review, the company is paying only the sitting fees to all the Non-Executive Directors within the ceiling of Rs. 1,00,000 per meeting as prescribed under the Companies Act, 2013 and the rules made thereunder. The Non-Executive Directors are paid Rs. 20,000 for attending every Board Meeting, Audit Committee Meeting and Risk Management Committee Meeting and Rs. 10,000 for attending any other statutory committee meeting.

Detail of payments made to Non-Executive Directors towards sitting fee during the financial year 2017-2018 is as under:

S. No.	Name of Non-Executive Directors (Other than Investor's nominees)	Sitting Fees		Total (Amount in Rs.)
		Board Meeting	Committee Meeting	
1	Mr. Rakesh Sachdeva	1,20,000	1,50,000	2,70,000
2	Mr. Sundeep Kumar Mehta	1,20,000	1,50,000	2,70,000
3	Mr. Satvinder Singh	1,00,000	1,30,000	2,30,000
4	Mr. Anil Kumar Kalra	1,20,000	-	1,20,000
5	Mr. Goh Colin	1,00,000	-	1,00,000
6	Ms. Sangeeta Khorana	60,000	20,000	80,000
7	Mr. Sanjay Kumar Bhatia	60,000	-	60,000
8	Mr. Davis Frederick Golding	20,000	-	20,000
	Total	7,00,000	4,50,000	11,50,000

The Board of Directors in their meeting held on May 30, 2018 has revised the structure for payment of sitting fee for attending Board and Committee Meetings with effect from May 30, 2018 which is as follows:

Type of Meeting	Sitting Fees
Board Meeting	Rs. 25,000/- (Rupees Twenty Five Thousand) per meeting
Audit Committee and Risk Management Committee Meeting	Rs. 20,000/- (Rupees Twenty Thousand) per meeting
Other Statutory Committee Meetings	Rs. 15,000/- (Rupees Fifteen Thousand) per meeting

In addition, the Non-Executive Directors will be paid travelling expenses including air fare, hotel stay and car on rental basis for attending the meetings of the Board/Committee and such other expenses as are incurred by the Non-Executive Directors and allowed to be reimbursed as per the provisions of the Companies Act, 2013. There was no pecuniary relationship or transactions of the non-executive Directors vis-a-vis the Company during the Financial Year ended March 31, 2018 other than those disclosed in the annual accounts. Also, none of directors of the Company except Mr. H P Singh Chairman cum Managing Director is taking remuneration as approved by Board/Members of the Company.

Furthermore, none of the directors of the Company is taking any salary, benefit, bonuses, stock options & pension from the Company. The Company pays only sitting fee for attending the Board or Committee meetings and there is no fixed component and performance linked incentives involved therein.

However pursuant to the shareholders' approval in the Twenty Seventh Annual General Meeting of the Company, board of directors has approved the payment of remuneration in the form of professional fees of USD 5,000 per quarter (or equivalent amount in Indian currency at the time of payment) for rendering professional services w.e.f April 01, 2018 to Mr. Davis Fredrick Golding (DIN: 00440024), also company has not signed any service contracts, notice period or severance fees contract with any of the directors.

Details of Shareholding of Directors as on March 31, 2018

The shareholding of Directors of the Company is as follows:

S. No.	Name of Director	Category	Shareholding
1	Mr. H P Singh	Promoter, Executive and Non-Independent Director	4,15,123
2	Mr. Satvinder Singh	Promoter, Non-Executive and Non-Independent Director	2,57,011
3	Mr. Rakesh Sachdeva	Non-Executive and Independent Director	7,211
4	Mr. Davis Frederick Golding	Non-Executive and Independent Director	Nil
5	Mr. Sundeep Kumar Mehta	Non-Executive and Independent Director	Nil
6	Ms. Sangeeta Khorana	Non-Executive and Independent Director	Nil
7	Mr. Goh Colin	Non-Executive and Independent Director	Nil
8	Mr. Sanjay Kumar Bhatia	Non-Executive and Independent Director	Nil
9	Mr. Anil Kumar Kalra	Non-Executive and Independent Director	Nil
10	Mr. Sanjaya Gupta	Non-Executive and Non-Independent Director	Nil
11	Mr. Daniel Simpson Jacobs	Non-Executive and Non-Independent Director	Nil
12	Mr. Suramya Gupta	Non-Executive and Non-Independent Director	Nil
13	Mr. Arthur Sletteberg	Non-Executive and Non-Independent Director	Nil

5. ANNUAL GENERAL MEETINGS, EXTRAORDINARY GENERAL MEETINGS AND POSTAL BALLOT

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

Annual General Meetings (AGMs):

Year	Location	Date	Time	Whether any Special Resolution(s) passed
2016-2017	Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001	July 06, 2017	11.00 A.M	<ol style="list-style-type: none"> 1. Issuance of Non-convertible Debentures, in one or more series/tranches pursuant to section 42 of the Companies act, 2013. 2. Approval of Satin Employees Stock Option Scheme 2017. 3. Approval of grant of Stock option to the Employees of Subsidiary. Company (ies) (Present and Future) under the Scheme. 4. Further Issuance of Securities. 5. Amendments in the Articles of Association of the Company under section 14 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	<ol style="list-style-type: none"> 1. Reclassification of the Authorized Share Capital. 2. Acquisition of wholly owned Subsidiary 3. Further issuance of Securities. 4. Raising FPI Limit. 5. Issuance of Non-Convertible Debentures u/s 42 of the Companies Act, 2013.
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	<ol style="list-style-type: none"> 1. Increase the Borrowing limit u/s 180(1)(c) of the Companies Act, 2013. 2. Increase the Borrowing limit u/s 180(1)(a) of the Companies Act, 2013. 3. Increase the limit u/s 42 of the Companies Act, 2013.

Extraordinary General Meetings (EGMs):

Year	Location	Date	Time	Whether any Special Resolution(s) 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
	Aiwan-e-Ghalib Auditorium, Aiwan-e-Ghalib Marg, Mata Sundari Lane, ITO, New Delhi-110002	August 05, 2017	10.00 A.M	1. Issuance of optionally Convertible Redeemable Preference Shares on Preferential basis to the Person belonging to Non-Promoter Category
	Little Theatre Group Auditorium, 1, Copernicus Marg, Mandi House, Opp. Doordarshan Bhavan, Near Connaught Place, New Delhi, Delhi 110001	December 22, 2017	11.00 A.M	1. Adoption of the Memorandum of Association of the Company as per the provisions of the Companies Act, 2013. 2. Issuance of Fully Convertible Warrants on preferential basis to the persons belonging to Promoter Category. 3. Issuance of Equity Shares on preferential basis to the persons belonging to Non-Promoter Category. 4. Issuance of Optionally Convertible Cumulative Redeemable Preference Shares on a preferential basis to an entity belonging to the Non-Promoter Category.

All resolutions moved at the last AGM and EGMs were passed by means of electronic and physical voting by the requisite majority of members.

Postal Ballot:

During the year under review, no resolution was passed through postal ballot. Currently, no resolution is proposed to be passed through postal ballot at the ensuing AGM. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, SEBI (LODR) or any other applicable laws.

E- Voting

The Company had provided e-voting facility to the members of the Company for the Annual General Meeting and the Extraordinary General Meetings held during the financial year 2017-18.

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.

6. 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 "Business Standard" and are also displayed along with other relevant information viz., notices, shareholder communications, policies, director's profile, annual report, other official news etc. on its corporate website i.e. www.satincreditcare.com.

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

Website: The Company's website www.satincreditcare.com contains a separate section 'Investor' for use of investors. The quarterly, half yearly and annual financial results and official news releases are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website.

Communication to shareholders on email: In support of the “Green Initiative” undertaken by the Ministry of Corporate Affairs, the Company had during FY 2017-18 sent various communications including Documents like Notices and Annual Report to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper Consumption, save trees and avoid loss of documents in transit.

The Company proposes to send documents like shareholders meeting notice/ other notices, audited financial statements, Board report, auditor's report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their depositories. We would greatly appreciate and encourage more members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

7. GENERAL SHAREHOLDER INFORMATION:

(a) Company Registration Details:

The Company is registered in New Delhi, India. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs is L65991DL1990PLC041796.

(b) Ensuing Annual General Meeting:

Date and time:	Friday, July 06, 2018 (10.30 A.M.)
Venue:	Little Theatre Group Auditorium, 1, Copernicus Marg, Mandi House, Opp. Doordarshan Bhavan, Near Connaught Place, New Delhi - 110001.

(c) Financial Year: April 01 to March 31

(d) Book Closure: The dates of Book Closure are from Saturday, June 30, 2018 to Friday, July 6, 2018 both days inclusive.

(e) Dividend payment:

Directors of your Company have recommended a final Dividend on Preference Shares for the financial year 2017-18 and interim dividend on Preference Share (owing to the exercise of conversion option by Capital First Limited).

Particulars	Type of Dividend	No. of Preference Shares	Dividend per Share (In Rs.)
12.10% Rated, Cumulative, Non-Convertible and Compulsorily Redeemable Preference Shares	Final Dividend	2,50,00,000	1.2100
0.01 % Optionally Convertible Cumulative Redeemable Preference Shares	Final Dividend	13,43,283	0.0003
0.01 % Optionally Convertible Redeemable Preference Shares	Final Dividend	12,30,098	0.0006
0.01 % Optionally Convertible Redeemable Preference Shares	Interim Dividend	12,30,098	0.0002

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, 2018.

(f) 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

*The Company is voluntary delisted from the Calcutta Stock Exchange Limited w.e.f. January 19, 2018.

Annual Listing Fee: The Annual Listing fee for the financial year 2017-18 has already been duly paid to all the Stock Exchanges where Shares and Debentures of the Company are listed.

(g) Demat ISIN Number in NSDL & CDSL:

For Equity Shares	INE 836B01017
For Fully Convertible Warrants	INE 836B13038
For Optionally Convertible Preference Shares	INE 836B03021
For Non-convertible, cumulative redeemable Preference Shares	INE 836B04029

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	18,75,00,000
		INE836B07071	72	18,00,00,000
2	AXIS TRUSTEE SERVICES LIMITED 2nd Floor, 'E', Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai—400025	INE836B08038	130	13,00,00,000
		INE836B07162	20	2,00,00,000
3	CATALYST TRUSTEESHIP LIMITED 213, 2nd Floor, Naurang House, 21, Kasturba Gandhi Marg, New Delhi –110001	INE836B08012	84	21,00,00,000
		INE836B07097	200	50,00,00,000
		INE836B07139	515	51,50,00,000
		INE836B08020	150	15,00,00,000
		INE836B08046	250	25,00,00,000
		INE836B07170	270	27,00,00,000
		INE836B07196	500	50,00,00,000
		INE836B08053	2,628	26,28,00,000
		INE836B07204	4,644	46,44,00,000
		INE836B08061	250	25,00,00,000
		INE836B07212	125	12,50,00,000
		INE836B08079	125	12,50,00,000

	INE836B08087	67,489	33,74,45,000
	INE836B07220	680	68,00,00,000
	INE836B08095	100	10,00,00,000
	INE836B08137	100	10,00,00,000
	INE836B08129	100	10,00,00,000
	INE836B08111	100	10,00,00,000
	INE836B08103	100	10,00,00,000
	INE836B07246	200	20,00,00,000
	INE836B07238	200	20,00,00,000
	INE836B07261	260	26,00,00,000
	INE836B07279	250	25,00,00,000
	INE836B08145	250	25,00,00,000
	INE836B07287	250	25,00,00,000
	INE836B08152	150	15,00,00,000
	INE836B08160	350	35,00,00,000
	INE836B07303	200	20,00,00,000
	INE836B07311	650	65,00,00,000
	INE836B07329	450	45,00,00,000
	INE836B07337	330	33,00,00,000
	INE836B07345	400	40,00,00,000
	INE836B07352	600	60,00,00,000
	INE836B08178	400	40,00,00,000
	INE836B08186	600	60,00,00,000
	INE836B07360	600	60,00,00,000

* Nominal value of NCDs are considered.

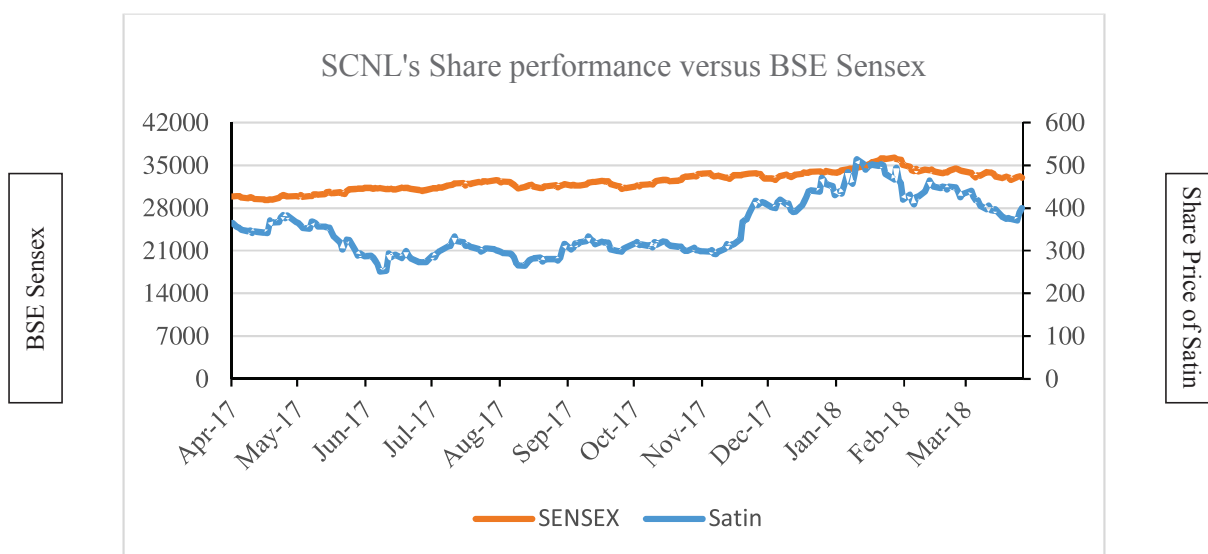
(h) Stock Market price data (In Rs.):

Month	BSE Limited (BSE)		National Stock Exchange of India Ltd. (NSE)	
	High	Low	High	Low
Apr-17	396.60	336.25	396.00	336.00
May-17	383.05	282.60	380.00	278.00
Jun-17	308.90	243.55	308.70	242.05
Jul-17	336.00	275.55	336.10	275.00
Aug-17	306.55	257.00	308.35	256.00
Sep-17	343.90	285.00	344.90	284.00
Oct-17	329.00	297.65	344.00	297.05
Nov-17	432.00	290.05	432.00	287.70
Dec-17	487.80	379.05	489.00	356.60
Jan-18	525.25	379.20	523.90	381.20
Feb-18	495.30	372.25	494.40	362.05
Mar-18	458.00	356.05	454.50	343.00

(i) Performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty etc:

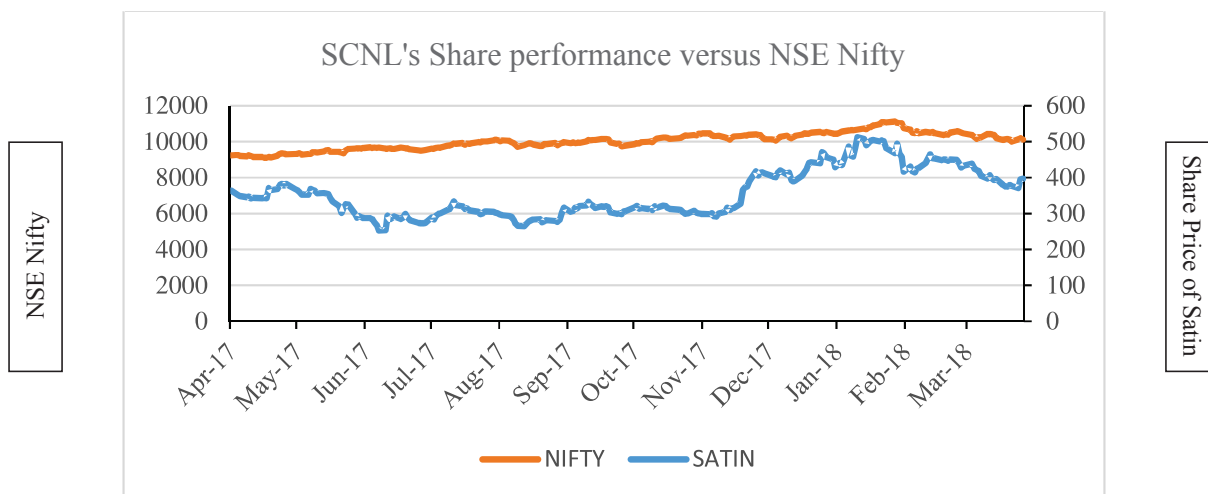
Performance in comparison to BSE Sensex

(Closing value of Satin's share price v/s BSE Sensex)



Performance in comparison to NSE Nifty

(Closing value of Satin's share price v/s NSE Nifty)



(j) No security was suspended from trading during the financial year 2017-18.

(k) Registrar and Share Transfer Agents:

S. No.	Name of Security	Registrar and Transfer Agents
1.	Equity Shares & Preference Shares	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 and Commercial papers	Karvy Computershare Pvt. Ltd. Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034

(l) 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 generally processed within 15 days of lodgement.

(m) Shareholding Pattern/Distribution of shareholding as on March 31, 2018:

Category	Shareholding	% of Holding
Promoters	1,30,72,671	27.42
Foreign Company	1,13,73,741	23.86
Foreign Portfolio Investors (Corporate)	78,54,505	16.48
Mutual Funds	72,88,798	15.28
Other Bodies Corporate	32,77,772	6.88
Public	22,66,725	4.75
Financial Institutions	15,60,250	3.27
Employee Welfare Trust / ESOP	4,28,200	0.90
Non Resident Indians	1,65,665	0.35
Foreign Inst. Investor	1,51,788	0.32
Hindu Undivided Family	1,26,087	0.26
Clearing Members	95,801	0.20
Directors	7,211	0.02
Foreign Nationals	3,200	0.01
Non Nationalised Banks	1,055	0.00
Trusts	300	0.00
TOTAL	4,76,73,769	100.00

Distribution of shareholding based on shares held as on March 31, 2018							
S. No	Shares range			Number of shareholders	% of total shareholders	Total shares for the range	% of issued capital
1	1	to	500	10,479	90.19	10,34,515	2.17
2	501	to	1,000	552	4.75	4,37,480	0.92
3	1,001	to	2,000	243	2.09	3,74,859	0.79
4	2,001	to	3,000	88	0.76	2,22,944	0.47
5	3,001	to	4,000	49	0.42	1,73,543	0.36
6	4,001	to	5,000	33	0.28	1,50,944	0.32
7	5,001	to	10,000	58	0.50	4,17,091	0.87
8	10,001	And	Above	117	1.01	4,48,62,393	94.10
Total				11,619	100.00	4,76,73,769	100.00

(n) Dematerialization of Shares:

99.50% of the Equity Shares have been dematerialized up to March 31, 2018. 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) and the equity shares of the company are frequently traded on both BSE and NSE.

(o) The Company has not subscribed in any of the Global depository receipts or American depository receipt or warrants or any convertible instruments.

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

(q) Address for correspondence:

Corporate Office: Floor 1 & 3, Plot No -97, Sector-44, Gurugram, Haryana-122003, India.

During the year under review your company has changed its Corporate Office and place of keeping Books of Accounts and other relevant books and papers and Financial Statements through resolution passed in the board meeting held on November 13, 2017 w.e.f. November 15, 2017.

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

(r) 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.

(s) Request to Investors:

In terms of Securities and Exchange Board of India (SEBI) circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 regarding “Strengthening the Guidelines and Raising Industry standards for Registrar and Transfer Agent, Issuer Companies and Banker to an Issue” wherein SEBI has directed that company and their RTAs shall take special efforts to collect copy of Permanent account number, and bank account details of all securities holders holding securities in physical form. Some of the brief points as mentioned in the circular are as follows:

- RTA to update Bank account details of shareholders if not available or changed. Cancelled cheque with shareholder name or bank attested account statement/ passbook to be sought.
- RTA to maintain Certificate Printing Register/ Records containing – Date of printing / issue, Folio No., Name in which printed, Certificate No., Distinctive Nos., Old Certificate No (in case of reprinting), Reason of printing etc.
- RTA to take Company's prior approval for correction of errors in same manner as is taken in case of transfer/ transmission.
- RTA & Company to frame written policy and maintain strict control over stationery (blank certificates, dividend warrants etc.) and periodical verification of the same. Reconciliation report on the same to be maintained by Company & RTA.
- In order to exercise due diligence Issuer Company and RTA shall call for Proof of Identity / Address, PAN details, bank details and such other additional procedures to satisfy genuineness of the request.

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

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc. of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrar 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.

(t) 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.

(u) 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.

- (v) Any query on Annual Report :** Members can write an email on secretarial@satincreditcare.com or send query on annual report on below mentioned address: Floor 1 & 3, Plot No -97, Sector-44, Gurugram, Haryana-122003, India, addressed to Company Secretary and Compliance Officer.

8. OTHER DISCLOSURES:

(a) Disclosure on Materially significant 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 on the website of the company at https://www.satincreditcare.com/pdf/related_party_transaction_policy_v3.pdf.

- (b)** 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.

- (c) Establishment of Vigil Mechanism/ 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 applicable for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism.

The Company affirms that no personnel has been denied access to the Audit Committee. In order to ensure 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. <https://www.satincreditcare.com/pdf/Whistle-Blower-Policy.pdf>.

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

- (e) Material Subsidiaries:** During the year under review the company does not have any Material subsidiaries. However, the Company has adopted Policy for Determination of Materiality of Events / Information for Disclosures, Policy on Preservation of Document and Archival Policy. The policies is also placed on website of the Company at <https://www.satincreditcare.com/pdf/Policy-on-Materiality-of-Transaction.pdf>.

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

- (g)** The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-para (2) to (10) of schedule V of the Listing Regulations.

- (h)** The Company has adopted only one discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations i.e., reporting of internal auditor directly to the Audit Committee.

- (i) The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of regulation 46 of the SEBI LODR and necessary disclosures there of have been made in this Corporate Governance Report as **Annexure 3**.

Compliance Certificate : The Company has obtained a certificate from S. Behera & Co., Practicing Company Secretary, Secretarial 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 and also as **Annexure-3**.

j) CEO/CFO certification:

The requisite certification from the Chairman cum Managing Director and Chief Financial Officer for the Financial Year 2017-18 required to be given under regulation 17(8) and 33 (2) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 was placed before the Board of Directors of the Company at its meeting held on May 30, 2018 and the same is annexed to the report as **Annexure-4**.

(k) Equity Shares in the Demat suspense account / unclaimed suspense account:

As on March 31, 2018, there are no shares in the Demat suspense account / unclaimed suspense account.

Place: Delhi
Date: May 30, 2018

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

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 on March 31, 2018.

Place: Delhi
Date: May 30, 2018

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

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 than existing Equity Listing Agreement. Regulation.

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

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

Applicability:

The Policy shall be applicable to:

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

Effective date for Implementation of the policy:

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

Nomination and Remuneration Committee:

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

- 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;
- The details of such familiarization programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report;

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

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

DISCLOSURE OF FPID:

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

➤ **Term/Tenure of Appointment:**

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

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

b) **Independent Director:**

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

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

➤ **Removal & Retirement:**

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

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

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

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

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

a) **Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the members 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 Companies Act, 2013 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 members, 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

CERTIFICATE OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) READ WITH SCHEDULE V (E) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

**To,
The Members,
Satin Creditcare Network limited**

We have examined all the relevant records of Satin Creditcare Network limited (CIN: L65991DL1990PLC041796)(the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period commencing from April 01, 2017 and ended on March 31, 2018. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para C, D and E of Schedule V for the period commencing from April 01, 2017 and ended on March 31, 2018.

This Certificate 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
FCS No. 8428
C P No.: 5980**

**Place: Delhi
Date: May 30, 2018**

Annexure-4

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, 2018 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design and operations of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year,
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Delhi
Date: May 30, 2018

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

Jugal Kataria
Chief Financial Officer

Standalone Auditor's Report

Independent Auditor's Report

To the Members of Satin Creditcare Network Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Satin Creditcare Network Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes 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 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. 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 these standalone financial statements are free from material misstatement.
6. 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 controls 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 Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. 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 31 March 2018, and its profit and its cash flows for the year ended on that date.

Other matter

9. The audit of standalone financial statements for the year ended 31 March 2017 included in the statements were carried out and reported by A.K. Gangaher & Co., Chartered Accountants *vide* their unmodified audit report dated 26 May 2017 whose audit report have been furnished to us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 May 2018 as per Annexure B expressed unmodified opinion; 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative 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 Company; and
 - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Lalit Kumar
Partner
Membership No.: 095256
Place: Noida
Date: 30 May 2018

Annexure A to the Independent Auditor's Report of even date to the members of Satin Creditcare Network Limited, on the standalone financial statements for the year ended 31 March 2018

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company except for the following properties which were transferred to the Company as a result of amalgamation of companies as stated in note 12 to the standalone financial statements wherein the title deeds are in the name of the erstwhile company:

Nature of property	Total number of cases	Gross block as on 31 March 2018	Net block on 31 March 2018	Remarks
Building	1	29,200,000	17,304,430	The said property is in name of Satin Intellicomm Limited, an erstwhile Company merged with the Company.

- ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii) a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.

- ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.
- x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit except for few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees involving amounts aggregating Rs. 9,400,264. The Company has terminated the services of such employees and also initiated legal action against such employees. The Company has recovered Rs. 2,586,147 from some employees.
- xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- xii) In our opinion, the Company is not a *Nidhi* Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) During the year, the Company has made preferential allotment / private placement of equity and preference share. In our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of fully/ partly convertible debentures.
- xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Lalit Kumar
Partner
Membership No.: 095256
Place: Noida
Date: 30 May 2018

Annexure B to the Independent Auditor's Report of even date to the members of Satin Creditcare Network Limited on the standalone financial statements for the year ended 31 March 2018

Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Satin Creditcare Network Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on IFCoFR criteria. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include 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

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



Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on IFCoFR criteria.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Lalit Kumar
Partner
Membership No.: 095256
Place: Noida
Date: 30 May 2018

Standalone Balance Sheet as at March 31, 2018

(All amount in ₹ unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Equity and liabilities			
(I) Shareholders' funds			
(a) Share capital	3	748,424,000	621,429,370
(b) Reserves and surplus	4	10,052,191,768	6,000,761,857
(c) Money received against share warrants	5	149,999,935	-
Total (I)		10,950,615,703	6,622,191,227
(II) Non-current liabilities			
(a) Long-term borrowings	6	21,571,105,950	20,201,207,181
(b) Long-term provisions	7	277,577,821	263,256,169
Total (II)		21,848,683,771	20,464,463,350
(III) Current liabilities			
(a) Short-term borrowings	8	1,411,360,943	1,675,574,853
(b) Trade payables	9		
- Payable to micro and small enterprises		2,100,416	-
- Total outstanding dues to others creditors other than micro enterprises and small enterprises		1,636,526	4,080,640
(c) Other current liabilities	10	22,992,830,849	18,284,883,346
(d) Short-term provisions	11	866,158,301	437,335,222
Total (III)		25,274,087,035	20,401,874,061
Total equity and liabilities (I+II+III)		58,073,386,509	47,488,528,638
Assets			
(I) Non-current assets			
(a) Fixed assets			
(i) Tangible - Property, plant and equipment	12	359,752,584	342,994,615
(ii) Intangible assets	13	32,419,082	34,559,727
(iii) Capital work-in-progress	14	160,930,985	97,769,790
(iv) Intangible assets under development	15	1,375,000	24,056,409
(b) Non-current investments	16	768,010,022	498,410,077
(c) Deferred tax assets (net)	17	379,034,745	226,850,275
(d) Long-term loans and advances	18	16,245,227,968	8,317,467,858
(e) Other non-current assets	19	1,331,129,210	1,547,611,519
Total (I)		19,277,879,596	11,089,720,270
(II) Current assets			
(a) Current investments	20	2,201,255,175	204,521,112
(b) Trade receivables	21	1,870,589	65,925
(c) Cash and bank balances	22	7,869,078,433	11,079,344,115
(d) Short-term loans and advances	23	28,077,654,624	24,455,631,437
(e) Other current assets	24	645,648,092	659,245,779
Total (II)		38,795,506,913	36,398,808,368
Total assets (I+II)		58,073,386,509	47,488,528,638

Summary of significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements.
As per our report of even date attached.

