

No. Satin/NCD/20-21/50cr/001

Addressed to: Union Bank of India

## INFORMATION MEMORANDUM

### SATIN CREDITCARE NETWORK LIMITED

**CIN: L65991DL1990PLC041796**

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: October 16, 1990

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

Tel: +91-11 4754 5000;

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

**Information Memorandum for issue of Debentures on a private placement basis**

**Dated: August 12, 2020**

**Issue of 500 (Five Hundred) Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 50,00,00,000/- (Rupees Fifty Crores only) on a private placement basis (the "Issue").**

### Background

This Information Memorandum is related to the Debentures to be issued by Satin Creditcare Network Limited (the "Issuer" or "Company" or "SCNL") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through the resolutions, each dated July 6, 2019 of the shareholders of the Issuer under Sections 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, the resolution dated August 05, 2020 of the shareholders of the Issuer under Section 42 of the Companies Act, 2013, and the resolutions, each dated May 15, 2020 and June 15, 2020 of the Board of Directors of the Issuer read together with the resolution passed by the Working Committee of the Board of Directors on August 12, 2020, and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated August 05, 2020 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow and raise funds, by way of issuance of non-convertible debentures for amounts not exceeding INR 5000,00,00,000/- (Rupees Five Thousand Crores only). The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution.

### General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at **Error! Reference source not found.** of this Information Memorandum. This Information Memorandum has not been submitted, cleared or approved by SEBI.

### **Issuer's Absolute Responsibility**

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

### **Credit Rating**

The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited ("**Rating Agency**"). The Rating Agency has vide letter dated July 31, 2020, assigned a rating of "CARE A- (Stable)" (pronounced as "CARE A Minus") with "stable" outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the letter(s) dated July 31, 2020 from the Rating Agency assigning the credit rating abovementioned.

### **Issue Schedule**

Issue Opens on: August 17, 2020  
Issue Closing on: August 17, 2020  
Deemed Date of Allotment: August 18, 2020

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited ("**BSE**").

| Debenture Trustee  | Registrar and Transfer Agent  |
|--|---|
|  <p><b>Catalyst Trusteeship Limited</b><br/>Office No. 83 – 87, 8th floor, ‘Mittal Tower’, ‘B’<br/>Wing, Nariman Point, Mumbai – 400021<br/>Contact Person: Ms. Aayushi Sanghavi<br/>Tel.:022- 49220507<br/>Fax: : 022-49220505<br/>Email: aayushi.sanghavi@ctltrustee.com<br/>Website: www.catalysttrustee.com</p> |  <p><b>KFin Technologies Private Limited</b><br/>Selenium Tower B, Plot No 31 &amp; 32<br/>Gachibowli, Financial District,<br/>Nanakramguda, Serilingampally<br/>Hyderabad-500 032.<br/>Contact Person: Mr S P Venugopal<br/>Tel: (040) 6716 2222<br/>Fax: 040-23420814<br/>Email: <a href="mailto:venu.sp@kfintech.com">venu.sp@kfintech.com</a>;<br/><a href="mailto:einwar.ris@kfintech.com">einwar.ris@kfintech.com</a><br/>Website: <a href="http://www.kfintech.com">www.kfintech.com</a></p> |

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## SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

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| Act/Companies Act        | means the Companies Act, 2013 and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.  |
| Allot/Allotment/Allotted | The allotment of the Debentures pursuant to this Issue.  |
| Applicable Law           | means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof. |
| Applicant                | Means a person who has submitted a completed Application Form to the Issuer in relation to the Debentures in accordance with this Information Memorandum.  |
| Application Form         | Means the form used by the recipient of this Information Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Information Memorandum and marked as <b>Annexure VI</b> .   |
| Application Money        | Means the subscription amounts paid by the Applicants at the time of submitting the Application Form.  |
| Assets                   | means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with Indian GAAP.  |
| Beneficial Owner(s)      | means the holder(s) of the Debentures in dematerialized form whose name(s) is/are recorded as such with the Depository in the Register of Beneficial Owners.   |
| Board/Board of Directors | The Board of Directors of the Issuer.  |
| BSE                      | Means the BSE Limited  |
| Business Day             | means a day (a) that is not a Saturday, a Sunday or a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881, and (b) on which banks are normally open for business in Mumbai, India.  |
| Capital Adequacy Ratio   | means the capital adequacy ratio determined in accordance with the NBFC Directions.  |
| CDSL                     | Central Depository Services (India) Limited.   |
| CERSAI                   | Means Central Registry of Securitisation Asset Reconstruction and Security Interest of India   |
| CITES                    | means the Convention on International Trade in Endangered Species or Wild Fauna and Flora, including the protected flora and faunae as demonstrated on the website: <a href="http://www.cites.org">www.cites.org</a> .   |