For Walker Chandio & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Per Lalit Kumar
Partner

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

Satvinder Singh
(Director)
DIN: 00332521

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

Jugal Kataria
(Chief Financial Officer)

Place : Noida
Date : May 30, 2018

Place : Delhi
Date : May 30, 2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(All amount in ₹ unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
(I) Revenue			
Revenue from operations	25	9,766,376,286	7,766,665,358
Total revenue (I)		9,766,376,286	7,766,665,358
(II) Expenses			
Employee benefits expense	26	1,891,355,163	1,568,092,313
Finance costs	27	4,832,731,768	4,351,330,595
Depreciation and amortisation expense	12 and 13	140,600,362	56,283,139
Other expenses	28	2,865,714,689	1,418,945,862
Total expenses (II)		9,730,401,982	7,394,651,909
Profit before tax		35,974,304	372,013,449
Tax expense:			
Current tax		147,895,010	266,390,690
Deferred tax charge/ (credit)		(152,184,470)	(139,369,291)
Total tax expenses		(4,289,460)	127,021,399
Profit for the year		40,263,764	244,992,050
Earning per share (Face value ₹ 10 each)	39		
Basic		0.26	7.13
Diluted		0.25	7.05

Summary of significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Per Lalit Kumar
Partner

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

Satvinder Singh
(Director)
DIN: 00332521

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

Jugal Kataria
(Chief Financial Officer)

Place : Noida
Date: May 30, 2018

Place : Delhi
Date: May 30, 2018

Standalone Cash Flow Statement for the year ended March 31, 2018

(All amount in ₹ unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	35,974,304	372,013,449
Adjustment for :		
Depreciation and amortisation expenses	140,600,362	56,283,139
Provision for non-performing assets/ standard assets and contingent-provision against standard assets	354,349,316	380,437,685
Portfolio loans and other write offs	1,798,201,427	124,622,995
Loss on sale of property, plant and equipment	2,869	2,356,544
Unrealised exchange loss	27,266,991	-
Employee compensation expense	18,907,983	5,203,662
Operating profit before working capital changes	2,375,303,252	940,917,474
(Increase) in loans and advances	(13,364,801,602)	(11,253,100,502)
(Increase)/ decrease in trade receivables	(1,804,664)	4,856,967
Purchase of current investment (net)	(1,996,734,063)	(204,521,112)
(Increase)/ decrease in fixed deposits (including interest accrued)	(128,484,702)	2,221,388,777
Decrease/ (increase) in other assets	28,877,077	(465,210,857)
Increase/ (decrease) in provisions	23,489,109	(64,190,771)
Decrease in trade payables	(343,698)	(38,380,696)
Increase/ (decrease) in other liabilities	356,091,687	(405,301,832)
Cash used for operations	(12,708,407,604)	(9,263,542,552)
Income tax paid (net of refunds)	(51,889,409)	(266,390,690)
Net cash used in operating activities	(12,760,297,013)	(9,529,933,242)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(195,980,398)	(345,119,765)
Sale of property, plant and equipment	280,057	-
Investments in equity instruments of subsidiaries	(269,599,945)	(497,859,486)
Net cash used in investing activities	(465,300,286)	(842,979,251)
C. Cash flow from financing activities		
Proceeds from issue of share capital and share warrants (including premium)	4,394,117,272	3,263,950,393
Share/debenture issue expenses	(109,321,164)	(132,015,058)
Proceeds from long-term borrowings	24,297,438,414	27,162,444,999
Repayment of long-term borrowings	(18,602,950,820)	(16,320,545,920)
(Repayment)/ proceeds from short-term borrowings (net)	(264,213,910)	228,473,823
Dividend paid on preference shares and including dividend distribution tax	(29,425,796)	-
Net cash generated from financing activities	9,685,643,996	14,202,308,237
Net increase in cash and cash equivalents (A+B+C)	(3,539,953,303)	3,829,395,744
Cash and cash equivalents as at April 01, 2017	6,513,018,777	2,683,623,033
Cash and cash equivalents as at March 31, 2018	2,973,065,474	6,513,018,777
Cash and cash equivalents comprises off		
Cash on hand	279,527,154	162,504,191
Balance with banks in current accounts	2,110,181,117	3,389,557,383
Deposit with original maturity less than three months	583,357,203	2,960,957,203
	2,973,065,474	6,513,018,777

Summary of significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For Walker Chandio & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Per Lalit Kumar
Partner

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

Satvinder Singh
(Director)
DIN: 00332521

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

Jugal Kataria
(Chief Financial Officer)

Place : Noida
Date: May 30, 2018

Place : Delhi
Date: May 30, 2018

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

(All amount in ₹ unless otherwise stated)

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').

2. Significant Accounting Policies

a) Basis of Preparation

These financial statements have been prepared on a going concern basis under historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the applicable accounting standards specified under the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, other accounting pronouncements of the Institute of Chartered Accountants of India ("ICAI"), relevant provision of the Companies Act, 2013 as applicable and the guidelines issued by the Reserve Bank of India ("RBI"). 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.

b) Use of Estimates

The preparation of financial statements is in conformity with the Indian Generally Accepted Accounting Principles in India and requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities including contingent liabilities at the end of the reporting period. 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 recognized in the years in which the results are known / materialize and their effects disclosed in the notes to the financial statements.

c) Property, plant and equipment

i) Tangible assets: Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible fixed 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. Any trade discounts and rebates are deducted in arriving at the purchase price. Tangible assets acquired on account of amalgamation are stated at the acquisition value agreed in the amalgamation agreement.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Capital work in progress:

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work in progress.

ii) 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.

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

d) Depreciation and amortization

- i) Depreciation on tangible fixed assets is provided on the written-down method over the useful lives of assets prescribed under Part 'C' of Schedule II of the Companies Act, 2013 which is also at par with the useful life of the assets estimated by the management.

Assets	Useful Life as per Schedule II
Building	60 years
Plant and Machinery	5 -15 years
Office Equipment	5 years
Computer Equipment	3 years
Furniture and Fixture	10 years
Vehicles	8-10 years

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 Statement of Profit and Loss.

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.

- ii) Intangible assets are amortized 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.
- iii) Leasehold improvements are depreciated over the lease term.

e) Impairment of tangible and intangible assets

The Company assess at each balance sheet date whether there is any indication of impairment based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or cash generating unit to which asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as impairment loss and is recognized in its Statement of Profit and Loss. If at the balance sheet date, there is an indication that if a previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

f) Investments

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.

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at lower of cost or fair value.

g) Portfolio loans

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

h) 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) 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.
- iii) 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.

- iv) Processing fee collected on loans disbursed are recognized at the inception of the loan.
- v) 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 Statement of Profit and Loss, net of any losses when redeemed in cash.
- vi) Penal interest and charges are accounted as and when realized in respect of SME Loans.
- vii) Income from mutual funds recognised on accrual basis.
- viii) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

i) 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: The Company follows prudential norms as provided by the RBI for the same. Refer table 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 - 48 Months		30%
	>48 Months		50%
Loss Assets		-	Written off/100%

j) 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 cost that the Company incurred in connection with borrowing of funds. Other ancillary borrowing costs incurred in connection with obtaining loan are amortized over the period of loan. All other borrowing costs are expensed in the period they are incurred. In case any loan is prepaid/cancelled then the unamortized portion of such borrowing cost is charged to the Statement of Profit and Loss in the year such loan is prepaid / cancelled.

k) Foreign currency transactions

(i) Initial recognition

Transactions in foreign currency entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

(ii) Conversion

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

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 recognized as income or expense in the Statement of Profit and Loss.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

l) Provisions and Contingent Liabilities / Assets

Provision

Provision is recognized 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.

Contingent liability

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

Contingent Assets are neither recognized nor disclosed in the financial statements.

m) 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 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 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.

n) 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 fair 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 India (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 fair value of the stock option granted and the exercise price, if any, is expensed as "Employee Compensation" over the period of vesting.

o) Segment reporting

The Company identifies primary segment based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

p) 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.

q) Earnings / (loss) Per Share

Basic earnings / (loss) 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.

r) 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 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.

s) Cash and Cash Equivalents

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.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
3	Share capital				
	Authorised				
	65,000,000 (Previous year : 55,000,000) equity shares of ₹ 10 each		650,000,000		550,000,000
	75,000,000 (Previous year : 75,000,000) preference shares of ₹ 10 each (Refer to Note 1)		750,000,000		750,000,000
			1,400,000,000		1,300,000,000
	Issued				
	47,720,269 (Previous year : 37,615,287) equity shares of ₹10 each (Refer to Note 2)		477,202,690		376,152,870
	25,000,000 (Previous year : 25,000,000) 12.10% Cumulative, Rated, Non-Participative, Non-Convertible and Compulsorily Redeemable Preference Shares of ₹ 10 each (Refer to Note 3)		250,000,000		250,000,000
	1,230,098 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (Refer to Note 4)		12,300,980		-
	1,343,283 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (Refer to Note 5)		13,432,830		-
			752,936,500		626,152,870
	Subscribed				
	47,720,269 (Previous year : 37,615,287) equity shares of ₹ 10 each (Refer to Note 2)		477,202,690		376,152,870
	25,000,000 (Previous year : 25,000,000) 12.10% Cumulative, Rated, Non-Participative, Non-Convertible and Compulsorily Redeemable Preference Shares of ₹ 10 each (Refer to Note 3)		250,000,000		250,000,000
A	1,230,098 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (Refer to Note 4)		12,300,980		-
	1,343,283 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (Refer to Note 5)		13,432,830		-
			752,936,500		626,152,870
	Paid-up				
	Equity share capital				
	47,673,769 (Previous year : 37,568,787) equity shares of ₹ 10 each (Refer to Note 2)		476,737,690		375,687,870
	Less:- Amount recoverable from Satin Employees Welfare Trust (428,200 (Previous year : 449,300) shares allotted to the Satin Employees Welfare Trust)		(4,282,000)		(4,493,000)
			472,455,690		371,194,870
	Add: Forfeited shares (amount originally paid on 46,500 equity shares)		234,500		234,500
			472,690,190		371,429,370
B	Preference share capital				
	25,000,000 (Previous year : 25,000,000) 12.10% Cumulative, Rated, Non-Participative, Non-Convertible and Compulsorily Redeemable Preference Shares of ₹ 10 each (Refer to Note 3)		250,000,000		250,000,000
	1,230,098 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (Refer to Note 4)		12,300,980		-
	13,43,283 (Previous year Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference shares of ₹ 10 each (Refer to Note 5)		13,432,830		-
			275,733,810		250,000,000
			748,424,000		621,429,370

Note 1 (a) : During the current year, the authorised share capital of the Company was increased vide approval of equity shareholders from ₹ 1,300,000,000 divided into 55,000,000 equity shares of ₹ 10 each and 75,000,000 preference shares of ₹ 10 each to 1,400,000,000 divided into 65,000,000 equity shares of ₹ 10 each and 75,000,000 preference shares of ₹ 10 each.

(b) : During the previous year ended March 31, 2017, the authorised share capital of the Company was reclassified vide approval of equity shareholders from ₹ 1,300,000,000 divided into 40,000,000 equity shares of ₹ 10 each and 90,000,000 preference shares of ₹ 10 each to ₹ 1,300,000,000 divided into 55,000,000 equity shares of ₹ 10 each and 75,000,000 preference shares of ₹ 10 each.

Note 2 (i) : The Company allotted 1,543,187 equity shares of ₹ 10 each at an issue price of ₹ 416.67 per share including premium of ₹ 406.67 per share on preferential basis to Asian Development Bank (an entity belonging to non-promoter group).

(ii) During the year, the Company allotted 658,690 equity shares of ₹ 10 each at an issue price of ₹ 455.45 per share including premium of ₹ 445.45 per share on preferential basis to Trishashna Holdings & Investments Private Limited (an entity belonging to promoter group).

(iii) Subsequent to the approval of Board of Directors of the Company and shareholders of the Company, the working Committee of the Board, has offered for Qualified Institutions Placement for an amount upto ₹ 1,500,000,000 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 approved the allotment of 4,918,032 equity shares of face value of ₹ 10 each to qualified institutional buyers (QIBs) at the issue price of ₹ 305 per equity share (including a premium of ₹ 295), aggregating to ₹ 1,499,999,760.

(iv) The Company allotted 2,388,059 and 597,014 equity shares of ₹ 10 each at an issue price of ₹ 335 per share including premium of ₹ 325 per share on preferential basis to Kora Investment I LLC and Nordic Microfinance Initiative Fund III KS, respectively (entities belonging to non-promoter group).

Note 3 : During the previous year ended March 31, 2017, the Company allotted 25,000,000, 12.10% Rated, Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of ₹10 each fully paid-up for cash at an issue price of ₹ 10.

Note 4 : The Company allotted 1,230,098, 0.01% Optionally Convertible, Cumulative, Redeemable Preference Shares of face value of ₹ 10 each fully paid-up for cash at an issue price of ₹ 284.53 per share. Each preference share is either convertible into equivalent number of equity shares of the Company of ₹10 each at the option of allottee within a time frame not exceeding 12 months from the date of allotment or subject to redemption by the Company at the end of such time frame and on such terms and conditions, as may be deemed appropriate by the Board of Directors. Further, these OCRPS are converted into equivalent number of equity shares (i.e., 1,230,098 equity shares) of face value of ₹ 10 each on May 30, 2018.

Note 5 : The Company allotted 1,343,283, 0.01% Optionally Convertible, Cumulative, Redeemable Preference Shares of face value of ₹ 10 each fully paid-up for cash at an issue price of ₹ 335 per share. Each preference share is either convertible into equivalent number of equity shares of the Company of ₹10 each at the option of allottee within a time frame not exceeding 18 months from the date of allotment or subject to redemption by the Company at the end of such time frame and on such terms and conditions, as may be deemed appropriate by the Board of Directors.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
		No. of shares	Amount	No. of shares	Amount
(a)	Reconciliation of equity shares				
	Authorised				
	At the beginning of the year	55,000,000	550,000,000	40,000,000	400,000,000
	Additions during the year	10,000,000	100,000,000	15,000,000	150,000,000
	At the end of the year	65,000,000	650,000,000	55,000,000	550,000,000
	Issued				
	At the beginning of the year	37,615,287	376,152,870	31,997,861	319,978,610
	Additions during the year	10,104,982	101,049,820	5,617,426	56,174,260
	At the end of the year	47,720,269	477,202,690	37,615,287	376,152,870
	Subscribed				
	At the beginning of the year	37,615,287	376,152,870	31,997,861	319,978,610
	Additions during the year	10,104,982	101,049,820	5,617,426	56,174,260
	At the end of the year	47,720,269	477,202,690	37,615,287	376,152,870
	Paid up				
	At the beginning of the year	37,568,787	375,687,870	31,951,361	319,513,610
	Additions during the year	10,104,982	101,049,820	5,617,426	56,174,260
	At the end of the year	47,673,769	476,737,690	37,568,787	375,687,870
	Shares issued to Satin Employees Welfare Trust				
	At the beginning of the year	449,300	4,493,000	476,543	4,765,430
	Additions during the year	-	-	-	-
	Allotted to employees during the year	21,100	211,000	27,243	272,430
	At the end of the year	428,200	4,282,000	449,300	4,493,000
(b)	Reconciliation of preference shares				
	Authorised				
	At the beginning of the year	75,000,000	750,000,000	90,000,000	900,000,000
	Additions/(re-classification/deletions) during the year	-	-	(15,000,000)	(150,000,000)
	At the end of the year	75,000,000	750,000,000	75,000,000	750,000,000
	Issued				
	At the beginning of the year	25,000,000	250,000,000	-	-
	Additions during the year	2,573,381	25,733,810	25,000,000	250,000,000
	At the end of the year	27,573,381	275,733,810	25,000,000	250,000,000
	Subscribed				
	At the beginning of the year	25,000,000	250,000,000	-	-
	Additions during the year	2,573,381	25,733,810	25,000,000	250,000,000
	At the end of the year	27,573,381	275,733,810	25,000,000	250,000,000
	Paid up				
	At the beginning of the year	25,000,000	250,000,000	-	-
	Additions during the year	2,573,381	25,733,810	25,000,000	250,000,000
	At the end of the year	27,573,381	275,733,810	25,000,000	250,000,000

(c) **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. Dividends are subject to corporate dividend tax. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d)	Detail of shareholders holding more than 5% shares are as under	As at March 31, 2018		As at March 31, 2017	
		No. of shares	%	No. of shares	%
	Nordic Microfinance Initiative Fund III KS	3,369,318	7.06%	2,772,304	7.38%
	SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd	3,313,609	6.94%	3,313,609	8.82%
	DSP Blackrock Equity & Bond Fund	2,736,930	5.74%	-	-
	Aditya Birla Sun Life Trustee Private Limited (A/c Aditya Birla Sun Life Pure Value Fund)	2,432,553	5.10%	-	-
	Kora Investments I LLC	2,388,059	5.00%	-	-
	MV Mauritius Limited	-	-	3,485,520	9.28%
	Parishek Finance Private Limited	-	-	2,150,880	5.73%
	Morgan Stanley Mauritius Company Limited	-	-	1,892,312	5.04%

- (e) For details relating to Employee Stock Option Plan/ Scheme (ESOP/ESOS) of the Company, Refer to Note 30.
- (f) The Company has allotted 1,087,456 equity shares of ₹ 10 each at an issue price of ₹ 457.82 per share including premium of ₹ 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 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.
- (g) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
4	Reserves and surplus				
	Capital redemption reserve				
	At the beginning and at the end of the year		27,700,000		27,700,000
	Securities premium reserve				
	At the beginning of the year	4,602,516,503		1,791,381,470	
	Additions during the year (Refer to Note 1)	4,125,093,087		2,943,150,091	
	Less: Share/debenture issue expenses	109,321,164		132,015,058	
		8,618,288,426		4,602,516,503	
	Less: Amount recoverable from Satin Employees Welfare Trust	5,232,000		5,443,000	
	At the end of the year		8,613,056,426		4,597,073,503
	Share options outstanding account				
	At the beginning of the year	4,812,340		1,173,967	
	Additions during the year	10,726,603		3,638,373	
	At the end of the year		15,538,943		4,812,340
	Foreign currency monetary item translation difference account				
	At the beginning of the year	(13,882,417)		(29,429,000)	
	Deletion during the year	13,882,417		15,546,583	
	At the end of the year		-		(13,882,417)
	Statutory reserve fund				
	At the beginning of the year	286,166,216		237,167,806	
	Additions during the year (Refer to Note 3)	8,052,752		48,998,410	
	At the end of the year		294,218,968		286,166,216
	General reserves				
	At the beginning of the year	2,993,517		2,893,629	
	Additions during the year	-		99,888	
	At the end of the year		2,993,517		2,993,517
	Surplus in statement of profit and loss				
	At the beginning of the year	1,095,898,698		899,905,058	
	Profit for the year	40,263,764		244,992,050	
	Less: Transfer to statutory reserve fund	8,052,752		48,998,410	
	Less: Dividend paid on preference share	24,448,630		-	
	Less: Dividend distribution tax	4,977,166		-	
	At the end of the year		1,098,683,914		1,095,898,698
			10,052,191,768		6,000,761,857

1. During the year, there has been an addition of ₹ 4,125,093,087 in the securities premium reserve on account of the following:
- Issue of 1,543,187 equity shares to Asian Development Bank at a premium of ₹ 406.67
 - Issue of 658,690 equity shares to Trishashna Holdings & Investments Private Limited at a premium of ₹ 445.45
 - Issue of 4,918,032 equity shares to QIB at a premium of ₹ 295.00
 - Issue of 2,388,059 equity shares to Kora Investment I LLC at a premium of ₹ 325.00
 - Issue of 597,014 equity shares to Nordic Microfinance Initiative Fund III KS at a premium of ₹ 325.00
 - Issue of 1,230,098 Optionally Convertible Redeemable Preference Shares ('OCRPS') to Capital First Limited at a premium of ₹ 274.53
 - Issue of 1,343,283 Optionally Convertible Redeemable Preference Shares ('OCRPS') to IndusInd Bank Limited at a premium of ₹ 325.00
 - Exercise of 21,100 equity shares under ESOP scheme at a premium of ₹ 420.75

2. During the year, the Company utilized a sum of ₹ 109,321,164 (Previous year : ₹ 132,015,058) from securities premium reserve towards writing off incidental expenditure pertaining to raising of share capital and non-convertible debentures.
3. Pursuant to the provision of Section 45(IC) of Reserve Bank of India Act, 1934, the Company has transferred ₹ 8,052,752 (Previous year : ₹ 48,998,410) towards Statutory Reserve Fund.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
5	Money received against share warrants				
	At the beginning of the year	-		-	
	Additions during the year	149,999,935		-	
	At the end of the year		149,999,935		-

The Company allotted 1,791,044 fully convertible warrants of ₹ 10 each at an issue price of ₹ 335 per warrant including premium of ₹ 325 per warrant on preferential basis to Trishashna Holdings & Investments Private Limited (an entity belonging to promoter group) on December 28, 2017. Each warrant is convertible into or exchangeable for at an option of warrant holder, in one or more tranches, one equity share of face value of ₹ 10 each at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment of the warrants.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
6	Long-term borrowings				
A	Secured loans				
	(a) Non-convertible debentures (Refer to Note 1 below)		7,121,951,500		4,799,400,200
	(b) Term loan				
	From banks		18,365,602,663		17,516,693,843
	From others		11,883,248,396		10,325,256,990
	(c) External commercial borrowings		334,706,098		403,890,446
B	Unsecured loans				
	(a) Non-convertible debentures (Refer to Note 2 below)		3,965,245,000		2,965,245,000
	(b) Term loan				
	From others		748,740,519		650,000,001
	(c) External commercial borrowings		180,226,360		217,479,471
			42,599,720,536		36,877,965,951
	Less: Current maturities of long-term borrowings (Refer to Note 10)				
	(a) Non-convertible debentures	3,011,900,000		1,207,500,200	
	(b) Term loans from banks and others	17,908,307,753		15,361,194,236	
	(c) External commercial borrowings	108,406,833		108,064,334	
			21,028,614,586		16,676,758,770
	Long-term borrowings		21,571,105,950		20,201,207,181

Terms of repayment of long-term borrowings (term loan and non-convertible debentures) as on March 31, 2018 are as follows :

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthly	9% to 12%	512	7,273,360,061	318	4,195,938,341	74	195,115,107	34	1,629,626	19	1,775,805
	12.01% to 15%	243	1,682,775,313	95	633,380,789	-	-	-	-	-	-
Quarterly	9% to 12%	97	4,136,763,289	67	3,547,812,076	29	894,158,360	2	2,469,234	-	-
	12.01% to 15%	62	2,633,815,925	23	467,911,321	9	133,406,833	8	108,406,833	6	81,305,125
Semi-annually	9% to 12%	16	2,734,999,998	10	1,988,750,000	10	637,500,000	9	276,250,000	4	160,000,000
	12.01% to 15%	2	100,000,000	2	100,000,000	-	-	-	-	-	-
Annually	9% to 12%	1	200,000,000	1	200,000,000	1	200,000,000	-	-	-	-
	12.01% to 15%	-	-	-	-	-	-	-	-	-	-
Bullet	9% to 12%	10	720,000,000	2	470,000,000	2	780,000,000	-	-	-	-
	12.01% to 15%	5	1,546,900,000	9	2,335,296,500	4	1,020,000,000	-	-	4	1,650,000,000
Total	Above 15%	-	-	1	210,000,000	3	380,000,000	1	250,000,000	3	650,000,000
			21,028,614,586		14,149,089,027		4,240,180,300		638,755,693		2,543,080,930

Terms of repayment of long-term borrowings (term loan and non-convertible debentures) as on March 31, 2017 are as follows :

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthly	9% to 12%	340	3,937,365,841	222	2,137,231,460	102	406,877,562	18	1,025,237	33	2,869,221
	12.01% to 15%	307	3,109,346,974	87	951,673,732	10	204,215,001	-	-	-	-
Quarterly	9% to 12%	70	2,387,335,304	53	1,769,064,190	24	804,305,314	2	41,600,000	-	-
	12.01% to 15%	126	4,192,710,653	52	2,301,471,174	14	269,052,375	8	108,064,333	14	189,112,584
Semi-annually	9% to 12%	14	1,984,999,998	14	1,984,999,998	8	1,238,750,000	8	212,500,000	9	236,250,000
	12.01% to 15%	1	50,000,000	2	100,000,000	2	100,000,000	-	-	-	-
Bullet	9% to 12%	-	-	-	-	1	250,000,000	-	-	-	-
	12.01% to 15%	2	1,015,000,000	6	1,884,345,000	6	1,997,800,000	3	520,000,000	3	1,000,000,000
Total	Above 15%	-	-	-	-	1	210,000,000	3	380,000,000	4	900,000,000
			16,676,758,770		11,128,785,554		5,481,000,252		1,263,189,570		2,328,231,805

(This space has been intentionally blank)

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
	Note 1 : Non-convertible debentures (secured)				
	(i) 680 (Previous year : 680), @13.25% Secured, rated, redeemable, listed non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 15, 2025, subject to call/put option after three years from date of allotment. The date of allotment is June 15, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	680,000,000		680,000,000	
	(ii) 650 (Previous Year : Nil), @12.06% Secured, listed, redeemable non - convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on October 03, 2022, subject to call/put Option after three years from date of allotment. The date of allotment is October 03, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	650,000,000		-	
	(iii) 600 (Previous Year : Nil), @11.95% Secured, listed, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on February 08, 2021 and The date of allotment is February 08, 2018. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	600,000,000		-	
	(iv) 20 (Previous year : 20), @14.50 % Secured, senior, rated, redeemable, non-convertible debentures of face value of ₹1,000,000 each, redeemable on December 18, 2020, subject to call/put option on may 08, 2019. 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		20,000,000	
	(v) 330 (Previous year : Nil), @11.99% Secured, unlisted, redeemable non-convertible debentures of face value of ₹1,000,000 each, redeemable at par on December 08, 2020. The date of allotment is December 08, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	330,000,000		-	
	(vi) 450 (Previous year : Nil), @11.34% Secured, unlisted, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on December 07, 2020. The date of allotment is December 07, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	450,000,000		-	
	(vii) 250 (Previous year : 250), @13.35% Secured, rated, redeemable, listed, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on November 30, 2020. The date of allotment is November 03, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	250,000,000		250,000,000	
	(viii) 200 (Previous year : 200), @12.75% (Previous year: 14.70%), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 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 by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	500,000,000		500,000,000	

Notes	Particulars	As at March 31, 2018	As at March 31, 2017
	(ix) 1000 (Series A 400, Series B 600) (Previous year : Nil), @10.75% Secured, unlisted, redeemable, non-convertible debentures of face value of ₹ 1000,000 each, redeemable at par on December 31, 2018 (Series A) and November 30, 2019 (Series B) . The date of allotment is December 19, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	1,000,000,000	-
	(x) 0.0515 (Previous year : 515), @14.37% Secured, listed, redeemable non - convertible debentures of face value of ₹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 by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	51,500	515,000,000
	(xi) 250 (Previous year : 250), @12.00% Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on November 11, 2019. The date of allotment is November 11, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	250,000,000	250,000,000
	(xii) 72 (Previous year : 72), @13.15% (Previous year : 14.70%), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 2,500,000 each, redeemable at par on September 27, 2019, subject to call/put option after three years. The date of allotment is September 27, 2013. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	180,000,000	180,000,000
	(xiii) 200 (Previous year : Nil), @13.50% Secured, listed, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on September 20, 2019. The date of allotment is September 20, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	200,000,000	-
	(xiv) 270 (Previous year : 270), @13.75 % Secured, rated, listed, redeemable, transferable, taxable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on July 30, 2019, subject to call/put option after three years of allotment. The date of allotment is July 31, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	270,000,000	270,000,000
	(xv) 200 (Previous year : 200), @ 12.50% Secured, rated, redeemable, unlisted, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 30, 2019. The date of allotment is June 30, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	200,000,000	200,000,000
	(xvi) 200 (Previous year : 200), @ 12.50% Secured, rated, redeemable, unlisted non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 30, 2019. The date of allotment is June 30, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	200,000,000	200,000,000

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
	(xvii) 125 (Previous year : 125), @14.30% Secured, rated, redeemable, listed non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on March 28, 2019. The date of allotment is March 29, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	125,000,000		125,000,000	
	(xviii) 4644 (Previous year : 4,644), @14.00% Secured, rated, listed, senior, redeemable, non-convertible debentures of face value of ₹ 100,000 each, redeemable on January 13, 2019. The date of allotment is December 22, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	464,400,000		464,400,000	
	(xix) 65 (Previous year : 195), @11.00% Secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on October 03, 2018, payable monthly. The date of allotment is October 03, 2016 (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	65,000,000		195,000,000	
	(xx) 500 (Previous year : 500), @14.65% Secured, rated, listed, redeemable, transferable, taxable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on September 24, 2018. The date of allotment is September 24, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	500,000,000		500,000,000	
	(xxi) 75 (series-2) (Previous year : 75), @14.10% Secured, listed, redeemable, non-convertible debentures of face value of ₹ 2,500,000 each, redeemable at par on September 14, 2018. The date of allotment is September 14, 2012. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	187,500,000		187,500,000	
	(xxii) Nil (Previous year : 200), @ 12.50% Secured, rated, redeemable, unlisted non-convertible debentures of face of ₹ 1,000,000 each, redeemed on October 31, 2017. The date of allotment is June 30, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	-		200,000,000	
	(xxiii) Nil (Previous year 62.5),@12.30% Secured listed redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemed on August 26, 2017, payable monthly. The date of allotment is August 26, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	-		62,500,200	
			7,121,951,500		4,799,400,200

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
	Note 2 : Non convertible debentures (unsecured)				
	(i) 100 (Previous year : 100), @15.00%, Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 30, 2023. The date of allotment is June 29, 2016.	100,000,000		100,000,000	
	(ii) 350 (Previous year : 350), @13.85%, Unsecured, unrated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on April 30, 2023. The date of allotment is March 29, 2017.	350,000,000		350,000,000	
	(iii) 100 (Previous year : 100), @15.00% Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on March 31, 2023. The date of allotment is June 29, 2016.	100,000,000		100,000,000	
	(iv) 100 (Previous year : 100), @15.00%, Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on December 31, 2022. The date of allotment is June 29, 2016.	100,000,000		100,000,000	
	(v) 100 (Previous year : 100), @15.00%, Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on September 30, 2022. The date of allotment is June 29, 2016.	100,000,000		100,000,000	
	(vi) 100 (Previous year : 100), @15.50%, Unsecured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on September 28, 2022. The date of allotment is June 28, 2016.	100,000,000		100,000,000	
	(vii) 250 (Previous year : 250), @15.50%, Unsecured, rated, subordinated, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on April 15, 2022. The date of allotment is December 30, 2015.	250,000,000		250,000,000	
	(viii) 2,628 (previous year 2,628), @14.15%, Unsecured, rated, listed, senior, redeemable, taxable, transferable, non-convertible debentures of face value of ₹ 100,000 each, at par, redeemable on September 15, 2021, subject to call put option of 4th year September 16, 2019. The date of allotment is October 05, 2015.	262,800,000		262,800,000	
	(ix) 250 (Previous year : 250), SBI Base rate + 6.15% i.e. 15.85%, Unsecured, rated, redeemable, listed, taxable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 30, 2021. The date of allotment is June 30, 2015.	250,000,000		250,000,000	
	(x) 130 (Previous year : 130), @17.75%, Unsecured, unlisted, redeemable, non - convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on December 18, 2020. The date of allotment is March 31, 2015.	130,000,000		130,000,000	
	(xi) 250 (Previous year : 250), @13.35%, Unsecured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on November 30, 2020. The date of allotment is November 04, 2016.	250,000,000		250,000,000	
	(xii) 150 (Previous year : 150), @16.90%, Unsecured, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on September 20, 2020. The date of allotment is March 20, 2015.	150,000,000		150,000,000	
	(xiii) 150 (Previous year : 150), @12.25%, Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on December 09, 2019. The date of allotment is December 26, 2016.	150,000,000		150,000,000	

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
	(xiv) 1000 (Series A 400, Series B 600) (Previous year : Nil), @11.15%, unsecured, rated, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on December 19, 2018 (Series A) & November 19, 2019 (Series B). The date of allotment is December 19, 2017.	1,000,000,000		-	
	(xv) 84 (Previous year : 84), @18.00%, Unsecured, listed, redeemable, non-convertible debentures of face value of ₹ 2,500,000 each, redeemable at par on October 16, 2019. The date of allotment is July 15, 2014.	210,000,000		210,000,000	
	(xvi) 67,489 (Previous year : 67,489), @13.00%, Unsecured, rated, senior, redeemable, taxable, transferable, non-convertible debentures of face value of ₹ 5,000 each, redeemable on May 28, 2019. The date of allotment is May 27, 2016.	337,445,000		337,445,000	
	(xvii) 125 (Previous year : 125), @14.30%, Unsecured, rated, senior, redeemable, taxable, transferable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on April 4, 2019. The date of allotment is April 05, 2016.	125,000,000		125,000,000	
			3,965,245,000		2,965,245,000
7	Long-term provisions Provision for employee benefits Compensated absences Gratuity (Refer to Note 29) Provision for non-performing assets/ standard assets and contingent provision against standard assets		59,776,305 25,906,119 191,895,397 277,577,821		51,098,578 26,500,717 185,656,874 263,256,169
8 A	Short-term borrowings Secured loans (a) Term loans From banks		250,000,000		650,000,000
	(b) Overdraft facility against term deposits From banks		173,520,086 423,520,086		65,777,780 715,777,780
(B)	Unsecured loans Commercial paper Commercial paper Less: Unamortised discount	1,000,000,000 12,159,143	987,840,857	1,000,000,000 40,202,927	959,797,073
			1,411,360,943		1,675,574,853

During the financial year, the Company issued five (Previous year : four) commercial papers of face value of ₹ 500,000,000 (Previous year : ₹ 500,000,000) each amounting to ₹ 2,500,000,000 (Previous year : ₹ 2,000,000,000), of which two are outstanding as on March 31, 2018. The discount on issue of commercial paper is amortised over the tenure of the instrument.

Terms of repayment of short-term borrowings are as follows :

Repayment	Interest rate range	As at March 31, 2018		As at March 31, 2017	
		Due within 1 year		Due within 1 year	
		No. of installments	Amount	No. of installments	Amount
Monthly	9% to 12%	1	173,520,086	1	65,777,780
Quarterly	9% to 12%	-	-	3	135,000,000
	12.01% to 15%	-	-	1	65,000,000
Bullet	9% to 12%	4	1,237,840,857	4	1,409,797,073
Total			1,411,360,943		1,675,574,853

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
9	Trade payables - Payable to micro and small enterprises (Refer to Note 33) - Total outstanding dues to others creditors other than micro enterprises and small enterprises		2,100,416		-
			1,636,526		4,080,640
			3,736,942		4,080,640
10	Other current liabilities Current maturity of long-term borrowings (secured) Non-convertible debentures Long-term borrowings from banks Long-term borrowings from others External commercial borrowings Current maturity of long-term borrowings (unsecured) Non-convertible debentures External commercial borrowings Long-term borrowings from others Expenses payable Payable towards assignment/securitisation transactions Security deposit received Interest accrued but not due on borrowings Statutory dues payable Other payables		2,411,900,000		1,207,500,200
			11,529,389,979		10,577,797,076
			6,325,584,208		4,783,397,160
			70,464,441		70,241,817
			600,000,000		-
			37,942,392		37,822,517
			53,333,566		-
			175,988,944		81,770,060
			1,175,674,810		1,060,615,864
			368,705		33,775
			404,241,663		339,497,425
			62,308,337		52,861,540
			145,633,804		73,345,912
			22,992,830,849		18,284,883,346

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:

Particulars	As at March 31, 2018	As at March 31, 2017
Long term non-convertible debentures - secured	4,710,051,500	3,591,900,000
Long term borrowings from banks - secured	6,828,498,777	6,932,861,675
Long term borrowings from others - secured	5,534,599,358	5,541,859,829
Long term borrowings from others - secured (external commercial borrowings)	264,241,657	333,648,629
Long term borrowings from others - unsecured (external commercial borrowings)	142,283,969	179,656,954
Long term non-convertible debentures - unsecured	3,365,245,000	2,965,245,000
Long term borrowings from others - unsecured	687,500,001	650,000,001
Short term borrowings from banks - secured	250,000,000	650,000,000
Short term borrowings from others - unsecured (commercial paper)	987,840,857	959,797,072
Current maturity of non-convertible debentures-secured	2,411,900,000	1,207,500,200
Current maturity of non-convertible debentures-unsecured	600,000,000	-
Current maturity of long-term borrowings from banks - secured	11,527,044,467	10,575,981,018
Current maturity of long-term borrowings from others - secured	6,316,905,063	4,783,210,968
Current maturity of long-term debts borrowings from others - unsecured	50,000,000	-
Current maturity of long-term borrowings from others - secured (external commercial borrowings)	70,464,441	70,241,817
Current maturity of long term borrowings from others - unsecured (external commercial borrowings)	37,942,392	37,822,517
Overdraft facility against fixed deposit from banks	173,520,086	65,777,780
Total (A)	43,958,037,568	38,545,503,460

Apart from the above, the following term loans have been availed for purchase of property, plant and equipment from banks and other lenders:

Particulars	As at March 31, 2018	As at March 31, 2017
Long Term from Banks – Secured	7,713,907	6,035,093
Long Term from Others – Secured	23,064,830	-
Long Term from Others – Unsecured	7,906,952	-
Current Maturity of long term borrowings from Banks - Secured	2,345,512	1,816,057
Current Maturity of long term borrowings from Others – Secured	8,679,145	186,192
Current Maturity of long term borrowings from Others – Unsecured	3,333,566	-
Total (B)	53,043,912	8,037,342
Total (A+B)	44,011,081,480	38,553,540,802

The above are repayable/redeemed on periodic instalments of principal and interest. The sanctioned tenure of the loans outstanding as at March 31, 2018 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 ₹ 10,308,734,001 (Previous year: ₹ 12,592,953,797) have been guaranteed by two of the directors of the Company in their personal capacity.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
11	Short-term provisions				
	Provision for employee benefits				
	Compensated absences		6,049,845		5,417,505
	Gratuity (Refer to Note 29)		9,912,302		9,021,079
	Provision for non-performing assets/ standard assets and contingent provision against standard assets		758,759,806		422,896,638
	Provision for tax (net of advance tax)		91,436,348		-
			866,158,301		437,335,222

(This space has been intentionally blank)

Note 12 : Property, plant and equipment

(All amount in ₹ unless otherwise stated)

Particulars	Land	Buildings*	Plant and equipment	Office equipment	Vehicles	Furniture and fixtures	Total
Gross block							
Balance as at April 1, 2016	-	70,963,228	40,899,185	22,247,701	15,128,278	44,051,044	193,289,436
Additions	151,837,218	-	42,421,218	26,611,008	-	47,792,969	268,662,413
Deletions/ Adjustments	-	1,751,057	57,660	2,137,464	3,389,070	3,957,211	11,292,462
Balance as at March 31, 2017	151,837,218	69,212,171	83,262,743	46,721,245	11,739,208	87,886,802	450,659,387
Additions	-	-	77,133,236	10,775,020	4,953,235	27,035,109	119,896,600
Deletions/ Adjustments	-	-	379,300	71,800	-	221,424	672,524
Balance as at March 31, 2018	151,837,218	69,212,171	160,016,679	57,424,465	16,692,443	114,700,487	569,883,463
Accumulated depreciation							
Balance as at April 1, 2016	-	12,200,832	27,401,250	11,706,028	7,207,964	16,231,232	74,747,306
Additions	-	2,821,083	16,991,101	7,505,009	2,429,596	10,368,976	40,115,765
Deletions/ Adjustments	-	848,998	36,957	1,631,311	1,839,931	2,841,102	7,198,299
Balance as at March 31, 2017	-	14,172,917	44,355,394	17,579,726	7,797,629	23,759,106	107,664,772
Additions	-	14,151,154	53,177,531	14,870,593	1,717,282	18,939,145	102,855,705
Deletions/ Adjustments	-	-	196,288	54,315	-	138,995	389,598
Balance as at March 31, 2018	-	28,324,071	97,336,637	32,396,004	9,514,911	42,559,256	210,130,879
Net block							
Balance as at March 31, 2018	151,837,218	40,888,100	62,680,042	25,028,461	7,177,532	72,141,231	359,752,584
Balance as at March 31, 2017	151,837,218	55,039,254	38,907,349	29,141,519	3,941,579	64,127,696	342,994,615

*Buildings acquired under amalgamation continue in the name of Satin Intellicomm Limited.

Note 13 : Intangible assets

Particulars	Software	Total
Gross block		
Balance as at April 1, 2016	33,024,635	33,024,635
Additions	28,503,665	28,503,665
Balance as at March 31, 2017	61,528,300	61,528,300
Additions	35,604,012	35,604,012
Balance as at March 31, 2018	97,132,312	97,132,312
Accumulated amortisation		
Balance as at April 1, 2016	10,801,199	10,801,199
Additions	16,167,374	16,167,374
Balance as at March 31, 2017	26,968,573	26,968,573
Additions	37,744,657	37,744,657
Balance as at March 31, 2018	64,713,230	64,713,230
Net block		
Balance as on March 31, 2018	32,419,082	32,419,082
Balance as on March 31, 2017	34,559,727	34,559,727

As at March 31, 2018 As at March 31, 2017

Note 14 : Capital work-in-progress

Note 15 : Intangible assets under development

160,930,985 97,769,790
1,375,000 24,056,409

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
16	Non-current investments <i>(Valued at cost)</i> Investment in equity instruments (I) Unquoted, trade Investment in subsidiaries 11,334,820 (Previous year : 7,977,239) equity shares of face value of ₹ 10 each of Taraashna Services Limited 14,960,000 (Previous year : Nil) equity shares of face value of ₹ 10 each of Satin Housing Finance Limited Investment in others 50,000 (Previous year : 50,000) equity shares of face value of ₹ 10 each of Alpha Micro Finance Consultants Private Limited Total (I) (II) Unquoted, non-trade - others 500 (Previous year : 500), Government of India, Inscribed stock having face value ₹ 100 each Total (II) Total (I+II) Aggregate amount of unquoted investments				
			617,859,431		497,859,486
			149,600,000		-
			500,000		500,000
			767,959,431		498,359,486
			50,591		50,591
			50,591		50,591
			768,010,022		498,410,077
			768,010,022		498,410,077
17	Deferred tax assets (I) Deferred tax liabilities on account of Difference between depreciation as per Income Tax Act, 1961 and books Others Gross deferred tax liabilities Total (I) (II) Deferred tax assets on account of Difference between depreciation as per Income Tax Act, 1961 and books Provision for employee benefits Provision for non-performing assets/ standard assets and contingent provision against standard assets Provision for doubtful loans and advances Gross deferred tax assets Total (II) Deferred tax assets (net) Total (II-I)				
			-		1,740,823
			-		472,427
			-		2,213,250
			18,088,966		-
			35,179,186		31,854,310
			321,527,690		197,209,215
			4,238,903		-
			379,034,745		229,063,525
			379,034,745		226,850,275

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
18	Long-term loans and advances (Unsecured, unless otherwise stated)				
	Portfolio loans (Refer to Note 35)				
	Secured, considered good	434,947,111		6,537,060	
	Secured, considered doubtful	3,734,961		-	
			438,682,072		6,537,060
	Unsecured, considered good	13,846,618,550		8,104,984,735	
	Unsecured, considered doubtful	1,038,622,437		45,410,535	
			14,885,240,987		8,150,395,270
19	Prepaid expenses		726,966		849,792
	Security deposits		21,699,763		15,274,982
	Advances recoverable in cash or in kind or for value to be received		898,878,180		144,410,754
			16,245,227,968		8,317,467,858
	Other non-current assets				
	Deposits with remaining maturity for more than 12 months*		1,227,499,128		1,429,859,387
	Interest accrued but not due on term deposits		54,578,353		63,751,894
20	Unamortised cost of borrowings		49,051,729		54,000,238
			1,331,129,210		1,547,611,519
	*Includes margin money deposits against borrowings and guarantees		1,105,886,789		1,095,980,938
	Current investments (Non trade)				
	(I) Mutual funds (unquoted)		-		204,521,112
	(II) Certificate of deposit (quoted)				
	Certificate of deposit	1,750,000,000		-	
	Less: unamortised discount	44,709,352	1,705,290,648	-	-
	(III) Commercial paper (quoted)				
	Commercial paper	500,000,000		-	
	Less: unamortised discount	4,035,473	495,964,527	-	-
			2,201,255,175		204,521,112
	Aggregate amount of unquoted investments		2,201,255,175		204,521,112
	Particulars	Face value	Net assets value	Face value	Net assets value
	Detail of investments in mutual funds (unquoted)				
	Nil (Previous year : 4,414,952.56) units in IDFC Ultra short-term fund - Growth - (Direct Plan)	-	-	100,000,000	102,218,514
	Nil (Previous year : 44,938.11) units in Reliance Money Manager fund - Direct Growth Plan	-	-	100,000,000	102,302,598
	Total		-		204,521,112
	Detail of investments in certificate of deposit (quoted)				
	1,000 (Previous year : Nil) units in Axis Bank Limited	500,000	500,000,000	-	-
	500 (Previous year : Nil) units in HDFC Bank Limited	500,000	250,000,000	-	-
	500 (Previous year : Nil) units in The Federal Bank Limited	500,000	250,000,000	-	-
	1,500 (Previous year : Nil) units in ICICI Bank Limited	500,000	750,000,000	-	-
	Total		1,750,000,000		-
	Detail of investments in commercial paper (quoted)				
	2,500 (Previous year : Nil) units in Axis Finance Limited	100,000	250,000,000	-	-
	2,500 (Previous year : Nil) units in SBI Card & Payments Services Private Limited	100,000	250,000,000	-	-
	Total		500,000,000		-

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
21	Trade receivables Unsecured, considered good Outstanding for a period exceeding six months from the date they are due for payment Others		-		-
			1,870,589		65,925
			1,870,589		65,925
22	Cash and bank balances Cash and cash equivalents Cash on hand Balances with banks - In current accounts - Deposits with original maturity less than three months	279,527,154		162,504,191	
		2,110,181,117		3,389,557,383	
		583,357,203		2,960,957,203	
	Other bank balances Deposits with remaining maturity for less than 12 months*		2,973,065,474		6,513,018,777
			4,896,012,959		4,566,325,338
			7,869,078,433		11,079,344,115
	*Includes margin money deposits against borrowings and guarantees		1,810,660,094		1,732,952,718

The amount under lien as security against term loan and overdraft facility availed, assets securitized, first loss default guarantee are as follows:-

Particulars	As at March 31, 2018	As at March 31, 2017
Term loan	1,923,381,904	1,996,764,444
Overdraft facility	247,190,218	373,141,624
Assets securitized	735,575,310	443,255,930
First loss default guarantee	9,549,451	15,671,658
Security	850,000	100,000
	2,916,546,883	2,828,933,656

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
23	Short-term loans and advances (Unsecured, unless otherwise stated) Current portion of portfolio loans Secured, considered good Secured, considered doubtful	46,639,896		44,858,658	
		-	46,639,896	-	44,858,658
	Unsecured, considered good Unsecured, considered doubtful	26,538,411,553		23,689,604,760	
		1,118,897,610		100,414,859	
			27,657,309,163		23,790,019,619
	Prepaid expenses		18,604,845		21,718,490
	Staff advance		18,148,825		79,615,553
	Advances recoverable in cash or in kind or for value to be received		336,951,895		514,849,864
	Advance taxes (net of provision for tax)		-		4,569,253
			28,077,654,624		24,455,631,437
24	Other current assets Interest accrued but not due on portfolio loans Interest accrued on term deposits Interest due but not received on portfolio loans Unamortised cost of borrowings Other receivables		197,335,913		159,929,100
			196,544,617		186,213,736
			14,852,560		159,433,804
			81,709,024		85,884,768
			155,205,978		67,784,371
			645,648,092		659,245,779

Notes	Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
25	Revenue from operations				
	Interest income	8,153,313,231		6,149,644,685	
	Income from business correspondent operations	67,937		-	
	Gain/ interest spread on securitization	838,530,049		1,063,843,825	
	Loan processing fees	562,401,594		358,414,740	
			9,554,312,811		7,571,903,250
	Other operating income				
	Fees income	8,776,560		29,804,069	
	Interest on commercial papers/ certificate of deposits	22,137,325		-	
	Profit on redemption of mutual funds	170,126,289		143,210,183	
	Miscellaneous income	11,023,301		21,747,856	
			212,063,475		194,762,108
			9,766,376,286		7,766,665,358
26	Employee benefits expense				
	Salaries and wages	1,704,539,604		1,432,374,247	
	Employee compensation expense	18,907,983		5,203,662	
	Contribution to provident and other funds	144,739,810		102,391,866	
	Staff welfare expenses	23,167,766		28,122,538	
			1,891,355,163		1,568,092,313
27	Finance costs				
	Interest on term loans from banks	1,861,998,157		2,039,398,807	
	Interest on term loans from others	1,456,124,517		1,053,382,611	
	Interest on debentures	1,191,341,025		950,183,200	
	Interest on commercial papers	124,456,785		59,590,650	
	Other borrowing costs	198,811,284		248,775,327	
			4,832,731,768		4,351,330,595
28	Other expenses				
	Travelling and conveyance	90,023,170		157,282,357	
	Legal and professional charges	87,444,826		144,391,247	
	Insurance expense	17,106,262		19,816,530	
	Office expense	87,505,116		130,076,638	
	Rent (Refer to Note 38)	122,046,481		85,778,205	
	Auditors' remuneration (Refer Note below)	2,272,500		1,370,000	
	Rates and taxes	539,275		1,236,350	
	Repairs and maintenance - others	40,334,857		38,599,703	
	Exchange fluctuation loss (net)	24,852,658		-	
	Loss on securitization/ assignment transactions	14,166,302		38,538,766	
	Loss on guarantee charges	-		19,083,042	
	Portfolio loans and other write offs	1,798,201,427		124,622,995	
	Provision for non-performing assets/ standard assets and contingent provision against standard assets	354,349,316		380,437,685	
	Corporate social responsibility expense (Refer to Note 42)	11,430,000		10,500,000	
	Loss on sale of property, plant and equipment	2,869		2,356,544	
	Miscellaneous expenses	215,439,630		264,855,800	
			2,865,714,689		1,418,945,862
	Note : Auditors' remuneration includes the following:				
	As auditor	2,200,000		1,000,000	
	Other services	-		325,000	
	Reimbursement of expenses	72,500		45,000	
			2,272,500		1,370,000
	Fees paid to statutory auditors for services relating to Qualified Institutions Placement		1,250,000		1,500,000

29. The disclosures required under Accounting Standard 15, Employee Benefits are as follows :

(i) **Defined Contribution Plan**

The contribution made to various statutory funds is recognised as expense and included in Note 26 'Employee benefits expense' under "Contribution to provident and other funds" in the Statement of Profit and Loss. The detail is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's contribution to provident fund	43,243,356	34,145,778
Employer's contribution to pension scheme	58,714,483	41,839,324
Employer's contribution to other fund	42,781,971	26,406,764
Total	144,739,810	102,391,866

(ii) **Defined Benefit Plan**

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India ("LIC"). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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:

Balance Sheet: Details of provision for gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	80,793,581	59,171,350
Fair value of plan assets	(44,975,160)	(23,649,554)
Plan liability	35,818,421	35,521,796

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	59,171,350	33,724,059
Interest cost	4,319,509	2,220,728
Past service cost	1,845,725	-
Current service cost	20,813,909	20,792,155
Benefits paid	(5,182,509)	(6,606,260)
Actuarial (gain)/ losses on obligation	(174,403)	9,040,668
Closing defined benefit obligation	80,793,581	59,171,350

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	23,649,554	24,617,799
Actual return	1,727,888	2,018,302
Contribution by employer	24,780,227	2,500,000
Benefits paid	(5,182,509)	(5,486,547)
Closing fair value of plan assets	44,975,160	23,649,554

Statement of Profit and Loss: Net employee benefit expense recognised as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	20,813,909	20,792,155
Past service cost	1,845,725	-
Interest cost on benefit obligation	4,319,509	2,220,728
Expected return on plan assets	(1,823,381)	(1,782,901)
Actuarial gains/(losses)	(78,910)	8,805,267
Net expenses	25,076,852	30,035,249

Actuarial assumptions: The principle assumptions used in determining gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate (per annum)	7.80%	7.30%
Expected rate of return on plan assets (per annum)	8.00%	7.71%
Rate of escalation in salary (per annum)	10.00%	10.00%

Demographic assumptions: The principle assumptions used in determining gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Mortality table	IALM 2006-08	IALM 2006-08
i) Retirement Age (Years)	60	60
ii) Ages	Withdrawal	Withdrawal
	Rate (%)	Rate (%)
Up to 30 Years	30	20
From 31 to 44 years	20	20
Above 44 years	20	20

The estimate 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.

Enterprise best estimate of expense for the next annual reporting period is ₹ 29,164,827.

30. Employee Stock Option Plan / Scheme (ESOP/ ESOS)

Pursuant to a resolution passed by the members holding Equity shares vide Annual General Meeting held on July 06, 2017, the Company terminated and withdrawn the Satin Employee Stock Plan 2009, 2010 (I) and 2010 (II) (earlier ESOS Schemes) with immediate effect. The members also approved that the Satin Employee Stock Option Plan 2009 is valid for the options already granted (before said termination) and the vesting and exercise of options shall continue in terms of Satin Employee Stock Option Plan 2009. The members also accorded their approval and formulated a new scheme titled "Satin Employee Stock Option Scheme, 2017" (Satin ESOS 2017) in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Under the new scheme, the total pool of options, which can be granted to eligible employees of the Company and its subsidiaries, is 361,400. During the current year, the Company has granted 145,200 number of options to the eligible employees of the Company and its subsidiaries. The options shall vest in three equal instalments every year, after expiry of one year from the date of grant of option.

As at March 31, 2018, the Satin Employee Welfare Trust holds 428,200 equity shares under the Satin ESOS 2017. The pool of options also includes such number of shares lying with the Trust pursuant to non-exercisability of options outstanding under the 'earlier ESOS Schemes' of the Company. Forfeited/lapsed/expired options under the Satin ESOS 2017 can be re-issued by the Company at its discretion in accordance with provisions of the applicable laws and the provisions of Satin ESOS 2017.

a) Employee stock option schemes:

Satin ESOP 2009: 425,000 equity shares of ₹ 10 each at a premium of ₹ 10 each were allotted to Satin Employees Welfare Trust on November 27, 2009.

Details of grant and exercise of such options are as follows;

Particulars	Grant – 1 of ESOP 2009			Grant – 2 of ESOP 2009			Grant – 3 of ESOP 2009		
No. of options granted	150,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 02, 2013			December 02, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	-	-
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	-	-

Satin ESOP 2010: 100,000 equity shares of ₹ 10 each at a premium of ₹ 12 were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10 each at a premium of ₹ 15 were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOS Scheme 2017: All 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. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Company held on July 6, 2017.