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| Charged Receivables           | has the meaning given to it in Section 7.2 below.  |
| Client Loan                   | means each loan made by the Issuer as a lender   |
| Company/Issuer/<br>Satin/SCNL | Satin Creditcare Network Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 5 <sup>th</sup> Floor, Kundan Bhawan, Azadpur Commercial Complex, New Delhi – 110033   |
| Conditions Precedent          | means the conditions precedent set out in Section 5.23 below.  |
| Conditions Subsequent         | means the conditions subsequent set out in Section 5.23 below.   |
| Control                       | has the meaning given to it in the Act   |
| Constitutional Documents      | means the certificate of incorporation of the Issuer, the memorandum of association of the Issuer, the articles of association of the Issuer and the certificate of registration issued by the relevant Supervisory Authorities to the Issuer.   |
| Crore                         | Ten Million  |
| Debenture Holders             | <p>means the Applicants whose names and addresses are set out in the Application Form and for any subsequent Debenture Holders, each person who is:</p> <p>(a) registered as a Beneficial Owner; and</p> <p>(b) registered as a debenture holder in the Register of Debenture Holders.</p> <p>Sub-paragraphs (a) and (b) shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository from time to time, and in the event of any inconsistency between sub-paragraphs (a) and (b) above, sub-paragraphs (a) shall prevail.</p> |
| Debenture Trustee             | Means Catalyst Trusteeship Limited, a company incorporated under the Companies Act, 1956, having its registered office at and corporate office at GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411038 and acting through its office at Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098, Maharashtra and 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001, India  |
| Debenture Trustee Agreement   | Means the agreement executed/to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.  |
| Debenture Trust Deed or DTD   | Means the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.  |

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| Debenture Trustees Regulations | means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.  |
| Debentures/NCDs                | 500 (Five Hundred) rated, listed, senior, secured, redeemable, taxable, non-convertible debentures denominated in Indian Rupees each having a face value of INR 10,00,000/- (Indian Rupees Ten Lakh) aggregating to a face value of INR 50,00,00,000/- (Indian Rupees Fifty Crore)  |
| Debt Disclosure Documents      | Means collectively, the PPOA and this Information Memorandum, and " <b>Debt Disclosure Document</b> " means any one of them   |
| Debt Listing Regulations       | Means the Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended or restated from time to time)  |
| Deed of Hypothecation          | Mean the unattested deed of hypothecation entered into/to be entered into by the Issuer in favour of the Debenture Trustee, pursuant to which charge by way of hypothecation over Charged Receivables shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holder(s))           |
| Deemed Date of Allotment       | August 18, 2020   |
| Demat                          | Dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.   |
| Depositories Act               | The Depositories Act, 1996, as amended from time to time.   |
| Depository                     | means the depository with which the Issuer has made arrangements for dematerialising the Debentures, being NSDL and/or CDSL.  |
| Depository Participant / DP    | A depository participant as defined under the Depositories Act.   |
| Director(s)                    | Director(s) of the Issuer.  |
| DRR                            | has the meaning given to it in Section 5.18 of this Information Memorandum  |
| DP ID                          | Depository Participant Identification Number.   |
| Due Date                       | means, collectively, each Interest Payment Date, the Final Redemption Date, and all other dates on which any interest, additional interest or liquidated damages and/or any other amounts, are due and payable.   |
| EBP Guidelines                 | The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) and the operational guidelines issued |