Particulars	ESOS Grant 2017
No. of options granted	145,200
Date of grant of options	August 14, 2017
No. of Employee to whom such options were granted	57
No. of employees who have exercised the option	NA
No. of options exercised	

- b) The Company has provided following share based options to its employees. During the financial year ended March 31, 2018, the following schemes were in operations:

Particulars	ESOP 2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017
Date of Board Meeting, where ESOP/ESOS were approved	November 27, 2009,	May 26, 2017
Date of Committee Meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017
Date of shareholders' approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	1,45,200
Method of settlement	Equity	Shares /Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the End of year 1 : 33.33% End of year 2 : 33.33% End of year 3 : 33.34% Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Option will be vested at the End of year 1 : 33.33% End of year 2 : 33.33% End of Year 3 : 33.34%
Exercise period	From the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	From the date of vesting of options and expire not later than 1 year from the vesting date of each grant of options

The vesting details are as under (ESOP 2009):

Vesting Date	Out of 150,000 options	Out of 98,300 options (11,000 lapsed)	Out of 87,900 options
January 12, 2011	50,000	-	-
January 12, 2012	50,000	-	-
January 12, 2013	50,000	-	-
December 2, 2014	-	29,090*	-
December 2, 2015	-	29,100**	-
December 2, 2016	-	29,110***	-
February 1, 2018	-	-	21,100#

*25,824 options were exercised on February 1, 2015.

** 22,633 options were exercised on February 1, 2016.

***27,243 options were exercised on February 1, 2017.

#21,100 options were exercised on February 1, 2018 and 12,900 options lapsed.

i) The details of ESOP 2009 are summarized below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	ESOP 2009		ESOP 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	120,700	20	197,433	20
Granted during the year	-	-	87,900	-
Forfeited during the year	-	-	-	-
Exercised during the year	21,100	20	27,243	-
Number of shares arising as a result of exercise of options	21,100	20	27,243	-
Expired/ lapsed during the year	12,900	20	11,167	-
Options shifted to new ESOS Scheme 2017	133,600		-	
Outstanding options at the end of the year	-		120,700	20
Exercisable at the end of the year	44,600	20	78,600	20
Weighted average remaining contractual life (in years) of the option exercisable	1.17	-	1.67	-
Weighted average fair value of the options exercisable	20	20	20	20
Loan repaid by the Trust during the year from exercise price received	422,000	-	544,860	

ii) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2018	
	ESOS 2017	
	No. of options*	Weighted average exercise price
Outstanding options at the beginning of the year	361,400	At a discount/premium on fair value
Granted during the year	145,200	160
Forfeited during the year	-	-
Exercised during the year	-	-
Number of shares arising as a result of exercise of options	-	-
Expired/ lapsed during the year under ESOS Scheme, 2017	67,800	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)	22,200	-
Outstanding options at the end of the year	306,200	-
Exercisable at the end of the year	77,400	160
Weighted average remaining contractual life (in years) of the option exercisable	1.37	-
Weighted average fair value of the options exercisable	160	160
Loan repaid by the Trust during the year from Exercise price received.	-	-

*Outstanding options of previous ESOP schemes has been transferred to new ESOS scheme 2017.

iii) The detail of exercise price for stock option at the end of the financial year 2017-2018 is:

Series	Range of exercise price	No. of options outstanding for exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
ESOP 2009	20 per option	44,600	1.17	20	Scheme repealed
ESOS Scheme 2017	At a discount/ premium on fair value	77,400	1.37	160	New scheme

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

(a) 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	Name of the Company	Designation	No of Options granted
1.	Mr. Sanjay Mahajan	Satin Creditcare Network Limited	Chief Information Officer	12,000
2.	Mr. Subir Roy Chowdhury	Satin Creditcare Network Limited	Head - Human Resource	12,000
3.	Mr. Sanjeev Vij	Taraashna Services Limited	Chief Executive Officer	12,000

(b) There are 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.

31. 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 estimated fair value of each stock option granted in the general employee stock option plan is ₹ 420.75 and ₹ 166.98. This was calculated by applying Black Scholes Model of valuation. The model inputs are as follows.

Inputs	Satin ESOP 2009			ESOS Scheme 2017		
	First Grant	Second Grant	Third Grant	First Grant	Second Grant	Third Grant
Share price at grant date	N.A	N.A	N.A.	N.A	N.A	N.A.
Exercise price	20	20	20	160	160	160
Expected volatility (%)	60.39	60.39	60.39	55.86	62.90	62.90
Expected dividends yield	-	-	-	-	-	-
Contractual life (in years)	0	0.7	1.7	0.4	1.4	2.4
Risk free interest rate	6.09%	6.04%	6.03%	6.35%	6.40%	6.45%

ii) Other information regarding employee share-based payment plans is as below:

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
Expense arising from employee share-based payment plans	18,907,983	5,203,662

iii) 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 ₹ 0.25 (Refer note 39).

32. The Company has ₹ 9,514,000 (Previous year: ₹ 9,936,000) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	2,100,416	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

34. Segment reporting

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Accounting Standard 17, Segment Reporting specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company operates in a single geographical segment i.e. domestic.

35. Portfolio loan assets

During the previous year ended March 31, 2017, the Company 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 applied 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 ₹ 3,928,935,110 which would have become non-performing assets, due to demonetization impact over repayments by micro and SME borrowers, during the stated period were classified as standard assets as on March 31, 2017.

Asset classification	Portfolio loans outstanding	
	As at March 31, 2018	As at March 31, 2017
Standard assets	48,591,196,677	35,939,386,274
Non-performing assets	2,256,776,492	228,947,708
Gross loan portfolio	50,847,973,169	36,168,333,982
Less: Securitised/assigned portfolio	7,820,101,052	4,176,523,375
Less: Provision for non-performing assets/ standard assets and contingent provision against standard assets	950,655,203	608,553,512
Net loan portfolio	42,077,216,914	31,383,257,095

36. **Contingent liability and capital commitment:**

- a. Estimated amount of contract remaining to be executed on capital account and not provided for is ₹ 39,195,065 (Previous year: ₹ 95,546,945).
- b. Others:

Particulars	As at March 31, 2018	As at March 31, 2017
Credit enhancements provided by the Company towards Securitisation	1,758,767,413	443,255,930
Portfolio of loan against property	120,635,002	230,247,240
Total	1,879,402,415	673,503,170

37. **Related party disclosure**

A. List of related parties:

Names of related parties and description of relationship.

Key Managerial Personnel

Mr. H P Singh, Chairman cum Managing Director

Subsidiaries

Taraashna Services Limited (w.e.f. September 01, 2016)
Satin Housing Finance Limited (w.e.f. April 17, 2017)

Chief Financial Officer

Mr. Jugal Kataria

Relative of Key Managerial Personnel

Mr. Satvinder Singh
Mrs. Anureet H P Singh

Influence of Key Managerial Personnel and Relatives

Niryas Food Products Private Limited
Satin (India) Limited
Satin Media Solutions Limited

B. Transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
Mr. H P Singh	Remuneration	11,965,200	14,596,940
	Provident fund and others	3,544,684	4,416,830
	Reduction in personal guarantees	277,442,980	19,564,582
Mr. H P Singh and Mr. Satvinder Singh	Reduction in personal guarantees (Jointly)	2,006,776,816	787,077,199
Mr. Jugal Kataria	Remuneration	7,200,020	6,971,750
Taraashna Services Limited	Rent received	22,667	-
	Paid on account of ESOP	625,015	-
	Received on account of managerial services	-	10,065,562
	Investment in subsidiary	119,999,945	-
Satin Housing Finance Limited	Investment in subsidiary	149,600,000	-
	Reimbursement of legal and professional expense	1,488,010	-
	Employees compensation expenses	71,430	-
	Rent received	22,667	-
Niryas Food Products Private Limited	Rent received	425,562	405,300
Mrs. Anureet HP Singh	Equity share issued pursuant to acquisition of TSL	-	132,193,236
Satin (India) Limited	Equity share issued pursuant to acquisition of TSL	-	101,086,198
Satin Media Solutions Limited	Equity share issued pursuant to acquisition of TSL	-	155,525,574

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.

C. Year end balances:

Name of Related party	Nature of Balance	As at March 31, 2018	As at March 31, 2017
Mr. H P Singh	Remuneration	171,461	-
	Personal guarantees	1,545,075,757	1,822,518,737
Mr. H P Singh and Mr. Satvinder Singh	Personal guarantees (Jointly)	8,763,658,243	10,770,435,060
Mr. Jugal Kataria	Remuneration	11,335	-
Taraashna Services Limited	Investments	617,859,431	497,859,486
Satin Housing Finance Limited	Investments	149,600,000	-
Niryas Food Products Private Limited	Security deposits	33,775	33,775

38. Leases

a. Office premises

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating lease payments recognized during the year	122,046,481	85,778,205
Minimum lease obligations:	As at March 31, 2018	As at March 31, 2017
- Not later than 1 year	85,393,597	72,020,198
- Later than 1 year but not later than 5 years	131,279,476	95,496,166
- Later than 5 years	8,204,277	10,513,326

b. Generator

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating lease payments recognized during the year	441,000	263,102
Minimum lease obligations:	As at March 31, 2018	As at March 31, 2017
- Not later than 1 year	419,250	820,923
- Later than 1 year but not later than 5 years	569,075	2,330,366
- Later than 5 years	-	-

39. Earnings per share:

In accordance with Accounting Standard 20, Earnings Per Share as notified by the Companies (Accounting Standards) Rules, 2014:

(i) Calculation of Basic and Diluted Earnings per Share (EPS):

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit after tax available for appropriation (₹)	10,837,968	244,992,050
Weighted average number of equity shares – Basic EPS	42,166,114	34,343,902
Basic earnings per share (₹)	0.26	7.13
Weighted average number of equity shares – Diluted EPS	43,706,233	34,765,294
Diluted earnings per share (₹)	0.25	7.05

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic earnings per share (₹)	0.26	7.13
Effect of potential equity shares	1,540,119	421,392
Diluted earnings per share (₹)	0.25	7.05

(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 2018 (₹)	10,837,968	-	-
Weighted average number of shares outstanding during year ended 2018	-	42,166,114	-
Basic earnings per share (₹)	10,837,968	42,166,114	0.26
Number of shares under options	-	405,567	-
Number of shares under conversion	-	1,134,552	-
Number of shares that would have been issued at fair value:	-	-	-
Diluted earnings per share (₹)	10,837,968	43,706,233	0.25

40. **Expenditure in foreign currency (on accrual basis):**

Nature	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling expenses	2,899,447	6,978,354
Professional fee	7,430,967	11,316,229
Interest payment - external commercial borrowing	34,449,260	35,504,242
Sitting fees	120,000	20,000
Business promotion	-	256,004
Share/ debenture issue expenses	8,245,897	6,804,618
Total	53,145,571	60,879,447

41. **Additional disclosures as required by the Reserve Bank of India: -**

(A) Disclosure as per Master Direction DNBR.PD.008/03.10.119/2016-17 (updated as on February 23, 2018) are as under:-

(i) **Capital to Risk Assets Ratio ("CRAR"):-**

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
CRAR (%)	23.65	24.14
CRAR – Tier I capital (%)	20.30	16.58
CRAR – Tier II capital (%)	3.35	7.56
Amount of subordinated debt included in Tier-II capital	249.00	249.00
Amount raised by issue of perpetual debt instruments	-	-

(ii) **Disclosure of investments:-**

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
1) Value of investments		
i) Gross value of investments	296.93	70.29
a) In India	296.93	70.29
b) Outside India	-	-
ii) Provisions of depreciation	-	-
a) In India	-	-
b) Outside India	-	-
iii) Net Value of investments	296.93	70.29
a) In India	296.93	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 :-

Forward Rate Agreement / Cross Currency Swaps

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Notional Principle of swap agreements	51.49	62.14
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1.97	1.38
Collateral required by the applicable NBFC upon entering into swaps	-	-
Concentration of credit risk arising from swaps	-	-
Fair value of the swap book	-	-

(iv) (a) Disclosures relating to securitisation:-

(₹ in crores)

Sr.	Particulars	As at March 31, 2018	As at March 31, 2017
1	No of SPVs sponsored by the NBFC for securitisation transaction	11	19
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	773.02	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	73.56	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	-	-

In addition to exposures mentioned above, on balance sheet exposure also includes over collateralization of ₹ 102.96 crores.

(b) Disclosure as per RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1, 2006.

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
i) Total number of loan assets securitized during the year	748,704	328,074
ii) Book value of loans assets securitized during the year	1214	629.67
iii) Sale consideration received during the year	1214	629.67
iv) Credit enhancement provided during the year	73.56	26.02
v) Unamortised interest spread as at year end	-	-
vi) Interest spread recognised in the statement of profit and loss during the year (including amortization of unamortised interest spread)	77.90	78.67

(v) Detail of assignment transactions undertaken:-

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 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 and loss during the year (including amortization of unamortised interest spread)	4.57	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 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:-

As at March 31, 2018

(₹ 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	74.75	78.74	170.04	330.17	541.58	683.28	0.27	0.07	1,878.90
Market Borrowings (other than Banks)	84.67	39.91	100.07	369.60	443.62	1,132.51	239.53	60.80	2,470.71
Foreign Borrowings	-	-	2.92	2.64	5.28	22.16	18.49	-	51.49
Assets									
Advances	572.00	333.71	301.88	724.87	1541.01	1638.06	14.82	16.16	5,142.51
a) Portfolio (Own)	212.01	236.06	216.60	670.56	1331.67	1509.85	14.81	16.16	4,207.72
b) Advances- Others	359.99	97.65	85.28	54.31	209.34	128.21	0.01	-	934.79
Investments	24.88	123.58	24.67	-	46.99	-	-	76.80	296.92

As at March 31, 2017

(₹ 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)	25.76	30.07	23.43	318.54	295.53	950.86	154.78	171.01	1,969.98
Foreign Borrowings	1.39	-	2.64	2.64	5.28	21.13	21.13	7.92	62.13
Assets									
Advances	895.84	335.10	264.28	652.33	1297.43	948.07	20.55	0.64	4414.24
a) Portfolio (Own)	181.75	216.69	195.37	589.20	1137.17	802.44	15.06	0.64	3138.32
b) Advances- Others	714.09	118.41	68.91	63.13	160.26	145.63	5.49	-	1275.92
Investments	-	-	20.45	-	-	-	-	49.84	70.29

(ix) Exposures:-

(a) Exposure to real state sector:-Nil (Previous year : Nil)

(b) Exposure to capital market:-Nil (Previous year : Nil)

(x) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by applicable NBFC.

The Company does not have single or group borrower exceeding the limits.

(xi) Unsecured Advances – Refer note 18 and 23 of Balance Sheet notes

(xii) Details of financing of parent Company product:-

This disclosure is not applicable as the Company does not have any holding/parent Company.

(xiii) 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)

(xiv) Disclosure of Penalties imposed by RBI & other regulators:-

No penalty has been imposed by RBI and other regulators during current and previous year.

(xv) Related party transactions:-

Please refer to note no. 37 above

(xvi) 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 (₹ in Crores)	Credit rating agency	Current rating	Previous rating
1	Non-convertible debentures	45.00	ICRA Limited	[ICRA]BBB+ (Stable)	
2	Non-convertible debentures	33.00	ICRA Limited	[ICRA]BBB+ (Stable)	
3	Non-convertible debentures	2.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
4	Non-convertible debentures	60.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
5	Non-convertible debentures	68.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
6	Non-convertible debentures	50.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
7	Subordinate debt	15.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
8	Subordinate debt	13.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
9	Subordinate debt	25.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
10	Subordinate debt	25.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
11	Subordinate debt	40.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
12	Subordinate debt	10.00	ICRA Limited	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
13	Commercial paper	50.00	ICRA Limited	[ICRA] A2	[ICRA] A2
14	Commercial paper	150.00	ICRA Limited	[ICRA] A2	
15	Preference share	45.00	ICRA Limited	[ICRA]BBB (hyb) (Stable)	
16	Non-convertible debentures	100.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	
17	Non-convertible debentures	100.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	
18	Non-convertible debentures	60.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	
19	Non-convertible debentures	20.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	
20	Non-convertible debentures	65.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	
21	Non-convertible debentures	25.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
22	Non-convertible debentures	18.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
23	Non-convertible debentures	50.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
24	Non-convertible debentures	51.50	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
25	Non-convertible debentures	26.28	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative

S. No.	Particulars	Amount (₹ in Crores)	Credit rating agency	Current rating	Previous rating
26	Non-convertible debentures	50.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
27	Non-convertible debentures	46.44	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
28	Non-convertible debentures	12.50	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
29	Non-convertible debentures	12.50	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
30	Non-convertible debentures	70.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
31	Non-convertible debentures	34.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
32	Non-convertible debentures	25.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
33	Non-convertible debentures	15.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
34	Subordinate debt	21.00	Credit Analysis & Research Ltd	CARE BBB; Stable	CARE BBB+; Negative
35	Commercial paper	150.00	Credit Analysis & Research Ltd	CARE A2	
36	Commercial paper	50.00	Credit Analysis & Research Ltd	CARE A2	
37	Fund based - long term bank facilities	2,200.00	Credit Analysis & Research Ltd	CARE BBB+; Stable	CARE BBB+; Negative
38	Preference share	25.00	Credit Analysis & Research Ltd	CARE BBB (RPS); Stable	CARE BBB (RPS); Negative
39	Securitisation	48.22	ICRA Limited	[ICRA]A-(SO)	
40	Securitisation	41.97	ICRA Limited	[ICRA]A(SO)	
41	Securitisation	1.98	ICRA Limited	[ICRA]BBB+(SO)	
42	Securitisation	59.95	ICRA Limited	[ICRA]A-(SO)	
43	Securitisation	2.00	ICRA Limited	[ICRA]BBB-(SO)	
44	Securitisation	28.60	ICRA Limited	[ICRA]A+(SO)	
45	Securitisation	2.07	ICRA Limited	[ICRA]BBB+(SO)	
46	Securitisation	275.80	ICRA Limited	[ICRA]BBB+(SO)	
47	Securitisation	219.35	ICRA Limited	[ICRA]A-(SO)	
48	Securitisation	68.02	ICRA Limited	[ICRA]A(SO)	
49	Securitisation	2.40	ICRA Limited	[ICRA]BBB+(SO)	
50	Non-convertible debentures	27.00	India Rating & Research	IND BBB+ (Stable)	IND BBB+ (Stable)
51	Securitisation	39.20	India Rating & Research	IND A(SO);Stable	
52	Securitisation	0.44	India Rating & Research	IND BBB+(SO);Stable	
53	Securitisation	210.23	Crisil Limited	Crisil A-(SO)	
54	Securitisation	54.87	Crisil Limited	Crisil A-(SO)	
55	Securitisation	0.59	Crisil Limited	Crisil A-(SO)	
56	Securitisation	52.77	Credit Analysis & Research Ltd	CARE A-(SO)	
57	Securitisation	2.70	Credit Analysis & Research Ltd	CARE BBB-(SO)	

(xvii) Remuneration of directors:-

Particulars	Remuneration	Provident fund and others	Sitting fees
Mr. H P Singh	11,965,200 (14,596,940)	3,544,684 (4,416,830)	Nil (Nil)
Mr. Satvinder Singh	- -	- -	230,000 (310,000)
Mr. Rakesh Sachdeva	- -	- -	270,000 (320,000)
Mr. Sundeep Kumar Mehta	- -	- -	270,000 (340,000)
Mrs. Sangeeta Khorana	- -	- -	80,000 (130,000)
Mr. Goh Colin	- -	- -	100,000 (80,000)
Mr. Sanjay Kumar Bhatia	- -	- -	60,000 (90,000)
Mr. Sujan Singh Chawla	- -	- -	- (20,000)
Mr. Anil Kumar Kalra	- -	- -	120,000 (140,000)
Mr. Ramesh G. Dharmaji	- -	- -	- (20,000)
Mr. Davis F. Golding	- -	- -	20,000 (40,000)

Figures in bracket pertain to previous year.

(xviii) Additional disclosures:-**(a) Provisions and contingencies:-**

(₹ in crores)

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for depreciation on investment	-	-
Provision towards NPA	34.21	3.74
Provision made towards income tax	14.79	26.64
Other provision and contingencies (with details)		
i) Provision for compensated absences	0.95	3.38
ii) Provision for gratuity	2.51	2.89
Provision for Standard assets	-	34.30

(b) Draw down from reserves:-

There has been no draw down from reserve during the year ended March 31, 2018 (Previous year: ₹ Nil)

(c) Concentration of advances, exposures and NPAs:-

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Concentration of advances		
Total advance to twenty largest borrowers	22.55	20.19
% of advance to twenty largest borrowers to total advances	0.52	0.63
Concentration of exposures		
Total exposure to twenty largest borrowers/customers	22.55	20.19
% of exposure to twenty largest borrowers/customers to total exposure	0.52	0.63
Concentration of NPAs		
Total exposure of top four NPA account	0.34	0.22
% of exposure to top four NPA account	0.01	0.01

(d) Sector-wise NPAs:-

Particulars		As at March 31, 2018	As at March 31, 2017
S. No.	Sector	Percentage of NPAs to total advance to that sector	
1	Agriculture and allied activities	2.88%	0.25%
2	MSME	0.05%	0.02%
3	Corporate borrowers	-	-
4	Services	2.09%	0.19%
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	0.00%	0.00%

(e) Movement of NPAs:-**(₹ in crores)**

Particulars		As at March 31, 2018	As at March 31, 2017
i)	Net NPAs to net advance (%)	2.89	0.25
ii)	Movement of NPAs (Gross)		
	a) Opening balance	14.58	4.24
	b) Addition during the year	388.87	23.57
	c) Reduction/ write off during the year	187.33	13.23
iii)	d) Closing balance	216.12	14.58
	Movement of NPAs (Net)		
	a) Opening balance	7.98	2.12
	b) Addition during the year	294.33	16.97
	c) Reduction/ write off during the year	180.73	11.11
	d) Closing balance	121.58	7.98
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	6.60	2.12
	b) Addition during the year	94.54	6.60
	c) Reduction/ write off during the year	6.60	2.12
	d) Closing balance	94.54	6.60

(f) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil**(g) Off-balance sheet SPVs sponsored – N.A.****(h) Customer complaints:-**

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
a)	Number of complaints pending at the beginning of the year	-	-
b)	Number of complaint received during the year	3,310	5,096
c)	Number of complaint redressed during the year	3,310	5,096
d)	Number of complaint pending at the end of the year	-	-

(i) Instances of fraud:-**(₹ in crores)**

Nature of fraud (cash embezzlement)	For the year ended March 31, 2018	For the year ended March 31, 2017
Number of cases	18	4
Amount of fraud	0.94	0.28
Recovery	0.26	0.23
Amount written off	0.65	-

(B) Information on Net Interest Margin :-

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Average Interest (a)	20.90%	22.32%
Average effective cost of borrowing (b)	12.56%	13.41%
Net Interest margin (a-b)	8.34%	8.91%

(C) Disclosure as required by Para 18 of Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is as under:**(₹ in crores)**

S.No.	Particulars	Amount Outstanding	Amount Overdue
	<u>Liabilities side:</u>		
1	Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	729.41	-
	: Unsecured	401.56	-
	(other than falling within the meaning of Public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	3,189.12	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	98.78	-
	(f) Public deposits		
	(g) Other Loans :		
	Other unsecured loans against assets of the Company	1.12	-
	Secured loans against assets of the Company	4.18	-
	Overdraft facility	17.35	-
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other public deposits		
	<u>Assets side :</u>	Amount outstanding	
3	Break-up of Loans and advances including bills receivables (other than those included in (4) below) :		
	(a) Secured		48.53
	(b) Unsecured		4,383.76

4	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	-
5	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	-
	(IV) Government Securities	-
	(V) Others :	
	(a) Certificate of Deposit	170.53
	(b) Commercial Paper	49.60

(This space has been intentionally blank)

	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	76.79		
	(b) Preference	-		
	(II) Debentures and Bonds	-		
	(III) Units of mutual funds	-		
	(IV) Government Securities	0.01		
	(V) Others (please specify)	-		
		296.93		
6	Borrower group-wise classification of assets financed as in (2) and (3) above:			
	Category	Amount net of provisions		Total
		Secured	Unsecured	
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related Parties	48.30	4,159.42	4,207.72
	Total	48.30	4,159.42	4,207.72
7	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	76.75		76.75
	(b) Companies in the same group	-		-
	(c) Other related parties	-		-
	2. Other than related Parties	220.18		220.18
	Total	296.93		296.93
8	Other information			
	Particulars			Amount
(I)	Gross Non-Performing Assets			216.12
	(a) Related parties			-
	(b) Other than related parties			216.12
(II)	Net Non-Performing Assets			121.58
	(a) Related parties			-
	(b) Other than related parties			121.58
(III)	Assets acquired in satisfaction of debt			-

42. The Company spent ₹ 11,430,000 (Previous year: ₹ 10,500,000), towards Corporate Social Responsibility activities for the current financial year as follows:

Particulars	March 31, 2018			March 31, 2017		
	Amount spent	Amount unpaid/ provision	Total	Amount spent	Amount unpaid/ provision	Total
(i) Construction /acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	11,430,000	-	11,430,000	10,500,000	-	10,500,000

43. 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 Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Per Lalit Kumar
Partner

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

Satvinder Singh
(Director)
DIN: 00332521

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

Jugal Kataria
(Chief Financial Officer)

Place : Noida
Date: May 30, 2018

Place : Delhi
Date: May 30, 2018

Consolidated Auditor's Report

Independent Auditor's Report

To the Members of Satin Creditcare Network Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Satin Creditcare Network Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. 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 ('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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors / management of the companies included in the Group are responsible for 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. 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.
5. 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 these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. 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 paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 31 March 2018, and its consolidated loss and its consolidated cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹793,915,949 and net assets of ₹384,810,654 as at 31 March 2018, total revenues of ₹545,141,660 and net loss after tax of ₹71,019,527 and net cash flows amounting to ₹130,896,345 for the year ended on that date, 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 these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report(s) of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
 - There were no pending litigations as at 31 March 2018 which would impact the consolidated financial position of the Group;
 - the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act during the year ended 31 March 2018; and
 - the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Lalit Kumar
Partner
Membership No. 095256
Place: Noida
Date: 30 May, 2018

Annexure A to the Independent Auditor's Report of even date to the members of Satin Creditcare Network Limited on the consolidated financial statements for the year ended 31 March 2018

Annexure A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the consolidated financial statements of the Satin Creditcare Network Limited (the 'Holding Company') and its subsidiaries incorporated in India, as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies incorporated in India based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR 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

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the IFCoFR insofar as it relates to the two subsidiary companies incorporated in India whose financial statements reflect total assets of ₹793,915,949 and net assets of ₹384,810,654 as at 31 March 2018, total revenues of ₹545,141,660, net loss after tax of ₹71,019,527 and net cash flows amounting to ₹130,896,345 for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiary companies incorporated in India, is solely based on the corresponding report of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Lalit Kumar
Partner
Membership No.: 095256
Place: Noida
Date: 30 May, 2018

Consolidated Balance Sheet as at March 31, 2018

(All amount in ₹ unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Equity and liabilities			
(I) Shareholders' funds			
(a) Share capital	3	748,424,000	621,429,370
(b) Reserves and surplus	4	9,988,775,843	6,004,505,052
(c) Money received against share warrants	5	149,999,935	-
Total (I)		10,887,199,778	6,625,934,422
(II) Minority interest		21,317,856	22,801,654
(III) Non-current liabilities			
(a) Long-term borrowings	6	21,616,707,710	20,233,296,843
(b) Long-term provisions	7	287,749,637	272,861,320
Total (III)		21,904,457,347	20,506,158,163
(IV) Current liabilities			
(a) Short-term borrowings	8	1,412,247,679	1,699,233,121
(b) Trade payables	9		
- Payable to micro and small enterprises		2,100,416	-
- Total outstanding dues to others creditors other than-micro enterprises and small enterprises		261,317,146	145,498,507
(c) Other current liabilities	10	23,083,058,108	18,337,542,780
(d) Short-term provisions	11	867,465,365	439,729,981
Total (IV)		25,626,188,714	20,622,004,389
Total equity and liabilities (I+II+III+IV)		58,439,163,695	47,776,898,628
Assets			
(I) Non-current assets			
(a) Fixed assets			
(i) Tangible - Property, plant and equipment	12	379,780,653	354,562,515
(ii) Intangible assets	13	32,868,565	35,779,426
(iii) Capital work-in-progress	14	160,930,985	97,769,790
(iv) Intangible assets under development	15	1,375,000	24,056,409
(b) Goodwill on consolidation		339,442,527	337,065,918
(c) Non-current investments	16	550,591	550,591
(d) Deferred tax assets (net)	17	415,571,098	230,616,802
(e) Long-term loans and advances	18	16,267,388,641	8,319,383,172
(f) Other non-current assets	19	1,496,248,562	1,631,737,486
Total (I)		19,094,156,622	11,031,522,109
(II) Current assets			
(a) Current investments	20	2,201,255,175	204,521,112
(b) Trade receivables	21	117,716,300	59,945,219
(c) Cash and bank balances	22	8,208,629,085	11,297,630,195
(d) Short-term loans and advances	23	28,168,245,923	24,516,093,773
(e) Other current assets	24	649,160,590	667,186,220
Total (II)		39,345,007,073	36,745,376,519
Total assets (I+II)		58,439,163,695	47,776,898,628

Summary of significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Per Lalit Kumar
Partner

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

Satvinder Singh
(Director)
DIN: 00332521

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

Jugal Kataria
(Chief Financial Officer)

Place : Noida
Date: May 30, 2018

Place : Delhi
Date: May 30, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(All amount in ₹ unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
(I) Revenue			
Revenue from operations	25	10,309,002,267	8,010,485,016
Other income	26	5,221,565	4,183,327
Total revenue (I)		10,314,223,832	8,014,668,343
(II) Expenses			
Employee benefits expense	27	2,205,305,216	1,718,592,823
Finance costs	28	4,847,245,191	4,357,512,199
Depreciation and amortisation expense	12 and 13	147,427,599	60,518,946
Other expenses	29	3,186,007,082	1,499,924,197
Total expenses		10,385,985,088	7,636,548,165
Total expenses (II)			
(Loss)/ profit before tax		(71,761,256)	378,120,178
Tax expenses:			
Current tax		147,895,010	270,338,740
Taxes for earlier years		(388,497)	(202,680)
Deferred tax charge/ (credit)		(184,954,295)	(141,269,862)
Total tax expenses		(37,447,782)	128,866,198
(Loss)/ profit after tax		(34,313,474)	249,253,980
Less: share of minority interest		(7,418,118)	518,735
Net (loss)/ profit for the year		(26,895,356)	248,735,245
Earning per share (Face value ₹ 10 each)	40		
Basic		(1.51)	7.24
Diluted		(1.51)	7.15

Summary of significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Per Lalit Kumar
Partner

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

Satvinder Singh
(Director)
DIN: 00332521

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

Jugal Kataria
(Chief Financial Officer)

Place : Noida
Date: May 30, 2018

Place : Delhi
Date: May 30, 2018

Consolidated Cash Flow Statement for the year ended March 31, 2018

(All amount in ₹ unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
(Loss)/ profit before tax	(71,761,256)	378,120,178
Adjustment for :		
Depreciation and amortisation expenses	147,427,599	60,518,946
Provision for non-performing assets/ standard assets and contingent-provision against standard assets	354,433,722	380,437,685
Portfolio loans and other write offs	1,798,201,427	131,880,929
Loss on sale of property, plant and equipment	1,295,081	2,356,544
Unrealised exchange loss	27,266,991	-
Employee compensation expense	19,604,428	5,203,662
Operating profit before working capital changes	2,276,467,992	958,517,944
(Increase) in loans and advances	(13,385,395,481)	(9,368,096,920)
(Increase) in trade receivables	(57,771,081)	(55,022,327)
Purchase of current investment (net)	(1,996,734,063)	(204,521,112)
(Increase) in fixed deposits (including interest accrued)	(193,882,903)	(515,440,244)
Decrease in other assets	27,341,612	16,131,525
Increase in provisions	22,883,670	71,788,708
Increase in trade payables	117,919,055	73,521,109
Increase/ (decrease) in other liabilities	371,096,583	(354,889,498)
Cash used for operations	(12,818,074,616)	(9,378,010,815)
Income tax paid (net of refunds)	(77,723,645)	(286,441,355)
Net cash used in operating activities	(12,895,798,261)	(9,664,452,170)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(211,889,799)	(362,147,122)
Sale of property, plant and equipment	380,057	3,950
Net cash used in investing activities	(211,509,742)	(362,143,172)
C. Cash flow from financing activities		
Proceeds from issue of share capital and share warrants (including premium)	4,393,420,827	2,933,767,227
Share/debenture issue expenses	(109,321,164)	(132,015,058)
Proceeds from long-term borrowings	24,365,317,664	27,280,179,709
Repayment of long-term borrowings	(18,634,755,044)	(16,358,881,223)
(Repayment)/ proceeds from short-term borrowings (net)	(286,985,442)	252,132,091
Dividend paid on preference shares and including dividend distribution tax	(29,425,796)	-
Net cash generated from financing activities	9,698,251,045	13,975,182,746
Net increase in cash and cash equivalents (A+B+C)	(3,409,056,958)	3,948,587,404
Cash and cash equivalents as at April 01, 2017	6,632,210,437	2,683,623,033
Cash and cash equivalents as at March 31, 2018	3,223,153,479	6,632,210,437
Cash and cash equivalents comprises of		
Cash on hand	297,416,336	181,781,305
Balance with banks in current accounts	2,248,279,940	3,489,471,929
Deposit with original maturity less than three months	677,457,203	2,960,957,203
	3,223,153,479	6,632,210,437

Summary of significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Per Lalit Kumar
Partner

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

Satvinder Singh
(Director)
DIN: 00332521

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

Jugal Kataria
(Chief Financial Officer)

Place : Noida
Date: May 30, 2018

Place : Delhi
Date: May 30, 2018

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

(All amount in ₹ unless otherwise stated)

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 /NBFC's.

The Company invested in the 100% equity shares of Satin Housing Finance Limited ("SHFL"). Satin Housing Finance Limited incorporated on April 17, 2017. The main business of the Satin Housing Finance Limited, inter alia, are to carry out the business of providing long term finance to individuals, companies, corporations, societies or association of persons for purchase/construction/ repair and renovation of new/ existing flats/ houses for residential purposes.

(b) Principles of Consolidation

The consolidated financial statements include the consolidated balance sheet, consolidated statement of profit and loss and consolidated cash flow statement of Satin Creditcare Network Limited (the 'Holding Company') and its undermentioned subsidiary (hereinafter referred as the 'Group'):

Company	Date of acquisition / incorporation	Percentage of shareholding as at March 31, 2018
Taraashna Services Limited	September 01, 2016	91.11%
Satin Housing Finance Limited	April 17, 2017	100.00%

The consolidated financial statements have been prepared in accordance with the notified Accounting Standard (AS-21) on 'consolidated financial statement'. The consolidated financial statements have been prepared on the following basis:

- Consolidated financial statement normally includes consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement and summary of significant accounting policies and other explanatory information that form an integral part thereof. The consolidated financial statements are presented, to the extent possible, in the same format as adapted by the Holding Company for its standalone financial statements.
- The consolidated financial Statements include the financial statements of the Holding Company and its subsidiary which is more than 50 percent owned or controlled as at the year end.
- The consolidated financial statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealised profits/losses in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Holding Company and its share in the post acquisition profit increase in the relevant reserves of the entity to be consolidated.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's standalone financial statements. Differences in accounting policies, if any, are disclosed separately.
- The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as of the Holding Company.

- f) As per Schedule III to the Companies Act, 2013 (the 'Act'), read with applicable Accounting Standard and General Circular 39/2014 dated 14 October 2014, the disclosures relevant to the consolidated financial statements have been disclosed. Further, additional statutory information disclosed in separate financial statements of the subsidiaries having no bearing on the true and fair view of the consolidated financial statements is not disclosed in these consolidated financial statements.

2. Significant Accounting Policies

a) Basis of Preparation

The consolidated financial statements have been prepared on a going concern basis under historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the applicable accounting standards specified under the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, other accounting pronouncements of the Institute of Chartered Accountants of India ("ICAI"), relevant provision of the Companies Act, 2013 as applicable and the guidelines issued by the Reserve Bank of India ("RBI"). 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.

b) Use of Estimates

The preparation of consolidated financial statements is in conformity with the Indian Generally Accepted Accounting Principles in India and requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities including contingent liabilities at the end of the reporting period. 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 consolidated financial statements.

c) Property, plant and equipment

- i) **Tangible assets:** Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible fixed 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. Any trade discounts and rebates are deducted in arriving at the purchase price. Tangible assets acquired on account of amalgamation are stated at the acquisition value agreed in the amalgamation agreement.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Capital work in progress:

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work in progress.

- ii) **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.

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.

d) Depreciation and amortization

- i) Depreciation on tangible fixed assets is provided on the written-down method over the useful lives of assets prescribed under Part 'C' of Schedule II of the Companies Act, 2013 which is also at par with the useful life of the assets estimated by the management.

Assets	Useful Life as per Schedule II
Building	60 years
Plant & Machinery	5 -15 years
Office Equipment	5 years
Computer Equipment	3 years
Furniture & Fixture	10 years
Vehicles	8-10 years

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 Statement of Profit and Loss.

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.

- ii) Intangible assets are amortized 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.
- iii) Leasehold improvements are depreciated over the lease term.
- iv) Goodwill arriving on consolidation is not amortised but tested for impairment.

e) Impairment of tangible and intangible assets

The Group assess at each balance sheet date whether there is any indication of impairment based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or cash generating unit to which asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as impairment loss and is recognized in its Statement of Profit and Loss. If at the balance sheet date, there is an indication that if a previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

f) Investments

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.

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at lower of cost or fair value.

g) Portfolio loans

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

h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the collectability is reasonably assured.

- i) The Reserve Bank of India's prudential norms on income recognition and provisioning for bad and doubtful debts has been followed.
- ii) 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.
- iii) 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.

- iv) Service charges are recognized as income as and when these become due.
- v) Processing fee collected on loans disbursed are recognized at the inception of the loan.
- vi) 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 Statement of Profit and Loss, net of any losses when redeemed in cash.
- vii) Penal interest and charges are accounted as and when realized in respect of SME loans.
- viii) Income from mutual funds recognized on accrual basis.
- ix) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

i) 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: The Holding Company follows prudential norms as provided by the RBI for the same. Refer table 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 - 48 Months		30%
	>48 Months		50%
Loss Assets		-	Written off/100%

(iii) Provisioning Norms for Housing Finance Loan (“HFL”) Portfolio:

- (a) Loans and other credit facilities are classified as standard, sub-standard, doubtful and loss assets in accordance with the extant Housing Finance Companies, (NHB) Directions, 2010, as amended from time to time.
- (b) The provision on Standard and Non Performing Loans is made as per the prudential norms prescribed in the Housing Finance Companies (NHB) Directions, 2010 as amended. Additional provisions (over and above the prudential norms) if required is made as per the Guidelines approved by the Board of Directors from time to time.
- (c) The Company has followed the Housing Finance Companies (NHB) Directions, 2010 with respect to provisioning on loans including general provision on standard loans. i.e 0.40% of the total Loan Outstanding.

j) 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 cost that the Company incurred in connection with borrowing of funds. Other ancillary borrowing costs incurred in connection with obtaining loan are amortized over the period of loan. All other borrowing costs are expensed in the period they are incurred. In case any loan is prepaid/cancelled then the unamortized portion of such borrowing cost is charged to the Statement of Profit and Loss in the year such loan is prepaid/ cancelled.

k) Foreign currency translation

(i) Initial recognition

Transactions in foreign currency entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction.

(ii) Conversion

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

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, or reported in previous financial statements, are recognized as income or expense in the Statement of Profit and Loss.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

l) Provisions and Contingent Liabilities / Assets

Provision

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.

Contingent liability

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 Group 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

Contingent Assets are neither recognized nor disclosed in the consolidated financial statements.

m) 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

Group'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 (except in case of Satin Housing Finance Limited where gratuity is unfunded) 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 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 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.

n) 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 fair 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 India (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 fair value of the stock option granted and the exercise price, if any, is expensed as "Employee Compensation" over the period of vesting.

o) Segment reporting

The Company identifies primary segment based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

p) 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.

q) Earnings / (loss) Per Share

Basic earnings /(loss) 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.

r) 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 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.

s) Cash and Cash Equivalents

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.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
3	Share capital				
	Authorised				
	65,000,000 (Previous year : 55,000,000) equity shares of ₹ 10 each		650,000,000		550,000,000
	75,000,000 (Previous year : 75,000,000) preference shares of ₹ 10 each		750,000,000		750,000,000
	(Refer to Note 1)		1,400,000,000		1,300,000,000
	Issued				
	47,720,269 (Previous year : 37,615,287) equity shares of ₹10 each (Refer to Note 2)		477,202,690		376,152,870
	25,000,000 (Previous year : 25,000,000) 12.10% Cumulative, Rated, Non-Participative, Non-Convertible and Compulsorily Redeemable Preference Shares of ₹ 10 each (Refer to Note 3)		250,000,000		250,000,000
	1,230,098 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference shares of ₹ 10 each (Refer to Note 4)		12,300,980		-
	1,343,283 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (Refer to Note 5)		13,432,830		-
			752,936,500		626,152,870
	Subscribed				
	47,720,269 (Previous year : 37,615,287) equity shares of ₹ 10 each (Refer to Note 2)		477,202,690		376,152,870
A	25,000,000 (Previous year : 25,000,000) 12.10% Cumulative, Rated, Non-Participative, Non-Convertible and Compulsorily Redeemable Preference Shares of ₹ 10 each (Refer to Note 3)		250,000,000		250,000,000
	1,230,098 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference shares of ₹ 10 each (Refer to Note 4)		12,300,980		-
	1,343,283 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (Refer to Note 5)		13,432,830		-
			752,936,500		626,152,870
	Paid-up				
	Equity share capital				
	47,673,769 (Previous year : 37,568,787) equity shares of ₹ 10 each (Refer to Note 2)		476,737,690		375,687,870
	Less:- Amount recoverable from Satin Employees Welfare Trust (428,200 (Previous year : 449,300) shares allotted to the Satin Employees Welfare Trust)		(4,282,000)		(4,493,000)
			472,455,690		371,194,870
	Add: Forfeited shares (amount originally paid on 46,500 equity shares)		234,500		234,500
			472,690,190		371,429,370
	B				
	Preference share capital				
	25,000,000 (Previous year : 25,000,000) 12.10% Cumulative, Rated, Non-Convertible and Compulsorily Redeemable Preference Shares of ₹ 10 each (Refer to Note 3)		250,000,000		250,000,000
	1,230,098 (Previous year : Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference shares of ₹ 10 each (Refer to Note 4)		12,300,980		-
	13,43,283 (Previous year Nil) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (Refer to Note 5)		13,432,830		-
			275,733,810		250,000,000
			748,424,000		621,429,370

Note 1 (a) : During the current year, the authorised share capital of the Holding Company was increased vide approval of equity shareholders from ₹ 1,300,000,000 divided into 55,000,000 equity shares of ₹ 10 each and 75,000,000 preference shares of ₹ 10 each to ₹ 1,400,000,000 divided into 65,000,000 equity shares of ₹ 10 each and 75,000,000 preference shares of ₹ 10 each.

(b) : During the previous year ended March 31, 2017, the authorised share capital of the Holding Company was reclassified vide approval of equity shareholders from ₹ 1,300,000,000 divided into 40,000,000 equity shares of ₹ 10 each and 90,000,000 preference shares of ₹ 10 each to ₹ 1,300,000,000 divided into 55,000,000 equity shares of ₹ 10 each and 75,000,000 preference shares of ₹ 10 each.

Note 2 (i) : The Holding Company allotted 1,543,187 equity shares of ₹ 10 each at an issue price of ₹ 416.67 per share including premium of ₹ 406.67 per share on preferential basis to Asian Development Bank (an entity belonging to non-promoter group).

(ii) During the year, the Holding Company allotted 658,690 equity shares of ₹ 10 each at an issue price of ₹ 455.45 per share including premium of ₹ 445.45 per share on preferential basis to Trishashna Holdings & Investments Private Limited (an entity belonging to promoter group)

(iii) Subsequent to the approval of Board of Directors of the Holding Company and shareholders of the Holding Company, the Working Committee of the Board, has offered for Qualified Institutions Placement for an amount upto ₹ 1,500,000,000 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 approved the allotment of 4,918,032 equity shares of face value of ₹ 10 each to qualified institutional buyers (QIBs) at the issue price of ₹ 305 per equity share (including a premium of ₹ 295), aggregating to ₹ 1,499,999,760.

(iv) The Holding Company allotted 2,388,059 and 597,014 equity shares of ₹ 10 each at an issue price of ₹ 335 per share including premium of ₹ 325 per share on preferential basis to Kora Investment I LLC and Nordic Microfinance Initiative Fund III KS, respectively (entities belonging to non-promoter group).

Note 3 : During the previous year ended March 31, 2017, the Holding Company allotted 25,000,000, 12.10% Rated, Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of ₹10 each fully paid-up for cash at an issue price of ₹ 10.

Note 4 : The Holding Company allotted 1,230,098, 0.01% Optionally Convertible, Cumulative, Redeemable Preference Shares of face value of ₹10 each fully paid-up for cash at an issue price of ₹ 284.53 per share. Each preference share is either convertible into equivalent number of equity shares of the Holding Company of ₹10 each at the option of allottee within a time frame not exceeding 12 months from the date of allotment or subject to redemption by the Holding Company at the end of such time frame and on such terms and conditions, as may be deemed appropriate by the Board of Directors. Further, these OCRPS are converted into equivalent number of equity shares (i.e., 1,230,098 equity shares) of face value of ₹ 10 each on May 30, 2018.

Note 5 : The Holding Company allotted 1,343,283, 0.01% Optionally Convertible, Cumulative, Redeemable Preference Shares of face value of ₹10 each fully paid-up for cash at an issue price of ₹ 335 per share. Each preference share is either convertible into equivalent number of equity shares of the Holding Company of ₹10 each at the option of allottee within a time frame not exceeding 18 months from the date of allotment or subject to redemption by the Holding Company at the end of such time frame and on such terms and conditions, as may be deemed appropriate by the Board of Directors.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
		No. of shares	Amount	No. of shares	Amount
(a)	Reconciliation of equity shares				
	Authorised				
	At the beginning of the year	55,000,000	550,000,000	40,000,000	400,000,000
	Additions during the year	10,000,000	100,000,000	15,000,000	150,000,000
	At the end of the year	65,000,000	650,000,000	55,000,000	550,000,000
	Issued				
	At the beginning of the year	37,615,287	376,152,870	31,997,861	319,978,610
	Additions during the year	10,104,982	101,049,820	5,617,426	56,174,260
	At the end of the year	47,720,269	477,202,690	37,615,287	376,152,870
	Subscribed				
	At the beginning of the year	37,615,287	376,152,870	31,997,861	319,978,610
	Additions during the year	10,104,982	101,049,820	5,617,426	56,174,260
	At the end of the year	47,720,269	477,202,690	37,615,287	376,152,870
	Paid up				
	At the beginning of the year	37,568,787	375,687,870	31,951,361	319,513,610
	Additions during the year	10,104,982	101,049,820	5,617,426	56,174,260
	At the end of the year	47,673,769	476,737,690	37,568,787	375,687,870
	Shares issued to Satin Employees Welfare Trust				
	At the beginning of the year	449,300	4,493,000	476,543	4,765,430
	Additions during the year	-	-	-	-
	Allotted to employees during the year	21,100	211,000	27,243	272,430
	At the end of the year	428,200	4,282,000	449,300	4,493,000
(b)	Reconciliation of preference shares				
	Authorised				
	At the beginning of the year	75,000,000	750,000,000	90,000,000	900,000,000
	Additions/(re-classification/deletions) during the year	-	-	(15,000,000)	(150,000,000)
	At the end of the year	75,000,000	750,000,000	75,000,000	750,000,000
	Issued				
	At the beginning of the year	25,000,000	250,000,000	-	-
	Additions/(deletions) during the year	2,573,381	25,733,810	25,000,000	250,000,000
	At the end of the year	27,573,381	275,733,810	25,000,000	250,000,000
	Subscribed				
	At the beginning of the year	25,000,000	250,000,000	-	-
	Additions during the year	2,573,381	25,733,810	25,000,000	250,000,000
	At the end of the year	27,573,381	275,733,810	25,000,000	250,000,000
	Paid up				
	At the beginning of the year	25,000,000	250,000,000	-	-
	Additions during the year	2,573,381	25,733,810	25,000,000	250,000,000
	At the end of the year	27,573,381	275,733,810	25,000,000	250,000,000

(c) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. Dividends are subject to corporate dividend tax. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d)	Detail of shareholders holding more than 5% shares are as under	As at March 31, 2018		As at March 31, 2017	
		No. of shares	%	No. of shares	%
	Nordic Microfinance Initiative Fund III KS	3,369,318	7.06%	2,772,304	7.38%
	SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd	3,313,609	6.94%	3,313,609	8.82%
	DSP Blackrock Equity & Bond Fund	2,736,930	5.74%	-	-
	Aditya Birla Sun Life Trustee Private Limited	2,432,553	5.10%	-	-
	(A/c Aditya Birla Sun Life Pure Value Fund)				
	Kora Investments I LLC	2,388,059	5.00%	-	-
	MV Mauritius Limited	-	-	3,485,520	9.28%
	Parishkek Finance Private Limited	-	-	2,150,880	5.73%
	Morgan Stanley Mauritius Company Limited	-	-	1,892,312	5.04%

- (e) For details relating to Employee Stock Option Plan/ Scheme (ESOP/ESOS) of the Holding Company, refer to Note 31.
- (f) The Holding Company has allotted 1,087,456 equity shares of ₹ 10 each at an issue price of ₹ 457.82 per share including premium of ₹ 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 Holding Company in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009. Accordingly, as per confirmation received from TSL, 7,977,239 equity shares were transferred to the Holding Company, constituting 87.83% of the share capital of TSL and therefore becoming the subsidiary of the Holding Company w.e.f. September 01, 2016.
- (g) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
4	Reserves and surplus				
	Capital redemption reserve				
	At the beginning and at the end of the year		27,700,000		27,700,000
	Securities premium reserve				
	At the beginning of the year	4,602,516,503		1,791,381,470	
	Additions during the year (Refer to Note 1)	4,125,093,087		2,943,150,091	
	Less: Share/debenture issue expenses	109,321,164		132,015,058	
		8,618,288,426		4,602,516,503	
	Less: Amount recoverable from Satin Employees Welfare Trust	5,232,000		5,443,000	
	At the end of the year		8,613,056,426		4,597,073,503
	Share options outstanding account				
	At the beginning of the year	4,812,340		1,173,967	
	Additions during the year	10,726,603		3,638,373	
	At the end of the year		15,538,943		4,812,340
	Foreign currency monetary item translation difference account				
	At the beginning of the year	(13,882,417)		(29,429,000)	
	Additions during the year	13,882,417		15,546,583	
	At the end of the year		-		(13,882,417)
	Statutory reserve fund				
	At the beginning of the year	286,166,216		237,167,806	
	Additions during the year (Refer to Note 3)	8,052,752		48,998,410	
	At the end of the year		294,218,968		286,166,216
	General reserves				
	At the beginning of the year	2,993,517		2,893,629	
	Additions during the year	-		99,888	
	At the end of the year		2,993,517		2,993,517
	Surplus in statement of profit and loss				
	At the beginning of the year	1,099,641,893		899,905,058	
	(Loss)/ profit for the year	(26,895,356)		248,735,245	
	Less: Transfer to statutory reserve fund	8,052,752		48,998,410	
	Less: Dividend paid on preference share	24,448,630		-	
	Less: Dividend distribution tax	4,977,166		-	
	At the end of the year		1,035,267,989		1,099,641,893
			9,988,775,843		6,004,505,052

1. During the year, there has been an addition of ₹ 4,125,093,087 in the securities premium reserve on account of the following:
- Issue of 1,543,187 equity shares to Asian Development Bank at a premium of ₹ 406.67
 - Issue of 658,690 equity shares to Trishashna Holdings & Investments Private Limited at a premium of ₹ 445.45
 - Issue of 4,918,032 equity shares to QIB at a premium of ₹ 295.00
 - Issue of 2,388,059 equity shares to Kora Investment 1 LLC at a premium of ₹ 325.00
 - Issue of 597,014 equity shares to Nordic Microfinance Initiative Fund III KS at a premium of ₹ 325.00
 - Issue of 1,230,098 Optionally Convertible Redeemable Preference Shares ('OCRPS') to Capital First Limited at a premium of ₹ 274.53
 - Issue of 1,343,283 Optionally Convertible Redeemable Preference Shares ('OCRPS') to IndusInd Bank Limited at a premium of ₹ 325.00.
 - Exercise of 21,100 equity shares under ESOP scheme at a premium of ₹ 420.75.