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|                                | by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.  |
| Electronic Book Provider / EBP | shall have the meaning assigned to such term under the EBP Guidelines.  |
| EBP Platform                   | has the meaning given to it under the EBP Guidelines.   |
| Effective Date                 | Means the date of execution of the DTD  |
| Eligible Investors             | Has the meaning specified in Section 0 below.   |
| Event of Default               | Means each of the events specified in Section 7.7 of this Information Memorandum  |
| Exclusion List                 | <p>means any activity including:</p> <ul style="list-style-type: none"> <li>(a) production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, wildlife or products regulated under CITES;</li> <li>(b) production or trade in weapons and munitions;</li> <li>(c) production or trade in alcoholic beverages (excluding beer and wine);</li> <li>(d) production or trade in tobacco;</li> <li>(e) gambling, casinos and equivalent enterprises;</li> <li>(f) production or trade in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment);</li> <li>(g) production or trade in unbonded asbestos fibers (this does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20% (twenty percent));</li> <li>(h) drift net fishing in the marine environment using nets in excess of 2.5 km. in length;</li> <li>(i) production or activities involving harmful or exploitative forms of forced labor, or harmful child labor;</li> <li>(j) production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (hazardous chemicals include gasoline, kerosene, and other petroleum products);</li> <li>(k) production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples; and/or</li> </ul> |

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|                        | <p>(l) which may result in funding or supporting any individual or organisation designated as:</p> <p>(i) terrorists or terrorist organisations by the United Nations, the European Union and any other applicable country; and</p> <p>(ii) persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions.</p>   |
| Final Redemption Date  | means February 18, 2022.   |
| Final Settlement Date  | means the date on which all Secured Obligations of the Issuer have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Secured Parties.  |
| Financial Indebtedness | <p>Means any indebtedness for or in respect of:</p> <p>(a) moneys borrowed;</p> <p>(b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;</p> <p>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument;</p> <p>(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Indian GAAP, be treated as a finance or capital lease;</p> <p>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);</p> <p>(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</p> <p>(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);</p> <p>(h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee;</p> <p>(i) any obligation under any put option in respect of any securities;</p> <p>(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;</p> <p>(k) any corporate/personal guarantee, a letter of comfort or any</p> |

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|                        | <p>other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and</p> <p>the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.</p>  |
| Financial Year/ FY     | means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.  |
| GOI Guarantee          | means the partial credit guarantee to be provided by the Guarantor in accordance with the terms of the GOI Guidelines in respect of, <i>inter alia</i> , the Debentures.  |
| GOI Guidelines         | means the scheme dated May 20, 2020 titled " <i>Extended Partial Credit Guarantee Scheme</i> " offered by Government of India (GoI) to Public Sector Banks (PSBs) for (i) purchase of pooled assets having a rating of BBB+ or above from financially sound Non-Banking Financial Companies (NBFCs)/Housing Finance Companies (HFCs) and (ii) Portfolio Guarantee for purchase by PSBs of Bonds or Commercial Papers (CPs) with a rating of AA and below (including unrated paper with original/initial maturity of up to one year issued by NBFCs/HFCs/MFIs (in case of MFIs, Bonds/CPs with MFR rating equivalent), bearing reference number F. no. 17/36/2019-IF-I issued by the Department of Financial Services, Ministry of Finance, Government of India, read together with " <i>Frequently Asked Questions</i> " issued thereto, as may be amended, modified or restated from time to time. |
| Guarantee Fee          | means the guarantee fee payable to the Guarantor in accordance with the terms of the GOI Guidelines.  |
| Guarantor              | means the Government of India (acting through the Small Industrial Development Bank of India or any other person in accordance with the GOI Guidelines and Applicable Law).   |
| Governmental Authority | <p>means any</p> <p>(a) government (central, state or otherwise) or sovereign state;</p> <p>(b) any governmental agency, semi-governmental or judicial or quasi-judicial or regulatory or supervisory or administrative entity, department or authority, court or tribunal or any political subdivision thereof; or</p> <p>(c) international organization, agency or authority,</p> <p>including, without limitation, any stock exchange or any self-regulatory organisation, established under any Applicable Law.</p>   |
| IBC                    | means the (Indian) Insolvency and Bankruptcy Code, 2016, read together with any rules and regulations made thereunder, each as may amended/modified and in force from time to time.   |
| ICCL                   | Means the Indian Clearing Corporation Limited.  |