2. During the year, the Holding Company utilized a sum of ₹ 109,321,164 (Previous year : ₹ 132,015,058) from securities premium reserve towards writing off incidental expenditure pertaining to raising of share capital and non-convertible debentures.
3. Pursuant to the provision of Section 45(IC) of Reserve Bank of India Act, 1934, the Holding Company has transferred ₹ 8,052,752 (Previous year : ₹ 48,998,410) towards Statutory Reserve Fund.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
5	Money received against share warrants				
	At the beginning of the year	-		-	
	Additions during the year	149,999,935		-	
	At the end of the year		149,999,935		-

The Holding Company allotted 1,791,044 fully convertible warrants of ₹ 10 each at an issue price of ₹ 335 per warrant including premium of ₹ 325 per warrant on preferential basis to Trishashna Holdings & Investments Private Limited (an entity belonging to promoter group) on December 28, 2017. Each warrant is convertible into or exchangeable for at an option of warrant holder, in one or more tranches, one equity share of face value of ₹ 10 each at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment of the warrants.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
6	Long term borrowings				
A	Secured loans				
	(a) Non-convertible debentures (Refer to Note 1 below)		7,121,951,500		4,799,400,200
	(b) Term loan				
	From banks		18,368,439,598		17,516,693,843
	From others		11,883,248,396		10,325,667,879
	(c) External commercial borrowings		334,706,098		403,890,446
B	Unsecured loans				
	(a) Non-convertible debentures (Refer to Note 2 below)		3,965,245,000		2,965,245,000
	(b) Term loan				
	From others		845,831,432		713,441,934
	(c) External commercial borrowings		180,226,360		217,479,471
			42,699,648,384		36,941,818,773
	Less: Current maturities of long-term borrowings (Refer to Note 10)				
	(a) Non-convertible debentures	3,011,900,000		1,207,500,200	
	(b) Term loan	17,962,633,841		15,392,957,396	
	(c) External commercial borrowings	108,406,833		108,064,334	
			21,082,940,674		16,708,521,930
	Long-term borrowings		21,616,707,710		20,233,296,843

Terms of repayment of long-term borrowings (term loan and non-convertible debentures) as on March 31, 2018

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthly	9% to 12%	524	7,273,850,833	330	4,196,469,999	86	195,691,055	46	2,253,555	30	2,390,433
	12.01% to 15%	243	1,682,775,313	95	633,380,789	-	-	-	-	-	-
Quarterly	9% to 12%	97	4,136,763,289	67	3,547,812,076	29	894,158,360	2	2,469,234	-	-
	12.01% to 15%	62	2,633,815,925	23	467,911,321	9	133,406,833	8	108,406,833	6	81,305,125
	Above 15%	25	53,835,316	22	38,514,742	5	4,740,855	-	-	-	-
Semi-annually	9% to 12%	16	2,734,999,998	10	1,988,750,000	10	637,500,000	9	276,250,000	4	160,000,000
	12.01% to 15%	2	100,000,000	2	100,000,000	-	-	-	-	-	-
Annually	9% to 12%	1	200,000,000	1	200,000,000	1	200,000,000	-	-	-	-
	12.01% to 15%	-	-	-	-	-	-	-	-	-	-
Bullet	9% to 12%	10	720,000,000	2	470,000,000	2	780,000,000	-	-	-	-
	12.01% to 15%	5	1,546,900,000	9	2,335,296,500	4	1,020,000,000	-	-	4	1,650,000,000
	Above 15%	-	-	1	210,000,000	3	380,000,000	1	250,000,000	3	650,000,000
Total			21,082,940,674		14,188,135,427		4,245,497,103		639,379,622		2,543,695,558

Terms of repayment of long-term borrowings (term loan and non-convertible debentures) as on March 31, 2017 are as follows :

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthly	9% to 12%	351	3,937,776,730	222	2,137,231,460	102	406,877,562	18	1,025,237	33	2,869,221
	12.01% to 15%	307	3,109,346,974	87	951,673,732	10	204,215,001	-	-	-	-
Quarterly	9% to 12%	70	2,387,335,304	53	1,769,064,190	24	804,305,314	2	41,600,000	-	-
	12.01% to 15%	126	4,192,710,653	52	2,301,471,174	14	269,052,375	8	108,064,333	14	189,112,584
	Above 15%	13	31,352,271	10	26,180,567	2	5,909,095	-	-	-	-
Semi-annually	9% to 12%	14	1,984,999,998	14	1,984,999,998	8	1,238,750,000	8	212,500,000	9	236,250,000
	12.01% to 15%	1	50,000,000	2	100,000,000	2	100,000,000	-	-	-	-
Bullet	9% to 12%	-	-	-	-	1	250,000,000	-	-	-	-
	12.01% to 15%	2	1,015,000,000	6	1,884,345,000	6	1,997,800,000	3	520,000,000	3	1,000,000,000
	Above 15%	-	-	-	-	1	210,000,000	3	380,000,000	4	900,000,000
Total			16,708,521,930		11,154,966,121		5,486,909,347		1,263,189,570		2,328,231,805

(This space has been intentionally left blank)

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
	Note 1 : Non-convertible debentures (secured)				
	(i) 680 (Previous year : 680), @13.25% Secured, rated, redeemable, listed non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 15, 2025, subject to call/put option after three years from date of allotment. The date of allotment is June 15, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	680,000,000		680,000,000	
	(ii) 650 (Previous year : Nil), @12.06% Secured, listed, redeemable non - convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on October 03, 2022, subject to call/put Option after three years from date of allotment. The date of allotment is October 03, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	650,000,000		-	
	(iii) 600 (Previous year : Nil), @11.95% Secured, listed, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on February 08, 2021 and The date of allotment is February 08, 2018. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	600,000,000		-	
	(iv) 20 (Previous year : 20), @14.50 % Secured, senior, rated, redeemable, non-convertible debentures of face value of ₹1,000,000 each, redeemable on December 18, 2020, subject to call/put option on May 08, 2019. 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		20,000,000	
	(v) 330 (Previous year : Nil), @11.99% Secured, unlisted, redeemable non-convertible debentures of face value of ₹1,000,000 each, redeemable at par on December 08, 2020. The date of allotment is December 08, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	330,000,000		-	
	(vi) 450 (Previous year : Nil), @11.34% Secured, unlisted, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on December 07, 2020, . The date of allotment is December 07, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	450,000,000		-	
	(vii) 250 (Previous year : 250), @13.35% Secured, rated, redeemable, listed, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on November 30, 2020. The date of allotment is November 03, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	250,000,000		250,000,000	
	(viii) 200 (Previous year : 200), @12.75% (Previous year: 14.70%), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 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 by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	500,000,000		500,000,000	

Notes	Particulars	As at March 31, 2018	As at March 31, 2017
	(ix) 1000 (Series A 400, Series B 600) (Previous year : Nil), @10.75% Secured, unlisted, redeemable, non-convertible debentures of face value of ₹ 1000,000 each, redeemable at par on December 31, 2018 (Series A) and November 30, 2019 (Series B). The date of allotment is December 19, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	1,000,000,000	-
	(x) 0.0515 (Previous year : 515), @14.37% Secured, listed, redeemable non - convertible debentures of face value of ₹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 by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	51,500	515,000,000
	(xi) 250 (Previous year : 250), @12.00% Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on November 11, 2019. The date of allotment is November 11, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	250,000,000	250,000,000
	(xii) 72 (Previous year : 72), @13.15% (Previous year : 14.70%), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 2,500,000 each, redeemable at par on September 27, 2019, subject to call/put option after three years. The date of allotment is September 27, 2013. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	180,000,000	180,000,000
	(xiii) 200 (Previous year : Nil), @13.50% Secured, listed, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on September 20, 2019. The date of allotment is September 20, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	200,000,000	-
	(xiv) 270 (Previous year : 270), @13.75 % Secured, rated, listed, redeemable, transferable, taxable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on July 30, 2019, subject to call/put option after three years of allotment. The date of allotment is July 31, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	270,000,000	270,000,000
	(xv) 200 (Previous year : 200), @ 12.50% Secured, rated, redeemable, unlisted, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 30, 2019. The date of allotment is June 30, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	200,000,000	200,000,000
	(xvi) 200 (Previous year : 200), @ 12.50% Secured, rated, redeemable, unlisted non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 30, 2019. The date of allotment is June 30, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	200,000,000	200,000,000

Notes	Particulars	As at March 31, 2018	As at March 31, 2017
	(xvii) 125 (Previous year : 125), @14.30% Secured, rated, redeemable, listed non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on March 28, 2019. The date of allotment is March 29, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	125,000,000	125,000,000
	(xviii) 4,644 (Previous year : 4,644), @14.00% Secured, rated, listed, senior, redeemable, non- convertible debentures of face value of ₹ 100,000 each, redeemable on January 13, 2019. The date of allotment is December 22, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	464,400,000	464,400,000
	(xix) 65 (Previous year : 195), @11.00% Secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on October 03, 2018, payable monthly. The date of allotment is October 03, 2016 (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	65,000,000	195,000,000
	(xx) 500 (Previous year : 500), @14.65% Secured, rated, listed, redeemable, transferable, taxable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on September 24, 2018. The date of allotment is September 24, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	500,000,000	500,000,000
	(xxi) 75 (series-2) (Previous year : 75), @14.10% Secured, listed, redeemable, non-convertible debentures of face value of ₹ 2,500,000 each, redeemable at par on September 14, 2018. The date of allotment is September 14, 2012. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	187,500,000	187,500,000
	(xxii) Nil (Previous year : 200), @ 12.50% Secured, rated, redeemable, unlisted non-convertible debentures of face of ₹ 1,000,000 each, redeemed on October 31, 2017. The date of allotment is June 30, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	-	200,000,000
	(xxiii) Nil (Previous year 62.5),@12.30% Secured listed redeemable non-convertible debentures of face value of ₹ 1,000,000 each, redeemed on August 26, 2017, payable monthly. The date of allotment is August 26, 2015. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	-	62,500,200
		7,121,951,500	4,799,400,200

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
	Note 2 : Non convertible debentures (unsecured)				
	(i) 100 (Previous year : 100), @15.00%, Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 30, 2023. The date of allotment is June 29, 2016.	100,000,000		100,000,000	
	(ii) 350 (Previous year : 350), @13.85%, Unsecured, unrated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on April 30, 2023. The date of allotment is March 29, 2017.	350,000,000		350,000,000	
	(iii) 100 (Previous year : 100), @15.00% Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on March 31, 2023. The date of allotment is June 29, 2016.	100,000,000		100,000,000	
	(iv) 100 (Previous year : 100), @15.00%, Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹1,000,000 each, redeemable on December 31, 2022. The date of allotment is June 29, 2016.	100,000,000		100,000,000	
	(v) 100 (Previous year : 100), @15.00%, Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on September 30, 2022. The date of allotment is June 29, 2016.	100,000,000		100,000,000	
	(vi) 100 (Previous year : 100), @15.50%, Unsecured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on September 28, 2022. The date of allotment is June 28, 2016.	100,000,000		100,000,000	
	(vii) 250 (Previous year : 250), @15.50%, Unsecured, rated, subordinated, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on April 15, 2022. The date of allotment is December 30, 2015.	250,000,000		250,000,000	
	(viii) 2,628 (previous year 2,628), @14.15%, Unsecured, rated, listed, senior, redeemable, taxable, transferable, non-convertible debentures of face value of ₹ 100,000 each, at par, redeemable on September 15, 2021, subject to call put option of 4th year September 16, 2019. The date of allotment is October 05, 2015.	262,800,000		262,800,000	
	(ix) 250 (Previous year : 250), SBI Base rate + 6.15% i.e. 15.85%, Unsecured, rated, redeemable, listed, taxable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on June 30, 2021. The date of allotment is June 30, 2015.	250,000,000		250,000,000	
	(x) 130 (Previous year : 130), @17.75%, Unsecured, unlisted, redeemable, non - convertible debentures of face value of ₹ 1,000,000 each, redeemable at par on December 18, 2020. The date of allotment is March 31, 2015.	130,000,000		130,000,000	
	(xi) 250 (Previous year : 250), @13.35%, Unsecured, rated, listed, redeemable, non-convertible debentures of face value of ₹1,000,000 each, redeemable on November 30, 2020. The date of allotment is November 04, 2016.	250,000,000		250,000,000	
	(xii) 150 (Previous year : 150), @16.90%, Unsecured, listed, redeemable, non-convertible debentures of face value of ₹1,000,000 each, redeemable at par on September 20, 2020. The date of allotment is March 20, 2015.	150,000,000		150,000,000	
	(xiii) 150 (Previous year : 150), @12.25%, Unsecured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on December 09, 2019. The date of allotment is December 26, 2016.	150,000,000		150,000,000	

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
	(xiv) 1000 (Series A 400, Series B 600) (Previous year : Nil), @11.15%, unsecured, rated, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on December 19, 2018 (Series A) & November 19, 2019 (Series B). The date of allotment is December 19, 2017.	1,000,000,000		-	
	(xv) 84 (Previous year : 84), @18.00%, Unsecured, listed, redeemable, non-convertible debentures of face value of ₹ 2,500,000 each, redeemable at par on October 16, 2019. The date of allotment is July 15, 2014.	210,000,000		210,000,000	
	(xvi) 67,489 (Previous year : 67,489), @13.00%, Unsecured, rated, senior, redeemable, taxable, transferable, non-convertible debentures of face value of ₹ 5,000 each, redeemable on May 28, 2019. The date of allotment is May 27, 2016.	337,445,000		337,445,000	
	(xvii) 125 (Previous year : 125), @14.30%, Unsecured, rated, senior, redeemable, taxable, transferable, non-convertible debentures of face value of ₹ 1,000,000 each, redeemable on April 4, 2019. The date of allotment is April 05, 2016.	125,000,000		125,000,000	
			3,965,245,000		2,965,245,000
7	Long-term provisions Provision for employee benefits Compensated absences Gratuity (Refer to Note 30) Provision for non-performing assets/ standard assets and contingent provision against standard assets		69,845,397 25,927,331 191,976,909 287,749,637	58,167,286 29,037,160 185,656,874 272,861,320	
8 A	Short-term borrowings Secured loans (a) Term loan From banks		250,000,000	673,645,014	
	(b) Overdraft facility against term deposits From banks		173,520,086 423,520,086	65,777,780 739,422,794	
B	Unsecured (a) Commercial paper Commercial paper Less: Unamortised discount	1,000,000,000 12,159,143	987,840,857	1,000,000,000 40,202,927	959,797,073
	(b) Cash credit facility from bank		886,736	13,254	
			1,412,247,679	1,699,233,121	

During the financial year, the Holding Company issued five (Previous year : four) commercial papers of face value of ₹ 500,000,000 (Previous year : ₹ 500,000,000) each amounting to ₹ 2,500,000,000 (Previous year : ₹ 2,000,000,000), of which two are outstanding as on March 31, 2018. The discount on issue of commercial paper is amortised over the tenure of the instrument.

Terms of repayment of short-term borrowings are as follows :

Repayment	Interest rate range	As at 31 March 2018		As at 31 March 2017	
		Due within 1 year		Due within 1 year	
		No. of installments	Amount	No. of installments	Amount
Monthly	9% to 12%	2	174,406,821	2	89,436,048
Quarterly	9% to 12%	-	-	3	135,000,000
	12.01% to 15%	-	-	1	65,000,000
Bullet	9% to 12%	4	1,237,840,858	4	1,409,797,073
Total			1,412,247,679		1,699,233,121

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
9	Trade payables - Payable to micro and small enterprises (Refer to Note 34) - Total outstanding dues to others creditors other than micro enterprises and small enterprises		2,100,416		-
			261,317,146		145,498,507
			263,417,562		145,498,507
10	Other current liabilities Current maturity of long-term borrowings (secured) Non-convertible debentures Long-term borrowings from banks Long-term borrowings from others External commercial borrowings Current maturity of long-term borrowings (unsecured) Non-convertible debentures External commercial borrowings Long-term borrowings from others Expenses payable Payable towards assignment/securitisation transactions Security deposit received Interest accrued but not due on borrowings Statutory dues payable Other payables				
			2,411,900,000		1,207,500,200
			11,529,880,751		10,577,797,076
			6,325,584,208		4,783,808,049
			70,464,441		70,241,817
			600,000,000		-
			37,942,392		37,822,517
			107,168,882		31,352,271
			181,728,877		96,803,562
			1,175,674,810		1,060,615,864
			468,705		33,775
			405,303,572		340,040,502
			78,760,453		58,181,235
			158,181,017		73,345,912
			23,083,058,108		18,337,542,780

The Holding 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:

Particulars	As at March 31, 2018	As at March 31, 2017
Long term non-convertible debentures - secured	4,710,051,500	3,59,19,00,000
Long term borrowings from banks - secured	6,828,498,777	6,93,28,61,675
Long term borrowings from others - secured	5,534,599,358	5,54,18,59,829
Long term borrowings from others - secured (external commercial borrowings)	264,241,657	33,36,48,629
Long term borrowings from others - unsecured (external commercial borrowings)	142,283,969	17,96,56,954
Long term non-convertible debentures - unsecured	3,365,245,000	2,96,52,45,000
Long term borrowings from others - unsecured	687,500,001	65,00,00,001
Short term borrowings from banks - secured	250,000,000	65,00,00,000
Short term borrowings from others - unsecured (commercial paper)	987,840,857	95,97,97,073
Current maturity of non-convertible debentures-secured	2,411,900,000	1,20,75,00,200
Current maturity of non-convertible debentures-unsecured	600,000,000	-
Current maturity of long-term borrowings from banks - secured	11,527,044,467	10,57,59,81,018
Current maturity of long-term borrowings from others - secured	6,316,905,063	4,78,32,10,968
Current maturity of long-term debts borrowings from others - unsecured	50,000,000	-
Current maturity of long-term borrowings from others - secured (external commercial borrowings)	70,464,441	7,02,41,817
Current maturity of long term borrowings from others - unsecured (external commercial borrowings)	37,942,392	3,78,22,517
Overdraft facility against fixed deposit from banks	173,520,086	6,57,77,780
Total (A)	43,958,037,568	38,54,55,03,461
Subsidiary Company (TSL):		
Long term from others - secured	2,346,163	-
Long term from others - unsecured	43,255,597	32,089,662
Current maturity of long term debts for lending from others – secured	490,772	410,889
Current maturity of long term debts for lending from others – unsecured	53,835,612	31,352,271
Short term from banks – secured (CC limit)	-	23,645,014
Short term from banks – unsecured (CC Limit)	841,829	1,450
From bank - unsecured	44,610	11,804
Total (B)	100,814,583	87,511,090

Apart from the above, the following term loans have been availed for purchase of property, plant and equipment from banks and other lenders:

Particulars	As at March 31, 2018	As at March 31, 2017
Long term from banks – secured	7,713,907	6,035,093
Long term from others – secured	23,064,830	-
Long term from others – unsecured	7,906,952	-
Current maturity of long term borrowings from banks – secured	2,345,512	1,816,058
Current maturity of long term borrowings from others – secured	8,679,145	186,192
Current maturity of long term borrowings from others – unsecured	3,333,566	-
Total (C)	53,043,912	8,037,343
Total (A+B+C)	44,111,896,063	38,641,051,894

The above are repayable/redeemed on periodic instalments of principal and interest. The sanctioned tenure of the loans outstanding as at March 31, 2018 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 ₹ 10,308,734,001 (Previous year: ₹ 12,592,953,797) have been guaranteed by two of the directors of the Holding Company in their personal capacity.

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
11	Short-term provision				
	Provision for employee benefits				
	Compensated absences		7,353,679		7,482,179
	Gratuity (Refer to Note 30)		9,912,638		9,351,164
	Provision for non-performing assets/ standard assets and contingent provision against standard assets		758,762,700		422,896,638
	Provision for tax (net of advance tax)		91,436,348		-
			867,465,365		439,729,981

(This space has been intentionally left blank)

Note 12 : Property, plant and equipment

(All amount in ₹ unless otherwise stated)

Particulars	Land	Buildings*	Plant and equipment	Office equipment	Vehicles	Furniture and fixtures	Total
Gross block							
Balance as at April 01, 2016	-	709,63,228	408,99,185	222,47,701	151,28,278	440,51,044	1932,89,436
Addition on acquisition of subsidiary	-	-	66,19,429	24,56,427	16,60,606	82,74,206	190,10,668
Additions	151,837,218	-	433,63,991	279,07,050	-	502,18,251	2733,26,510
Deletions/ adjustments	-	17,51,057	57,660	21,37,464	33,89,070	39,57,211	112,92,462
Balance as at March 31, 2017	151,837,218	692,12,171	908,24,945	504,73,714	133,99,814	985,86,290	4743,34,152
Additions	-	-	896,00,556	109,03,952	85,59,235	272,98,802	1363,62,545
Deletions/ adjustments	-	-	4,12,700	1,00,550	16,60,606	28,75,364	50,49,220
Balance as at March 31, 2018	151,837,218	692,12,171	1800,12,801	612,77,116	202,98,443	1230,09,728	6056,47,477
Accumulated depreciation							
Balance as at April 1, 2016	-	122,00,832	274,01,250	117,06,028	72,07,964	162,31,232	747,47,306
Addition on acquisition of subsidiary	-	-	39,47,307	12,01,884	7,08,864	27,02,917	85,60,972
For the year	-	28,21,083	184,52,365	82,47,310	26,28,236	115,12,664	436,61,658
Deletions/ adjustments	-	8,48,998	36,957	16,31,311	18,39,931	28,41,102	71,98,299
Balance as at March 31, 2017	-	141,72,917	497,63,965	195,23,911	87,05,133	276,05,711	1197,71,637
For the year	-	141,51,154	558,94,073	158,98,388	23,74,861	205,94,249	1089,12,725
Deletions/ adjustments	-	-	2,28,014	79,175	11,04,035	14,06,314	28,17,538
Balance as on March 31, 2018	-	283,24,071	1054,30,024	353,43,124	99,75,959	467,93,646	2258,66,824
Net block							
Balance as on March 31, 2018	151,837,218	408,88,100	745,82,777	259,33,992	10,322,484	762,16,082	3797,80,653
Balance as on March 31, 2017	151,837,218	550,39,254	410,60,980	309,49,803	4,694,681	709,80,579	3545,62,515

*Buildings acquired under amalgamation continue in the name of Satin Intellicomm Limited.

Note 13 : Intangible Assets

Particulars	Software	Total
Gross block		
Balance as at April 1, 2016	330,24,635	330,24,635
Addition on acquisition of subsidiary	32,97,763	32,97,763
Additions	285,03,664	285,03,664
Deletions/ adjustments	-	-
Balance as at March 31, 2017	648,26,062	648,26,062
Additions	356,04,013	356,04,013
Balance as at March 31, 2018	1004,30,075	1004,30,075
Accumulated amortisation		
Balance as at April 1, 2016	108,01,200	108,01,200
Addition on acquisition of subsidiary	13,88,148	13,88,148
For the year	168,57,288	168,57,288
Deletions/ adjustments	-	-
Balance as at March 31, 2017	290,46,636	290,46,636
For the year	385,14,874	385,14,874
Deletions/ adjustments	-	-
Balance as at March 31, 2018	675,61,510	675,61,510
Net block		
Balance as at March 31, 2018	328,68,565	328,68,565
Balance as at March 31, 2017	357,79,426	357,79,426

As at March 31, 2018 As at March 31, 2017

Note 14 : Capital work-in-progress

1609,30,985 977,69,790

Note 15 : Intangible assets under development

13,75,000 240,56,409

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
16	Non-current investments (Valued at cost)				
	Investment in equity instruments				
	(I) Unquoted, trade				
	50,000 (Previous year : 50,000) equity shares of face value of ₹ 10 each of Alpha Micro Finance Consultants Private Limited		500,000		500,000
	Total (I)		500,000		500,000
	(II) Unquoted - Others				
17	500 (Previous year : 500), Government of India, Inscribed stock having face value ₹ 100 each		50,591		50,591
	Total (II)		50,591		50,591
	Total (I+II)		550,591		550,591
	Aggregate amount of unquoted investments		550,591		550,591
18	Deferred tax assets				
	(I) Deferred tax liabilities on account of				
	Difference between depreciation as per Income Tax Act, 1961 and books		-		1,740,823
	Others		-		472,427
	Gross deferred tax liabilities		-		2,213,250
	(II) Deferred tax assets on account of				
	Difference between depreciation as per Income Tax Act, 1961 and books		19,949,390		962,849
	Provision for employee benefits		38,723,684		34,636,499
	Unabsorbed depreciation and losses		30,800,347		-
	Provision for non-performing assets and contingent provisions against standard assets		321,551,172		197,209,215
	Provision for doubtful loans and advances and others		4,546,505		21,489
	Gross deferred tax assets		415,571,098		232,830,052
19	Total (II)				
	Deferred tax assets (net)		415,571,098		230,616,802
18	Long-term loans and advances (Unsecured, unless otherwise stated)				
	Portfolio loans (Refer to Note 36)				
	Secured, considered good	455,325,154		6,537,060	
	Secured, considered doubtful	3,734,961		-	
			459,060,115		6,537,060
	Unsecured, considered good	13,846,618,550		8,104,984,735	
	Unsecured, considered doubtful	1,038,622,437		45,410,535	
			14,885,240,987		8,150,395,270
	Prepaid expenses		726,966		849,792
	Security deposits		23,482,393		17,190,296
	Advances recoverable in cash or in kind or for value to be received		898,878,180		144,410,754
			16,267,388,641		8,319,383,172
19	Other non-current assets				
	Deposits with remaining maturity for more than 12 months*		1,383,301,903		1,510,401,018
	Recoverable from group gratuity trust		2,313,459		3,584,336
	Unamortised cost of borrowings		49,051,729		54,000,238
	Interest accrued but not due on term deposits		61,581,471		63,751,894
			1,496,248,562		1,631,737,486
19					
	*Includes margin money deposits against borrowings and guarantees		1,261,689,564		1,176,522,569

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
20	Current investment (Non trade)				
	(I) Mutual funds (unquoted)		-		204,521,112
	(II) Certificate of deposit (quoted)				
	Certificate of deposit	1,750,000,000		-	
	Less: unamortised discount	44,709,352	1,705,290,648	-	-
	(III) Commercial paper (quoted)				
	Commercial paper	500,000,000		-	
	Less: unamortised discount	4,035,473	495,964,527	-	-
			2,201,255,175		204,521,112
	Aggregate amount of unquoted investments		2,201,255,175		204,521,112
	Particulars	Face value	Net assets value	Face value	Net assets value
	Detail of investments in mutual funds (unquoted)				
	Nil (Previous year : 4,414,952.56) units in IDFC Ultra short-term fund - Growth - (Direct Plan)	-	-	100,000,000	102,218,514
	Nil (Previous year : 44,938.11) units in Reliance Money Manager fund - Direct Growth Plan	-	-	100,000,000	102,302,598
	Total		-		204,521,112
	Detail of investments in certificate of deposit (quoted)				
	1,000 (Previous year : Nil) units in Axis Bank Limited	500,000	500,000,000	-	-
	500 (Previous year : Nil) units in HDFC Bank Limited	500,000	250,000,000	-	-
	500 (Previous year : Nil) units in The Federal Bank Limited	500,000	250,000,000	-	-
	1,500 (Previous year : Nil) units in ICICI Bank Limited	500,000	750,000,000	-	-
	Total		1,750,000,000		-
	Detail of investments in commercial paper (quoted)				
	2,500 (Previous year : Nil) units in Axis Finance Limited	100,000	250,000,000	-	-
	2,500 (Previous year : Nil) units in SBI Card & Payments Services Private Limited	100,000	250,000,000	-	-
	Total		500,000,000		-
21	Trade receivable				
	Unsecured considered good				
	Outstanding for a period exceeding six months from the date they are due for payment		37,623		-
	Others		117,678,677		59,945,219
			117,716,300		59,945,219
22	Cash and bank balances				
	Cash and cash equivalents				
	Cash on hand	297,416,336		181,781,305	
	Balances with banks				
	- in current accounts	2,248,279,940		3,489,471,929	
	- Deposits with original maturity less than three months	677,457,203		2,960,957,203	
	Other bank balances		3,223,153,479		6,632,210,437
	Deposits with remaining maturity for less than 12 months*		4,985,475,606		4,665,419,758
			8,208,629,085		11,297,630,195
	*Includes margin money deposits against borrowings and guarantees		1,880,122,741		1,832,047,138

The amount under lien as security against term loan and overdraft facility availed, assets securitized, first loss default guarantee are as follows:-

Particulars	As at March 31, 2018	As at March 31, 2017
Term loan	1,923,381,904	1,996,764,444
Overdraft facility	247,190,218	373,141,624
Assets securitized	735,575,310	443,255,930
First loss default guarantee	234,814,873	195,307,709
Security	850,000	100,000
	3,141,812,305	3,008,569,707

Notes	Particulars	As at March 31, 2018		As at March 31, 2017	
23	Short-term loans and advances (Unsecured, unless otherwise stated)				
	Current portion of portfolio loans				
	Secured, considered good	47,363,368		44,858,658	
	Secured, considered doubtful	-		-	
			47,363,368		44,858,658
	Unsecured, considered good	26,538,411,553		23,689,604,760	
	Unsecured, considered doubtful	1,118,897,610		100,414,859	
			27,657,309,163		23,790,019,619
	Prepaid expenses		22,143,456		23,664,915
	Staff advance		19,240,614		82,103,299
24	Advances recoverable in cash or in kind or for value to be received		340,837,595		517,265,585
	Security deposits		2,653,300		1,136,750
	Advance taxes (net of provision for tax)		78,698,427		57,044,947
			28,168,245,923		24,516,093,773
	Other current assets				
	Interest accrued on portfolio loans and term deposit		397,393,028		354,083,277
	Interest due but not received on portfolio loans		14,852,560		159,433,804
	Unamortised cost of borrowings		81,709,024		85,884,768
	Other receivables		155,205,978		67,784,371
			649,160,590		667,186,220

(This space has been intentionally left blank)