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| Ind AS                     | Indian Accounting Standards as notified by the Ministry of Corporate Affairs from time to time.   |
| INR                        | Means Indian Rupees   |
| Indian GAAP                | shall mean the generally accepted accounting principles as prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer, and includes IND-AS.   |
| Information Memorandum     | means this information memorandum issued on August 12, 2020 by the Issuer in respect of the issuance of the Debentures.   |
| Interest                   | means the interest payable on the Debentures on the Interest Payment Dates.   |
| Interest Payment Dates     | means the interest payment dates as specified in Annexure VIII.   |
| Interest Rate              | means 10.25% (ten decimals two five percent) per annum (fixed) payable annually on the Interest Payment Dates.  |
| Issue                      | means this issue of Debentures by the Issuer on a private placement basis   |
| Issue Closing Date         | August 17, 2020   |
| Issue Opening Date         | August 17, 2020   |
| LODR Regulations           | Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may amended/modified and in force from time to time  |
| MFI                        | Micro-Finance Institution   |
| Majority Debenture Holders | means such number of Debenture Holders collectively holding more than 51% (fifty one percent) of the value of the Outstanding Principal Amounts of the Debentures.  |
| Majority Resolution        | means a resolution approved by such number of Debenture Holders that represent more than 51% (fifty one percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 51% (fifty one percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll.                                     |
| Material Adverse Effect    | means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of the date of determination, or could reasonably be expected to cause, a material adverse effect on or a material adverse change in: <ul style="list-style-type: none"> <li>(a) the financial condition, business or operations of the Issuer, environmental, social or otherwise or prospects of the Issuer;</li> <li>(b) the ability of the Issuer to perform any of its obligations under the Transaction Documents;</li> </ul> |

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|                                  | <p>(c) the legality, the validity or the enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder); or</p> <p>(d) the rights or remedies of any of the Debenture Holder(s) (or any beneficial owner(s) thereunder) or the Debenture Trustee acting for the benefit of the Debenture Holders under any of the Transaction Document.</p>  |
| Moratorium Directions (COVID-19) | means, collectively, the RBI's circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on " <i>COVID-19 – Regulatory Package</i> ", the RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on " <i>COVID19 Regulatory Package - Asset Classification and Provisioning</i> ", the RBI circular no. DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 on " <i>COVID-19 – Regulatory Package</i> ", and the RBI circular no. DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 on " <i>COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets</i> " (each as amended, modified or restated from time to time). |
| NBFC Directions                  | means the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 (each as amended, modified or restated from time to time) as may be applicable, read together with the RBI's Master Circular dated July 1, 2015 on "Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Directions" (each as amended, modified or restated from time to time).  |
| NEFT                             | National Electronic Fund Transfer   |
| Net Worth                        | has the meaning ascribed to it in the Act   |
| N.A.                             | Not Applicable.   |
| NBFC                             | Non-Banking Financial Company.  |
| NBFC-MFI                         | Non-Banking Financial Company – Micro Finance Institution.  |
| NSDL                             | National Securities Depository Limited.   |
| Outstanding Principal Amount     | means, on any date, the principal amounts outstanding under the Debentures.   |
| Outstanding Amounts              | means, on any date, the Outstanding Principal Amounts together with any accrued Interest, additional interests, costs, fees, charges, and other amounts payable by the Company in respect of the Debentures.  |
| PAN                              | Permanent Account Number.   |
| Payment Default                  | Shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default pursuant to paragraph (a) under the heading " <i>Events of Default</i> " in Section 7.7 of this Information Memorandum   |

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| PPOA/ Private Placement Offer Letter | Means the private placement offer and application letter issued by the Issuer in compliance with Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of this Issue.   |
| Purpose                              | Has the meaning given to it in Section 5.22 below.  |
| Promoters                            | has the meaning given to it in the Act.   |
| Quarterly Date                       | Means each of March 31, June 30, September 30 and December 31 and " <b>Quarterly Dates</b> " shall be construed accordingly   |
| Rating Agency                        | CARE Ratings Limited, a rating agency having its registered office at 4th Floor, Godrej Coliseum, Somaiya, Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022, and  |
| Rating                               | Means the rating designated to the Debentures being "CARE A- Stable"  |
| RBI                                  | Reserve Bank of India.  |
| Receivables                          | has the meaning given to it in the Deed of Hypothecation.   |
| Record Date                          | The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 11 (Fifteen) Business days prior to any Due Date.   |
| Register of Debenture Holders        | means the register maintained by the Issuer in accordance with Section 88 of the Act.   |
| Register of Beneficial Owners        | means the register of beneficial owners of the Debentures maintained in the records of the NSDL and/or CDSL, as the case may be.  |
| R&T Agent /Registrar                 | means the registrar and transfer agent appointed for the Issue, being KFIN Technologies Private Limited.  |
| ROC                                  | Means the jurisdictional registrar of companies   |
| Rs. / INR                            | Indian National Rupees.   |
| RTGS                                 | Real Time Gross Settlement.   |
| SEBI                                 | Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).   |
| SEBI Debt Listing Regulations        | The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.  |
| Secured Obligations                  | means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) obligations of the Issuer to the Secured Parties under the Transaction Documents, including without limitation, the payment of Interest, principal amounts, default interest, additional interest, liquidated |