Notes	Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
25	Revenue from operations				
	Interest income	8,175,786,942		6,158,207,652	
	Income from business correspondent operations	519,225,538		235,243,986	
	Interest on housing loans and other loans	74,574			
	Gain/ interest spread on securitization	838,530,049		1,063,843,825	
	Loan processing fees	562,401,594		358,414,740	
			10,096,018,697		7,815,710,203
	Other operating income:				
	Fees income	9,741,989		29,804,069	
	Interest on commercial paper/ certificate of deposits	22,137,325		-	
26	Profit on redemption of mutual funds	170,126,289		143,210,183	
	Profit on sale of property, plant and equipment	-		12,705	
	Miscellaneous income	10,977,967		21,747,856	
			212,983,570		194,774,813
			10,309,002,267		8,010,485,016
	Other income				
	Income from web branding	2,800,000		4,140,000	
	Interest on income tax refund	1,529,153		-	
	Miscellaneous income	892,412		43,327	
27			5,221,565		4,183,327
	Employee benefits expense				
	Salaries and wages	1,988,158,400		1,569,051,035	
	Employee compensation expense	19,604,428		5,203,662	
	Contribution to provident and other funds	171,427,797		114,270,662	
	Staff welfare expenses	26,114,591		30,067,464	
			2,205,305,216		1,718,592,823
28	Finance costs				
	Interest on term loans from banks	1,861,998,157		2,039,398,807	
	Interest on term loans from others	1,466,931,337		1,059,564,215	
	Interest on debentures	1,191,341,025		950,183,200	
	Interest on commercial paper	124,456,785		59,590,650	
	Other borrowing costs	202,517,887		248,775,327	
			4,847,245,191		4,357,512,199
29	Other expenses				
	Travelling and conveyance	107,310,514		169,058,701	
	Legal and professional charges	88,329,178		145,805,584	
	Insurance expense	23,473,421		20,529,399	
	Office expense	109,985,508		139,754,786	
	Rent (Refer to Note 39)	144,942,955		96,975,497	
	Auditors' remuneration (Refer Note below)	2,777,204		1,480,000	
	Rates and taxes	726,999		1,283,497	
	Repairs and maintenance - others	40,334,857		38,599,703	
	Exchange fluctuation loss (net)	24,852,658		-	
	Preliminary and pre-operative expenses	1,538,010		-	
	Guarantee fees	4,975,607		2,737,066	
	First Loss default guarantee	208,456,827		17,677,505	
	Loss on securitisation/assignment transactions	14,166,302		38,538,766	
	Loss on guarantee charges	-		19,083,042	
	Portfolio loans and other write offs	1,798,201,427		131,880,929	
	Provision for non-performing assets/ standard assets and contingent provision against standard assets	354,433,722		380,437,685	
	Corporate social responsibility expense	11,430,000		12,850,000	
	Loss on sale of property, plant and equipment	1,295,081		2,356,544	
	Miscellaneous expenses	248,776,812		280,875,493	
			3,186,007,082		1,499,924,197

Notes	Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Note : Auditors' remuneration* includes the following:				
	As auditor	2,700,000		1,150,000	
	Other services	-		330,000	
	Reimbursement of expenses	77,204		-	
			2,777,204		1,480,000
	*includes ₹ 500,000 paid to auditors of subsidiaries companies				
	Fees paid to statutory auditors for services relating to Qualified Institutions Placement		1,250,000		1,500,000

(This space has been intentionally left blank)

30. The disclosures required under Accounting Standard 15, Employee Benefits are as follows :

(i) **Defined Contribution Plan**

The contribution made to various statutory funds is recognised as expense and included in Note 26 'Employee benefits expense' under "Contribution to provident and other funds" in the Statement of Profit and Loss. The detail is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's contribution to provident fund	51,456,187	47,611,075
Employer's contribution to pension scheme	69,764,555	41,839,324
Employer's contribution to other fund	50,207,055	24,820,263
Total	171,427,797	114,270,662

(ii) **Defined Benefit Plan**

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India ("LIC"). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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:

Balance Sheet: Details of provision for gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	89,357,892	65,007,727
Fair value of plan assets	(53,517,923)	(26,619,403)
Plan liability	35,839,969	38,388,324

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	65,007,727	36,693,908
Interest cost	4,745,565	2,437,527
Past service cost	1,845,725	-
Current service cost	24,668,503	23,615,073
Benefits paid	(5,365,623)	(6,606,260)
Actuarial (gain)/ losses on obligation	(1,544,005)	8,867,479
Closing defined benefit obligation	89,357,892	65,007,727

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	28,723,662	27,587,648
Expected return	2,213,039	1,782,901
Contribution by employer	28,279,152	2,500,000
Benefits paid	(5,365,623)	(5,486,547)
Fund management expense	(332,307)	-
Actuarial gains/ (Losses)	-	235,401
Closing fair value of plan assets	53,517,923	26,619,403

Statement of Profit and Loss: Net employee benefit expense recognised as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	24,668,503	23,615,073
Past service cost	1,845,725	-
Interest cost on benefit obligation	4,745,565	2,437,527
Expected return on plan assets	(2,224,236)	(1,782,901)
Actuarial gains/(losses)	(1,532,808)	8,632,078
Net expenses	27,502,728	32,901,777

Actuarial assumptions: The principle assumptions used in determining gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate (per annum) – Holding and TSL	7.80%	7.30%
Discount rate (per annum) - SHFL	7.84%	-
Expected rate of return on plan assets (per annum) – Holding Company	8.00%	7.71%
Expected rate of return on plan assets (per annum) - TSL	7.80%	7.90%
Rate of escalation in salary (per annum) Holding Company	10%	10%
Rate of escalation in salary (per annum) Subsidiary - TSL	6%	3%
Rate of escalation in salary (per annum) Subsidiary – SHFL	7%	NA

Demographic assumptions: The principle assumptions used in determining gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Mortality table	IALM 2006-08	IALM 2006-08
Holding Company		
i) Retirement Age (Years)	60	60
ii) Ages	Withdrawal	Withdrawal
	Rate (%)	Rate (%)
Up to 30 Years	30	20
From 31 to 44 years	20	20
Above 44 years	20	20
Taraashna Services Limited		
i) Retirement Age (Years)	60	60
ii) Ages	Withdrawal	Withdrawal
	Rate (%)	Rate (%)
Up to 30 Years	8	8
From 31 to 44 years	8	8
Above 44 years	8	8
Satin Housing Finance Limited		
i) Retirement Age (Years)	58	0
ii) Ages	Withdrawal	Withdrawal
	Rate (%)	Rate (%)
Up to 30 Years	3	0
From 31 to 44 years	2	0
Above 44 years	1	0

The estimate 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.

Enterprise best estimate of expense for the next annual reporting period is ₹ 35,342,002.

31. Employee Stock Option Plan / Scheme (ESOP/ ESOS)

Pursuant to a resolution passed by the members holding Equity shares vide Annual General Meeting held on July 06, 2017, the Holding Company terminated and withdrawn the Satin Employee Stock Plan 2009, 2010 (I) and 2010 (II) (earlier ESOS Schemes) with immediate effect. The members also approved that the Satin Employee Stock Option Plan 2009 is valid for the options already granted (before said termination) and the vesting and exercise of options shall continue in terms of Satin Employee Stock Option Plan 2009. The members also accorded their approval and formulated a new scheme titled "Satin Employee Stock Option Scheme, 2017" (Satin ESOS 2017) in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Under the new scheme, the total pool of

options, which can be granted to eligible employees of the Company and its subsidiaries, is 361,400. During the current year, the Company has granted 145,200 number of options to the eligible employees of the Holding Company and its subsidiaries. The options shall vest in three equal instalments every year, after expiry of one year from the date of grant of option.

As at March 31, 2018, the Satin Employee Welfare Trust holds 428,200 equity shares under the Satin ESOS 2017. The pool of options also includes such number of shares lying with the Trust pursuant to non-exercisability of options outstanding under the 'earlier ESOS Schemes' of the Holding Company. Forfeited/lapsed/expired options under the Satin ESOS 2017 can be re-issued by the Holding Company at its discretion in accordance with provisions of the applicable laws and the provisions of Satin ESOS 2017.

a) Employee stock option schemes:

Satin ESOP 2009: 425,000 equity shares of ₹ 10 each at a premium of ₹ 10 each were allotted to Satin Employees Welfare Trust on November 27, 2009.

Details of grant and exercise of such options are as follows;

Particulars	Grant – 1 of ESOP 2009			Grant – 2 of ESOP 2009			Grant – 3 of ESOP 2009		
No. of options granted	150,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 02, 2013			December 02, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22		
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	-	-

Satin ESOP 2010: 100,000 equity shares of ₹ 10 each at a premium of ₹ 12 were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10 each at a premium of ₹ 15 were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOS Scheme 2017: All options not exceeding 361,400 representing 0.96% of the paid-up capital of the Holding 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 Holding 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 Holding Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Holding Company held on July 6, 2017.

Particulars	ESOS Grant 2017
No. of options granted	145,200
Date of grant of options	August 14, 2017
No. of employee to whom such options were granted	57
No. of employees who have exercised the option	NA
No. of options Exercised	

- b) The Holding Company has provided following share based options to its employees. During the financial year ended March 31, 2018, the following schemes were in operations:

Particulars	ESOP 2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017
Date of Board Meeting, where ESOP/ESOS were approved	November 27, 2009,	May 26, 2017
Date of Committee Meeting where Grant of options were approved	January 12, 2010, November 12, 2013 and November 09, 2016	August 14, 2017
Date of shareholders approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	1,45,200
Method of settlement	Equity	Shares /Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the End of Year 1 : 33.33% End of Year 2 : 33.33% End of Year 3 : 33.34% Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Option will be vested at the End of Year 1 : 33.33% End of Year 2 : 33.33% End of Year 3 : 33.34%
Exercise period	From the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	From the date of vesting of options and expire not later than 1 year from the vesting date of each grant of options

The vesting details are as under (ESOP 2009):

Vesting Date	Out of 150,000 option	Out of 98,300 options (11,000 lapsed)	Out of 87,900 options
January 12, 2011	50,000	-	-
January 12, 2012	50,000	-	-
January 12, 2013	50,000	-	-
December 2, 2014	-	29,090*	-
December 2, 2015	-	29,100**	-
December 2, 2016	-	29,110***	-
February 1, 2018	-	-	21,100#

*25,824 options were exercised on February 1, 2015.

** 22,633 options were exercised on February 1, 2016.

***27,243 options were exercised on February 1, 2017.

#21,100 options were exercised on February 1, 2018 and 12,900 options lapsed.

i) The details of ESOP 2009 are summarized below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	ESOP 2009		ESOP 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	120,700	20	197,433	20
Granted during the year	-	-	87,900	-
Forfeited during the year	-	-	-	-
Exercised during the year	21,100	20	27,243	-
Number of shares arising as a result of exercise of options	21,100	20	27,243	-
Expired/ lapsed during the year	12,900	20	11,167	-
Options shifted to new ESOS Scheme 2017	133,600	-	-	-
Outstanding options at the end of the year	-	-	120,700	20
Exercisable at the end of the year	44,600	20	78,600	20
Weighted average remaining contractual life (in years) of the option exercisable	1.17	-	1.67	-
Weighted average fair value of the options exercisable	20	20	20	20
Loan repaid by the Trust during the year from exercise price received	422,000	-	544,860	-

ii) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2018	
	ESOS 2017	
	No. of options*	Weighted average exercise price
Outstanding options at the beginning of the year	361,400	At a discount/ premium on fair value
Granted during the year	145,200	160
Forfeited during the year	-	-
Exercised during the year	-	-
Number of shares arising as a result of exercise of options	-	-
Expired/ lapsed during the year under ESOS Scheme, 2017	67,800	160
Options Expired/ lapsed under earlier ESOP Scheme's (Adjusted)	22,200	-
Outstanding options at the end of the year	306,200	-
Exercisable at the end of the year	77,400	160
Weighted average remaining contractual life (in years) of the option exercisable	1.37	-
Weighted average fair value of the options exercisable	160	160
Loan repaid by the Trust during the year from exercise price received.	-	-

*Outstanding options of previous ESOP schemes has been transferred to new ESOS scheme 2017.

iii) The detail of exercise price for stock option at the end of the financial year 2017-2018 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
ESOP 2009	20 per option	44,600	1.17	20	Scheme repealed
ESOS Scheme 2017	At a discount/premium on fair value	77,400	1.37	160	New scheme

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

(a) 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	Name of the Company	Designation	No of options granted
1.	Mr. Sanjay Mahajan	Satin Creditcare Network Limited	Chief Information Officer	12,000
2.	Mr. Subir Roy Chowdhury	Satin Creditcare Network Limited	Head - Human Resource	12,000
3.	Mr. Sanjeev Vij	Taraashna Services Limited	Chief Executive Officer	12,000

- (b) There are 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 Holding Company at the time of grant.

32. 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 estimated fair value of each stock option granted in the general employee stock option plan is ₹ 420.75 and ₹ 166.98. This was calculated by applying Black Scholes Model of valuation. The model inputs are as follows.

Inputs	Satin ESOP 2009			ESOS Scheme 2017		
	First Grant	Second Grant	Third Grant	First Grant	Second Grant	Third Grant
Share price at grant date	N.A	N.A	N.A.	N.A	N.A	N.A.
Exercise price	20	20	20	160	160	160
Expected volatility (%)	60.39	60.39	60.39	55.86	62.90	62.90
Expected dividends yield	-	-	-	-	-	-
Contractual life (in years)	0	0.7	1.7	0.4	1.4	2.4
Risk free interest rate	6.09%	6.04%	6.03%	6.35%	6.40%	6.45%

- ii) Other information regarding employee share-based payment plans is as below:

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
Expense arising from employee share-based payment plans	19,604,428	5,203,662

- iii) 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 ₹ (1.51) (Refer note 40).

33. The Holding Company has ₹ 9,514,000 (Previous year: ₹ 9,936,000) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

34. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	2,100,416	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

35. Segment reporting

The Group operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Accounting Standard 17, Segment Reporting specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company operates in a single geographical segment i.e. domestic.

36. Portfolio loan assets

(a) Holding Company

During the previous year ended March 31, 2017, 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 ₹ 3,928,935,110 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.

Asset classification	Portfolio loans outstanding	
	As at March 31, 2018	As at March 31, 2017
Standard assets	48,591,196,677	35,939,386,274
Non-performing assets	2,256,776,492	228,947,708
Gross loan portfolio	50,847,973,169	36,168,333,982
Less: Securitised/assigned portfolio	7,820,101,052	4,176,523,375
Less: Provision for non-performing assets/ standard assets and contingent provision against standard assets	950,655,203	608,553,512
Net loan portfolio	42,077,216,914	31,383,257,095

(b) Subsidiary Company

Satin Housing Finance Limited has followed the Housing Finance Companies (NHB) Directions, 2010 with respect to provisioning on loans including general provision on standard loans. The details of loans and provision thereon is as under:

Particulars	As at March 31, 2018
Standard assets	
Loans	
Housing loans - Individuals	17,135,234
Other loans - Individuals	3,510,049
Others	456,232
Provisions @ 0.40% of loan outstanding	
Housing loans - Individuals	68,541
Other loans - Individuals	14,040
Others	1,825
Sub-standard, doubtful and loss assets	
Loans	-
Provisions	-

Reconciliation of contingent provision against loans

Particulars	As at March 31, 2018
Balance at the beginning of the period	-
Add: Provisions made during the period	84,406
Balance at the end of the period	84,406

37. Contingent liability and capital commitment:

- a. Estimated amount of contract remaining to be executed on capital account and not provided for is ₹ 39,195,065 (Previous year: ₹ 95,546,945).
- b. Others:
 - (i) For Holding Company

Particulars	As at March 31, 2018	As at March 31, 2017
Credit enhancements provided by the Holding Company towards Securitisation	1,758,767,413	443,255,930
Portfolio of loan against property	120,635,002	230,247,240
Total	1,879,402,415	673,503,170

- (ii) For Taraashna Service Limited (Subsidiary)

S No.	Name of Channel Partner	As at March 31, 2018	As at March 31, 2017
1	Yes Bank Ltd.	-	56,759,649
2	RBL Bank Ltd. (Non - microfinance business)	301,038	115,278,378
3	Reliance Capital Ltd.	71,196,026	34,985,629
4	DCB Bank Ltd.	45,214,538	18,579,259
5	Indusind Bank Ltd.	13,256,222	3,323,327
6	Northern Arc Capital Limited	-	536,814
7	State Bank of India	684,285	-
Total		130,652,109	229,463,056

Value of contingent liabilities as on 31 March 2018 is stated at ₹ 130,652,109 (Previous Year ₹ 229,463,056). This is due to First/Second Loss Default Guarantees on account of outstanding amount of loans to various borrowers of Banks / NBFCs on behalf of which the Company is acting as a Business Correspondent. These contingent liabilities are being calculated on the outstanding loans (Portfolio) in the books of the company as on 31 March 2018 after deducting losses as per agreement already incurred by the Company on account of non-recovery of instalments.

- (b) In the opinion of the management of the Company, the overall contingent liabilities are unlikely to exceed the above mentioned amount as on 31 March 2018.

- (c) With respect to one of the business partner i.e RBL Bank Ltd., on and after 31 March 2018 Company shall not be liable to create and maintain any Security Deposit and/ or shall not provide any guarantee to RBL Bank Ltd., towards any amount whatsoever against microfinance portfolio as on 31 March 2018 of ₹ 2,275,821,532 from borrowers, to whom loan had been extended by the Company on behalf of RBL Bank Ltd. The existing microfinance portfolio of Customers shall rundown through regular payments by Customers.

38. Related party disclosure

A. List of related parties:

Names of Related Parties with whom transactions have occurred during the year.

Key Managerial Personnel

Mr. H P Singh, Chairman cum Managing Director (Holding Company)

Mr. Sanjeev Vij (Taraashna Services Limited), Chief Executive Officer

Mr. Amit Sharma (Satin Housing Finance Limited), Whole Time Director and Chief Executive Officer

Chief Financial Officer

Mr. Jugal Kataria (Holding Company)

Mr. Abhay Thakkar (Taraashna Services Limited)

Mr. Sachin Sharma (Satin Housing Finance Limited)

Relative of Key Managerial Personnel

Mr. Satvinder Singh

Mrs. Anureet H P Singh

Influence of Key Managerial Personnel and Relatives

Niryas Food Products Private Limited

Satin (India) Limited

Satin Media Solutions Limited

B. Transactions with related parties:

Name of Related party	Nature of Transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
Mr. H P Singh	Remuneration	11,965,200	14,596,940
	Provident fund and others	3,544,684	4,416,830
	Reduction in personal guarantees	277,442,980	19,564,582
Mr. H P Singh and Mr. Satvinder Singh	Reduction in personal guarantees (Jointly)	2,006,776,816	787,077,199
Mr. Jugal Kataria	Remuneration	7,200,020	6,971,750
Mr. Sanjeev Vij	Remuneration	7,023,000	7,023,000
Mr. Amit Sharma	Remuneration	4,898,335	-
Mr. Abhay Thakkar	Remuneration	598,470	-
Mr. Sachin Sharma	Remuneration	1,466,663	-
Niryas Food Products Private Limited	Rent Received	425,562	405,300
	Received amount of loan instalment deducted from creditors of milk products (TSL)	4,767,774	607,121
Mrs. Anureet HP Singh	Equity Share issued pursuant to acquisition of TSL	-	132,193,236
	Remuneration	-	16,79,000
Satin (India) Limited	Equity Share issued pursuant to acquisition of TSL	-	101,086,198
Satin Media Solutions Limited	Equity Share issued pursuant to acquisition of TSL	-	155,525,574

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.

C. Year end balances:

Name of Related party	Nature of Balance	As at March 31, 2018	As at March 31, 2017
Mr. H P Singh	Remuneration	171,461	-
	Personal Guarantees	1,545,075,757	1,822,518,737
Mr. H P Singh and Mr. Satvinder Singh	Personal Guarantees (Jointly)	8,763,658,243	10,770,435,060
Mr. Jugal Kataria	Remuneration	11,335	-
Niryas Food Products Private Limited	Security deposits	33,775	33,775
	Received amount of loan instalment deducted from creditors of milk products (TSL)	-	2,148

39. Leases

a. Office Premises

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating lease payments recognized during the year	144,942,955	96,975,497
Minimum lease obligations:	As at March 31, 2018	As at March 31, 2017
- Not later than 1 year	90,495,554	84,120,089
- Later than 1 year but not later than 5 years	146,161,422	104,646,489
- Later than 5 years	8,204,277	10,513,326

b. Generator

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating lease payments recognized during the year	441,000	263,102
Minimum lease obligations:	As at March 31, 2018	As at March 31, 2017
- Not later than 1 year	419,250	820,923
- Later than 1 year but not later than 5 years	569,075	2,330,366
- Later than 5 years	-	-

40. Earnings per share:

In accordance with Accounting Standard 20, Earnings Per Share as notified by the Companies (Accounting Standards) Rules, 2014:

(i) Calculation of Basic and Diluted Earnings per Share (EPS):

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net (loss)/ profit after tax available for appropriation (₹)	(63,739,270)	248,735,245
Weighted average number of equity shares – Basic EPS	421,66,114	34,343,902
Basic (loss)/ earnings per share (₹)	(1.51)	7.24
Weighted average number of equity shares – Diluted EPS	421,66,114	34,765,294
Diluted earnings per share (₹)	(1.51)	7.15

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic (loss)/ earnings per share (₹)	(1.51)	7.24
Effect of potential equity shares	-	421,392
Diluted (loss)/ earnings per share (₹)	(1.51)	7.15

41. Expenditure in foreign currency (on accrual basis):

Nature	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling expenses	2,899,447	6,978,354
Professional fee	7,430,967	11,316,229
Interest payment - external commercial borrowing	34,449,260	35,504,242
Sitting fees	120,000	20,000
Business promotion	-	256,004
Share/ Debenture issue expenses	8,245,897	6,804,618
Total	53,145,571	60,879,447

42. Additional Information as required 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 ₹	As % of consolidated profit or loss	Amount in ₹
Parent					
Satin Creditcare Network Limited	₹	100.58%	10,950,615,703	149.71%	40,263,764
Subsidiary					
Taraashna Services Limited	₹	2.20%	239,893,696	(246.65%)	(66,336,485)
Satin Housing Finance Limited	₹	1.34%	144,916,958	(17.41%)	(4,683,042)
Minority Interest in Subsidiary	₹	(0.20%)	(21,317,856)	27.58%	7,418,118
Adjustments arising out of consolidation	₹	(3.92%)	(426,908,723)	(13.23%)	(3,557,711)
Consolidated Net Assets / Profit / (Loss) after tax	₹	-	10,887,199,778	-	(26,895,356)

43. 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 Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Per Lalit Kumar
Partner

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

Satvinder Singh
(Director)
DIN: 00332521

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

Jugal Kataria
(Chief Financial Officer)

Place : Noida
Date: May 30, 2018

Place : Delhi
Date: May 30, 2018

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 ₹)

S. No.	1	2
Name of the subsidiary	Taraashna Services Limited	Satin Housing Finance Limited
The date since when subsidiary was acquired	September 01, 2016	April 17, 2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period :-	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries :-	NA	NA
Share capital	124,403,130	149,600,000
Reserves and surplus	115,490,566	(4,683,042)
Total assets	648,173,314	145,742,635
Total Liabilities	408,279,618	825,677
Investments	NIL	NIL
Turnover	538,285,809	6,855,851
Profit / (loss) before taxation	(97,790,872)	(6,386,977)
Tax Expenses	31,454,387	(1,703,935)
Profit / (loss) after taxation	(66,336,485)	(4,683,042)
Proposed Dividend	NIL	NIL
Extent of shareholding (in percentage)	91.11%	100%

A. Names of subsidiaries which are yet to commence operations: N.A.

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

**For and on behalf of the Board of Directors
Satin Creditcare Network Limited**

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

**Place: Delhi
Date: May 30, 2018**

Notice

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of Satin Creditcare Network Limited will be held on Friday, July 06, 2018 at 10.30 A.M. (IST) at Little Theatre Group Auditorium, 1, Copernicus Marg, Mandi House, Opp. Doordarshan Bhawan, Near Connaught Place, New Delhi, Delhi 110001, to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements and the reports of the Directors' and Auditors' thereon

To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial statements) of the Company for the financial year ended on March 31, 2018 and the Report of Board of Directors of the Company and Auditors thereon.

2. Declaration of Dividend

To declare following final Dividend on Preference Shares for the financial year 2017-18 and interim dividend on Preference Share (owing to the exercise of conversion option by Capital First Limited).

Preference Share(s)	Type of Dividend	No. of Preference Shares	Dividend Per Shares (In Rs.)
12.10% Rated, Cumulative, Non-Convertible and Compulsorily Redeemable Preference Shares	Final	2,50,00,000	1.2100
0.01% Optionally Convertible Cumulative Redeemable Preference Shares	Final	13,43,283	0.0003
0.01% Optionally Convertible Redeemable Preference Shares	Final	12,30,098	0.0006
0.01% Optionally Convertible Redeemable Preference Shares	Interim	12,30,098	0.0002

3. Appointment of Director

To appoint a Director in place of Mr. Arthur Sletteberg (DIN: 07123647), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. 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 Twenty Seventh Annual General Meeting held on July 6, 2017 and pursuant to the provisions of sections 42 and 71 and all other applicable provisions 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-enactment thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the **“Board”** which terms shall be deemed to include any Committee duly constituted by the Board or any Committee, which the Board may hereafter constitute), to issue/offer/invite for subscription of Secured/Unsecured/Subordinated/Senior, 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. 3,000 Crore (Rupees Three Thousand Crore 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), Bodies Corporate, Statutory Corporation(s), Commercial Bank(s), Domestic and Multilateral Lending Agency(ies), Financial Institution(s), Insurance Company(ies), Mutual Fund(s), Pension Fund(s), Family Office(s), and Individual(s), as the case may be or such other person/persons/investors as the Board may so decide/approve, for a period of one year or for such other period as permissible under applicable laws, from the date of approval of the Members, 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.

5. 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 approved and 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.”

6. To increase the borrowing power of Board of Directors u/s 180(1)(c) of the Companies Act, 2013

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

“RESOLVED THAT consent of the members be and is hereby accorded pursuant to section 180(1)(C) and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder read with Article 67 of the Articles of Association of the Company, to the Board of Directors of the Company to raise or borrow from time to time such sum or sums as they may deem appropriate for the purposes of the Company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from Company's bankers in the ordinary course of business) will exceed the paid-up share capital, free reserves and securities premium of the company not set apart for any specific purpose provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed Rs. 10,000 Crore (Rupees Ten Thousand Crore only) at any time.

RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution.”

7. Creation of Charges on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1)(a) of the Companies Act, 2013

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

“RESOLVED THAT consent of the members of the Company be and is hereby accorded pursuant to section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 read with Article 67 of the Articles of Association of the Company and the rules made thereunder, to the Board of Directors of the Company to pledge, mortgage and/or create charge on all or any part of the Moveable or Immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a fixed or floating charge on all or any Movable or Immovable properties of the Company and the whole of the undertaking of the Company to or in favour of Banks, Financial Institutions, any other Lenders or Debenture Trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the maximum extent of the indebtedness secured by the properties of the Company does not exceed Rs. 10,000 Crore (Rupees Ten Thousand Crore only) at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution.”

8. To approve the revision in overall remuneration to be paid to Mr. H P Singh (DIN: 00333754), Chairman cum Managing Director of the Company

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

“RESOLVED THAT in furtherance of the ordinary resolution passed by the members of the Company at their Twenty Fifth Annual General Meeting held on July 8, 2015 pursuant to which their consent was accorded for the appointment of Mr. H P Singh (DIN: 00333754) as Chairman cum Managing Director for 5 years with effect from October 1, 2015 till September 30, 2020 and the remuneration to be paid to him for holding the office of Chairman cum Managing Director and pursuant to sections 196 and 197 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded for revision in the remuneration as set out below, to Mr. H P Singh, Chairman cum Managing Director, for the period commencing from August 1, 2018 until September 30, 2020 or for such other period as may be determined in accordance with applicable laws and subject to receipt of the requisite approvals, if any:

A. **Salary:** Rs. 13,32,600 per month

B. **Perquisites:** The value of perquisites under the following categories shall be determined in terms of the provisions of section 197 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, as amended from time to time:

Category A

1. **Medical Benefits for Self and family**

Reimbursement of expenses actually incurred for self and family ("Family" means the spouse, dependent children and dependent parents), the total cost of which should not exceed one month's salary per year or three months' salary in a period of three years.

2. **Leave Travel Concession**

For self, wife and dependent children payable once in a year as per the rules of the Company. This is further subject to maximum of one month's salary.

3. **Club Fees**

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

4. **Provident Fund**

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

Category B

1. **Gratuity payable** at a rate not exceeding half a month's salary for each completed year of service as per rules/Policy of the Company and in terms of applicable laws as amended from time to time.

2. **Encashment of Leave** as per rules/policy of the Company and in terms of applicable laws as amended from time to time.

Category C

1. **Car with driver and telephone facilities** at residence for official purpose.

RESOLVED FURTHER THAT if in any financial year during the currency of his remaining tenure, the Company has no profits or its profits are inadequate, remuneration as fixed above by way of salary, perquisite and other allowances or any contribution thereof shall be the minimum remuneration payable to Mr. H P Singh subject to the provisions contained in schedule V of the Companies Act, 2013 and the approval of Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. H P Singh, Chairman cum Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limit specified under the Companies Act, 2013 and rules framed thereunder.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper 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

Date: May 30, 2018

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 ALSO 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 member. The instrument of Proxy in order to be effective, should be deposited at the Registered/Corporate office of the Company, duly completed and signed, not less than 48 hours (i.e. on or before July 4, 2018, 10:30 A.M. IST) 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. 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.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company or upload it on the e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.
4. The register of members and share transfer books of the Company shall remain closed from June 30, 2018 to July 06, 2018 (both days inclusive) for determining the names of the members eligible for voting at the Meeting. The members whose names appear on the Company's register of members as on June 29, 2018 will be eligible to attend and vote at the meeting.
5. The payment of dividend will be made to all members holding Preference shares (as applicable) in respect of shares held in dematerialized form and/or in physical form (if any), as per the data made available by the National Securities Depository Limited (NSDL) and/or the Central Depository Services (India) Limited (CDSL) and/or Registrar & Share Transfer Agent as of the close of business hours on June 29, 2018.
6. 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 08, 2018.
7. Members may also note that the Notice of the Twenty Eighth Annual General Meeting and the Annual Report for year ended March 31, 2018 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 members may also send requests to the Company's email id: "secretarial@satincreditcare.com". The Company has a dedicated e-mail address "secretarial@satincreditcare.com" for members to mail their queries or lodge complaints, if any. We will endeavour to reply to your queries at the earliest.
8. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of bank account details to their respective depository participant(s). We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) and updates of bank account details by every investors holding securities in physical or electronic mode with the Registrar and Share Transfer Agent.
10. 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
11. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company's Corporate Office at least 7 (Seven) days before the date of the ensuing Annual General Meeting so that the same can be suitably replied to.
12. Members are requested to bring their copy of the Annual Report to the Meeting and no copy would be provided at the Annual General Meeting venue.

13. Members holding Equity Shares shall have one vote per share as shown against their holding.
14. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office and Corporate 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.
15. 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 of Annual General Meeting.
16. Pursuant to the prohibition imposed vide Secretarial Standard on the General Meeting (SS-2) issued by ICSI and the MCA Circular, no gifts/coupons shall be distributed at the Annual General Meeting.
17. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your depository participants.
18. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
19. Details as required in sub-regulation (3) of regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice attached and **Annexure A**. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

20. 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) and 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. Mr. Bhatia 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. Friday, June 29, 2018.
- v. The e-voting period commences on Tuesday, July 03, 2018 (10.00 A.M. IST) and ends on Thursday, July 05, 2018 (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 Member 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	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <p>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).</p>

- (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 “**180605004-Satin Creditcare Network Limited**” on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the 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) Members 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 Members and Custodians**
- Non-Individual member (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.

(xx) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

21. 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.
22. 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 30, 2018**

APPENDIX -1

ROUTE MAP OF TWENTY EIGHTH AGM VENUE: LITTLE THEATRE GROUP AUDITORIUM, 1, COPERNICUS MARG, MANDI HOUSE, OPP. DOORDARSHAN BHAWAN, NEAR CONNAUGHT PLACE, NEW DELHI, DELHI 110001



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONGWITH THE NOTICE DATED MAY 30, 2018

Item No. 4

Section 42 of the Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 deals with Private Placement of securities by a Company. Sub-rule (2) of the said rule 14 states that in case of an offer or invitation to subscribe for Non-Convertible Debentures on Private Placement, the Company shall obtain previous approval of its members by means of a special resolution, and it shall be sufficient to obtain such previous approval only once in a year for all the offers or invitations for such debentures during the year.

In order to augment resources for lending, repayment/refinance of existing debt, working capital requirement, purchase of assets, investments, general corporate purposes etc. the Company may invite subscription for secured/unsecured Redeemable Non-Convertible Debentures (NCDs), in one or more series /tranches on Private Placement basis. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of interest rate/effective yield determined, based on market conditions prevailing at the time of the issue.

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. 3,000 Crore (Rupees Three Thousand Crore only) as stipulated above, in one or more tranches, within the overall borrowing limit of the Company, as approved by the members of the Company from time to time.

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

Board of Directors recommends the passing of the resolution as special resolution.

Item No. 5

The Company has entered into Investment Agreements dated July 8, 2017 with Capital First Limited (CFL) and the Promoter Group of the Company which contemplates that at the next general meeting of the Company following the date of conversion of OCRPS into Equity Shares, the Company shall include certain agreed CFL related amendments into the Articles of Association (AOA) of the Company and has also entered into separate Investment Agreements (along with other agreement forming part of investment) dated December 19, 2017 with Kora Investments I LLC, Nordic Microfinance Initiative Fund III KS, IndusInd Bank Limited and the Promoter Group of the Company. The relevant provisions of such Investment Agreements also need to be incorporated in the Articles of Association of the Company. In addition to that, amendments are required for alteration of provisions relating to Common Seal in terms of the Companies (Amendment) Act, 2015.

Further, the Board in its meeting held on May 30, 2018 has subject to the approval of members, approved the above said amendments in the Articles of Association of the Company.

The copy of the new set of Articles of Association of the Company is available for inspection at the Registered Office and Corporate Office of the Company between 10:00 A.M. to 5.00 P.M. on all working days from the date of dispatch of the Notice till July 6, 2018 (during the course of Annual General Meeting) and any Member can send a request for the complete set of the same to Company Secretary & Compliance Officer at secretarial@satincreditcare.com. Members can also download the AOA from website (www.satincreditcare.com) of the Company.

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.

Board of Directors recommends the passing of resolution as special resolution.

Item No. 6 & 7

Being into the business of Micro Finance, the Company requires more funds from various lenders of repute to run its operations smoothly and consistently. The total borrowings from banks and other financial institutions including unsecured loans were Rs. 5,165 Crore as on March 31, 2018. As the business requirements of the Company is growing at a fast pace and to enable an active borrowing program by the Company and to access funds at most competitive rate(s), the Company may consider undertaking different forms of borrowings including but not limited to term loan(s), working capital facilities, inter corporate deposit(s), commercial paper, debentures, sub-debt, other non-convertible or convertible debt instruments and/or other fund based facilities whether secured or unsecured or structured or unstructured as may be allowable to be mobilized by the Company. In this regard, it is, therefore, proposed to increase the present borrowing limits from Rs. 6,000 Crore (Rupees Six Thousand Crore) to Rs. 10,000

Crore (Rupees Ten Thousand Crore) over and above the paid-up share capital, free reserves and securities premium of the Company.

Pursuant to section 180(1)(c) of the Companies Act, 2013 read with Article 67 of Articles of Association (AOA), a Company will require Members approval if the money borrowed together with the money already borrowed by it exceeds aggregate of paid-up share capital, free reserves and securities premium, apart from temporary loans from its bankers' in the ordinary course of business.

Accordingly, it is proposed to seek approval of the members under section 180(1)(c) of the Companies Act, 2013, to authorise the Board of Directors to borrow monies in excess of the paid-up share capital, free reserves and securities premium of the Company so however, that the total amount so borrowed shall not exceed at any point in time (excluding any interest on such borrowings) a sum equivalent to Rs.10,000 Crore (Rupees Ten Thousand Crore) over and above the aggregate, for the time being, of the paid-up share capital, free reserves and securities premium of the Company, other than borrowings which are to be excluded in computing such limits pursuant to the provisions of the said section.

Further, pursuant to section 180(1)(a) of the Companies Act, 2013 read with Article 67 of AOA, approval of the members by special resolution is required to create charge on the movable or immovable which can be pledged, mortgage and/or charged and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a fixed or floating charge on all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings, subject to the limits approved by members under section 180(1) (a) of the Act. At present, the Company can borrow upto Rs.6,000 Crore (Rupees Six Thousand Crore only).

Accordingly, it is proposed to seek approval of the members under section 180(1)(a) of the Companies Act, 2013, to authorise the Board of Directors to offer and create charge on the movable or immovable which can be pledged, mortgage and/or charged and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a fixed or floating charge on all or any movable or immovable properties of the Company and the whole of the undertaking of the Company, in favour of the Banks, Financial Institutions, any other lenders or debenture trustees for the purpose of securing the borrowing(s) of the Company for a sum equivalent to Rs. 10,000 Crore (Rupees Ten Thousand Crore).

The Board of Directors of the Company in its Board Meeting held on May 30, 2018 has approved the above proposal and recommended passing of the proposed Special Resolution as contained in Item no. 6 and 7 of the Notice, by members of the Company.

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

Item No. 8

The members of the Company at their Twenty Fifth Annual General Meeting held on July 8, 2015, had by way of an ordinary resolution, approved the appointment of Mr. H P Singh (DIN: 00333754) as Chairman cum Managing Director of the Company for a period of five years with effect from October 1, 2015 to September 30, 2020 on the terms and conditions including payment of remuneration as mentioned therein. At that time, the Company had adequate profits and the remuneration was well within the limits prescribed under the Companies Act, 2013. On November 9, 2016, the Board had increased the remuneration of Mr. H P Singh within the limits already approved by the members in the Annual General Meeting held on July 8, 2015. As a result of demonetisation, the standalone revenue of your Company dropped to an unforeseen level, as compared to the previous year figures and substantially affected the revenue of Company during the Financial Year 2017-18. Owing to the above factors, Mr. Singh had voluntarily offered to forego, 27% of his remuneration w.e.f. June 01, 2017 and the Board had appreciated such gesture by Mr. Singh and approved the implementation of such reduction in remuneration owing to the above- mentioned circumstances.

Now, as the Company is sailing out of the impact of demonetisation and now owing to positive impact of demonetisation results sound performance of the Company is back on track with positive outlook, Nomination & Remuneration Committee and Board of Directors, after considering Mr. Singh's immense contribution towards the achievements and growth of the Company and its subsidiaries and also in view of his vast experience in microfinance industry, recommends revision in his remuneration (subject to applicable laws) as set out in the Item no. 8, which will commence from August 1, 2018 till September 30, 2020 or for such other period as may be determined in accordance with applicable laws and subject to receipt of the requisite approvals, if any. The Board of Directors of the Company recommends for members' approval by way of special resolution the remuneration to be paid to Mr. H P Singh as Chairman cum Managing Director of the Company which remuneration was also approved earlier by Board in its meeting held on November 09, 2016. Statement pursuant to paragraph (IV) of the Second Proviso of paragraph B of section II of Part II of schedule V to the Companies Act, 2013 in respect of Item no. 8 of this notice is annexed as **Annexure B** to this Notice and details in term of paragraph 1.2.5 of the Secretarial Standard on General Meeting (SS-2) in respect of Item no. 8 of this notice is annexed as **Annexure C**.

Under section 197 of the Companies Act, 2013, if in any financial year a company has no profits or its profits are inadequate, payment of remuneration to its directors including any managing or whole time director (exclusive of sitting fees payable to directors) may be made only in accordance with the provisions of schedule V of the Companies Act, 2013.

For remuneration to be paid at double the amount of the limit set out in schedule V, approval of the members of the company by way of a special resolution at a general meeting of the company is required for payment of such remuneration for a period not exceeding three years. Therefore, the Board has recommended the resolutions listed at Item no. 8 for the approval of the members by way of special resolution.

Except Mr. H P Singh and Mr. Satvinder Singh, none of the Directors, Key Managerial Personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise, in the special resolution set out at Item no. 8 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 30, 2018**

ANNEXURE 'A' TO THE NOTICE

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED/RE-APPOINTED AS REQUIRED UNDER REGULATION 36 (3) THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IN THE ORDER OF THE ITEMS MENTIONED IN THE NOTICE:

Name of the Director	Mr. Arthur Sletteberg
Director Identification Number (DIN)	07123647
Date of Appointment	May 25, 2015
Date of Birth	May 24, 1960
Brief Profile/ Nature of Expertise	Mr. Arthur Sletteberg, aged 58 years, is a Nominee Director for Nordic Microfinance Initiative Fund III KS on the Board of our Company. He 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 for the World Economy, Germany. He has an experience of 30 years in central banking, commercial banking, pension fund management and investments. He is currently the managing director of Nordic Microfinance Initiative AS and has previously worked with Norges Bank, DNB, Storebrand, OPF and Ferd.
Names of other companies in which the person also holds the directorship	None
Names of companies in which the person also holds the membership of Committees of the Board	NIL
Number of Equity Shares held in the Company	NIL
Relationship between directors inter-se	Mr. Arthur is not related to any Director.

ANNEXURE 'B' TO THE NOTICE

STATEMENT PURSUANT TO PARAGRAPH (IV) OF THE SECOND PROVISIO OF PARAGRAPH B OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO. 8 OF THE NOTICE:

I. GENERAL INFORMATION

1. Nature of Industry

The Company is engaged in the business of providing micro-finance in semi-urban and rural areas with operations in 18 states.

2. Date or expected date of commencement of commercial production

Not applicable (The Company has already commenced its business activities).

3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus

Not applicable

4. Financial performance based on given indicators

(Rs. In Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue	97,664	77,667	55,852
Total Expenses	97,304	73,947	47,099
Profit / (Loss) after tax	403	2,450	5,794
Paid up Equity Share Capital	4,727	3,714	3,150
Reserve & Surplus	100,522	60,008	29,251
Total Portfolio (Net of Provision)	498,973	355,598	324,801
No. of Branches	809	618	431

5. Foreign investments or collaborations, if any

The Company does not have any foreign collaboration. The Company has foreign direct investment and investments done by Foreign Institutional Investors (FII)/Foreign Portfolio investor/other foreign body corporate acquired through secondary market and/or through qualified institutional placements/preferential allotment. As per the shareholding pattern of the Company as on March 31, 2018, the composite foreign investment in the Company stands at 41% comprising of:

- (i) 16.48% by foreign portfolio investors;
- (ii) 23.86% by foreign bodies corporate; and
- (iii) 0.66% by non-resident Indians.

II. INFORMATION ABOUT MR. H P SINGH, CHAIRMAN CUM MANAGING DIRECTOR

a. Background details

Mr. H P Singh is a law graduate and a fellow member of The Institute of Chartered Accountants of India since 1984. He has almost three decades of microfinance experience and pioneered the unique concept of daily collection of repayments of loans. Besides an expert in lending (especially microfinance) he has experience in the field of auditing, accounts, project financing, advisory services and company law matters.

Past Remuneration

The details of past remuneration drawn by Mr. H P Singh is as under:

(In Rupees)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Gross salary:			
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,19,65,200	1,45,96,940	84,67,100
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (Including Value of Car Perquisite)	20,89,660	27,04,800	55,66,840
(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
- as % of profit			
- Others, specify			
Provident Fund	14,83,824	17,51,630	10,16,050
Total	1,55,38,684	1,90,53,370	1,50,49,990

b. Recognition or awards

He has participated in HBS Accion Program on Strategic Leadership for Microfinance in 2009 and leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011. Further, he was awarded as "Social Innovator" by Time Ascent of World HRD Congress held at Taj, Mumbai on February 15, 2017 and also received an "Exemplary Leader Award" at Global Globe Tigers Award held at Kuala Lumpur, Malaysia on April 23, 2018.

c. Job profile and his suitability

Mr. Singh has almost three decades of microfinance experience and pioneered the unique concept of daily collection of repayments of loans. Besides an expert in lending (especially microfinance) he has experience in the field of auditing, accounts, project financing, advisory services and company law matters. His financial engineering experience of almost three decades has helped the Company in operational strategy and efficiency.

d. Remuneration proposed

The remuneration proposed to be paid is detailed in resolution hereinabove read with the explanatory statement.

e. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The Company is in micro finance business and has two subsidiaries, (i) Taraashna Services Limited (TSL), which is in business correspondent services; and (ii) Satin Housing Finance Limited (SHFL) which is engaged in housing finance business. With increase in size and gross loan portfolio, it is imperative for any NBFC-MFI company to have highly experienced person having specialized knowledge and skills to understand and project the market trend, client behavior, financial needs assessment skills and relevant indicators for organisational growth. The Company and its subsidiaries also require expertise for appropriate fund allocation, optimum utilization of various resources in the business. Also, in current scenario, the deliverables as indicated and specified by regulators are quite comprehensive. Considering the responsibility shouldered by Mr. H P Singh of the enhanced business activities of the Company, proposed remuneration is commensurate with industry standards in similar sized organisations and for and similarly held Board level position. Mr. Singh has successfully proved his expertise in an effective manner and has driven the Company towards the growth over a long period of time. Hence, the Board of Directors considers that the remuneration being proposed is justified when compared with other organisations of the similar type, size and nature in the MFI / financial services industry.

f. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

In addition to the remuneration and perquisites detailed above, Mr. H P Singh, directly and indirectly holds 1,30,72,671 equity shares in the Company. Apart from this, he has no other pecuniary relationship directly or indirectly with the Company or its managerial personnel.

III. OTHER INFORMATION

a. Reasons for loss or inadequate profits

The Company had adequate profits upto the financial year ended March 31, 2017 and the remuneration paid to the Managing Directors was well within the applicable limits prescribed under the Companies Act, 2013. However, as a result of demonetisation, standalone revenue of your Company dropped to an unforeseen level and substantially effected the revenue of Company during the Financial Year 2017-18 and also Company being in the expansion phase had acquired one subsidiary Taraashna Services Limited which is into the Business Correspondent and also incorporated one wholly owned subsidiary Satin Housing Finance Limited, which is into the business of Housing Finance resulting into lower profits during the previous financial year.

b. Steps taken or proposed to be taken for improvement

The Company has been earning profits in the past consistently on standalone basis and we expect to do well in future, however to regain that position, the Company is looking forward to take all such steps and measures including expansion, diversification, restructuring which are in the best interest of the Company.

In addition to the above, certain strategic management changes made during the previous financial year would result in further cost reduction and thereby contributing to the profitability in the years to come.

A new leadership team is in place focusing in technology revamping and entering into new geographical location to take lead in industry. Further, various realignment of business and investment policies in tune with applicable compliances should result in overall reduction in finance and operating cost. These will ensure overall improvement.

c. Expected increase in productivity and profit in measurable terms.

The Company has, post demonetization, which had substantially impacted the profit, implemented cashless system/ digitization in 33 regional offices and 414 branches and has disbursed more than Rs. 1,070 Crore through cashless mode as of March 31, 2018. The Company has also upgraded its operational performances and managed to cut the cost of system by developing in-house application system (Loan Management System, 'LMS') and the Company believes that such technological transformation will surely gain an edge over its competitors. The Company has recently implemented tie-up with a leading commercial bank for the Business Correspondent arrangements which is expected to improve operational efficiencies and reduce cash management costs, thereby improving the overall profitability and resulting in gains from the credibility that the bank has brought in due to its brand recognition and trust of the general public and Company has also entered into business tie up agreement with a large Non-Banking Financial Company.

Based on the current business plans, strict cost control measures, availability of banking limits and continued support from all stakeholders, the Company believes that it would be able to emerge successfully in terms of good turnover and profits in the days to come.

d. Disclosures

The disclosures on remuneration package of Mr. H P Singh and details of all elements of remuneration package, details of fixed components etc. were given in the Corporate Governance Report and Board's Report attached to the Annual Report 2017-18 for the information of the shareholders.

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

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

**Place: Delhi
Date: May 30, 2018**

ANNEXURE 'C' TO THE NOTICE

DETAILS IN TERM OF PARAGRAPH 1.2.5 OF THE SECRETARIAL STANDARD ON GENERAL MEETING (SS-2) FOR THE DIRECTOR SEEKING REVISION OF REMUNERATION:

Name of the Director	Mr. H P Singh
DIN	00333754
Date of first appointment on the Board	October 16, 1990
Date of Birth and Age	December 24, 1960 (Age- 57 Years)
Qualification	Law Graduate and Chartered Accountant
Experience	Mr. Singh has over three decades of microfinance experience and pioneered the unique concept of daily collection of repayments of loans. Besides an expert in lending (especially microfinance) he has experience in the field of auditing, accounts, project financing, advisory services and company law matters.
Remuneration sought to be paid	The remuneration proposed to be paid is detailed in resolution hereinabove.
Remuneration last drawn by such person	The remuneration last drawn is detailed in the Annexure B of the AGM Notice.
Shareholding in the Company	4,15,123
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Singh is brother of Mr. Satvinder Singh (Director)
The number of Meetings of the Board attended during the FY 2017-18	Six Board Meetings
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<p>Other Directorship:</p> <ul style="list-style-type: none"> - Anushna Estates Private Limited - Satin Creditcare Foundation - Parinita Investments Private Limited - Parishek Finance Private Limited - Riwaaz Investments Private Limited - Satin (India) limited - Niryas Food Products Private Limited - UV Associates Private Limited - Taraashna Services Limited - Satin Media Solutions Limited - Taco Consultants Private Limited - Global Social (India) Foundation - Tomorrows One Global Network Private Limited - The Social Store Pte. Limited - Prestellar Ventures Fund I Pte. Ltd. - Tomorrow's One Capital Pte. Limited - Constellation Partners Pte. Ltd - Satin Housing Finance Limited - Trishashna Holdings & Investments Private Limited <p>Membership/ Chairmanship of Committees of other Boards:</p> <ul style="list-style-type: none"> - Member of Audit Committee of Taraashna Service Limited



SATIN CREDITCARE NETWORK LIMITED

CIN: L65991DL1990PLC041796

Regd. Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033

Corp. Office: Floor 1 & 3, Plot No -97, Sector-44, Gurugram, Haryana-122003, India

Phone: 0124-4715400/450/499 **E-mail:** secretarial@satincare.com

Website: www.satincare.com

ATTENDANCE SLIP

(To be presented at the entrance)

Members are requested to 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 Twenty Eighth Annual General Meeting.

Name of the Member:																
Name of Proxy Holder:																
Registered Address:																
Folio No. / DP & Client ID:																
No of Shares held:																

I hereby record my presence at the Twenty Eighth Annual General Meeting held on Friday, July 6, 2018 at 10:30 A.M. At Little Theatre Group Auditorium, 1, Copernicus Marg, Mandi House, Opp. Doordarshan Bhawan, Near Connaught Place, New Delhi, 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: Floor 1 & 3, Plot No -97, Sector-44, Gurugram, Haryana-122003, India

Phone: 0124-4715400/450/499 E-mail: secretarial@satincare.com

Website: www.satincare.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:	
No of Shares held:	

I/We, being the member (s) of Equity shares of the above named company, hereby appoint

- Name..... Address :.....
E-mail Id :..... Signature :....., or failing him
- Name..... Address :.....
E-mail Id :..... Signature :....., or failing him
- Name..... Address :.....
E-mail Id :..... Signature :....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Eighth Annual General Meeting of the Company, to be held on Friday the July 6, 2018 at 10:30 A.M. at Little Theatre Group Auditorium, 1, Copernicus Marg, Mandi House, Opp. Doordarshan Bhawan, Near Connaught Place, New Delhi, Delhi 110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

- Resolution 1** : Adoption of Financial Statements and the reports of the Directors' and Auditors' thereon;
- Resolution 2** : Declaration of Dividend on Preference Shares;
- Resolution 3** : Appointment of Director in place of Mr. Arthur Sletteberg (DIN: 07123647), who retires by rotation and being eligible, offers himself for re-appointment;
- Resolution 4** : Approval of issuance of Non-Convertible Debentures and other debt securities on private placement basis;
- Resolution 5** : Approval for Amendments in the Articles of Association of the Company;
- Resolution 6** : To increase the borrowing power of Board of Directors u/s 180(1) (c) of the Companies Act, 2013;
- Resolution 7** : Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1) (a) of the Companies Act, 2013;
- Resolution 8** : To approve the revision in overall remuneration to be paid to Mr. H P Singh (DIN: 00333754), Chairman cum Managing Director of the Company.

Signed this..... day of..... 2018

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix Re. 1
Revenue
Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Corporate/Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A person can act as proxy on behalf of Members up to and not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. Further, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such a person shall not act as proxy for any other person or Member.



SATIN CREDITCARE NETWORK LIMITED

CIN: L65991DL1990PLC041796

Regd. Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033

Corp. Office: Floor 1 & 3, Plot No -97, Sector-44, Gurugram, Haryana-122003, India

Phone: 0124-4715400/450/499 E-mail: secretarial@satincreditcare.com

Website: www.satincreditcare.com

Form No. MGT - 12

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

POLLING PAPER

FOR TWENTY EIGHTH ANNUAL GENERAL MEETING SCHEDULED ON FRIDAY THE JULY 6, 2018 AT 10:30 A.M. AT LITTLE THEATRE GROUP AUDITORIUM, 1, COPERNICUS MARG, MANDI HOUSE, OPP. DOORDARSHAN BHAVAN, NEAR CONNAUGHT PLACE, NEW DELHI, DELHI 110001.

S. No.	Particulars	Details
1.	Name of the first named shareholder (in block letters)	
2.	Postal Address	
3.	Registered Folio No. /*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolutions in the following manner:

Item No.	Item Particulars	No. of Shares held	For	Against
1.	Adoption of Financial Statements and the reports of the Directors' and Auditors' thereon			
2.	Declaration of Dividend on Preference Shares			
3.	Appointment of Director in place of Mr. Arthur Sletteberg (DIN: 07123647), who retires by rotation and being eligible, offers himself for re-appointment			
4.	Approval of issuance of Non-Convertible Debentures and other debt securities on private placement basis			
5.	Approval for Amendments in the Articles of Association of the Company.			
6.	To increase the borrowing power of Board of Directors u/s 180(1) (c) of the Companies Act, 2013			
7.	Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1) (a) of the Companies Act, 2013			
8.	To approve the revision in overall remuneration to be paid to Mr. H P Singh (DIN: 00333754), Chairman cum Managing Director of the Company			

Place: Delhi

Date: July 6, 2018

(Signature of the Shareholder)

(Name & Signature of the Proxy)

Note: Proxy who are attending and voting in this Twenty Eighth Annual General Meeting on behalf of members are requested to first write their name before signing it



SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

CORPORATE OFFICE

Floor 1 & 3, Plot No -97,

Sector-44, Gurugram,

Haryana-122003, India

Landline: 0124-4715400/450/499

E-mail : communications@satincreditcare.com

REGISTERED OFFICE:

5th Floor, Kundan Bhawan,

Azadpur Commercial Complex,

Azadpur, New Delhi - 110033

India

www.satincreditcare.com



SATIN CREDITCARE NETWORK LTD.

Reaching out!



**DECLARATION ON IMPACT OF AUDIT QUALIFICATIONS**

Declarations confirming issuance of Audit Report with Unmodified Opinion on the Standalone and Consolidated Financial Statement of Satin Creditcare Network Limited for the year ended on March 31, 2018.

Pursuant to Regulation 52(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, we hereby declare and confirm that the Statutory Auditors of the Company M/s Walker Chandio & Co. LLP, Chartered Accountants have issued their Audit Reports with Unmodified opinion on the Standalone and Consolidated Financial Results of the Company for the Financial Year ended March 31, 2018.

For **Satin Creditcare Network Limited**

H P Singh
Chairman cum Managing Director

Rakesh Sachdeva
Chairman- Audit Committee

Jugal Kataria
Chief Financial Officer

Place: Delhi
Date: May 30, 2018