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|                                  | damages and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debentures.  |
| Secured Parties                  | means collectively, the Debenture Holders and the Debenture Trustee, and "Secured Party" shall be construed accordingly.  |
| Super Majority Debenture Holders | means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.   |
| Super Resolution Resolution      | means resolution approved by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll.   |
| Supervisory Authorities          | means the RBI, and, to the extent applicable, SEBI.   |
| Tax                              | means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by Applicable Law by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Issuer under the DTD.  |
| Tax Deduction                    | means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.   |
| Total Assets                     | means, for any date of determination, the total Assets of the Issuer on such date, including owned, securitised and managed (non-owned) portfolio of the Issuer.  |
| Testing Date                     | means the date occurring on the expiry of a period of 45 (forty five) calendar days of each Quarterly Date.   |
| Tier I Capital                   | has the meaning given to it in the NBFC Directions.   |
| Tier II Capital                  | has the meaning given to it in the NBFC Directions.   |
| TDS                              | Tax Deducted at Source.   |
| Transaction Documents            | <ul style="list-style-type: none"> <li>(a) the DTD;</li> <li>(b) the Debenture Trustee Agreement;</li> <li>(c) the Deed of Hypothecation;</li> <li>(d) the Debt Disclosure Documents;</li> <li>(e) the GOI Guarantee;</li> <li>(f) each tripartite agreement between the Issuer, the Registrar and any Depository;</li> <li>(g) the letters issued by, and each memorandum of understanding entered into with, the Debenture Trustee, the Rating Agency and the Registrar; and</li> <li>(h) any other document that may be designated as a Transaction Document by any of the Secured Parties,</li> </ul> |

|                   |   |
|-------------------|---|
|                   | and " <b>Transaction Document</b> " means any of them.  |
| WDM               | Wholesale Debt Market segment of the BSE.   |
| Willful Defaulter | Means an issuer who is categorized as a willful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such. |

## **SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS**

### **2.1 ISSUER'S DISCLAIMER**

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval. However, pursuant to the provisions of Section 42 of the Companies Act 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the copy of this Information Memorandum/ Private Placement Offer Letter shall be filed with the ROC and SEBI within the stipulated timelines under the Companies Act, 2013.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors (as defined below) to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

**This Information Memorandum, the Private Placement Offer Letter and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.**

No invitation is being made to any person other than those to whom Application Forms along with this Information Memorandum and/or the Private Placement Offer Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer Letter shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum and/or the Private Placement Offer Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum and/or the Private Placement Offer Letter come are required to inform themselves of, and to observe, any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

## **2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES**

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this

Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

### **2.3 DISCLAIMER CLAUSE OF SEBI**

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

### **2.4 DISCLAIMER CLAUSE OF RBI**

The Issuer is having a valid certificate of registration dated November 6, 2013 issued by the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or the correctness of any of the statements or representations made or opinion expressed by the Issuer and for repayment of deposits/discharge of liabilities by the Issuer.

### **2.5 DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at New Delhi, India. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

### **2.6 DISCLAIMER IN RESPECT OF RATING AGENCY**

The Rating is an opinion on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency has paid a credit rating fee, based on the amount and type of bank facilities/instruments.

### **2.7 ISSUE OF DEBENTURES IN DEMATERIALIZED FORM**

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

### **SECTION 3: RISK FACTORS**

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this Information Memorandum and/or the Private Placement Offer Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer Letter and reach their own views prior to making any investment decision.

#### **3.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.**

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

#### **3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.**

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

#### **3.3 CREDIT RISK & RATING DOWNGRADE RISK**

The Rating Agency has assigned the credit rating to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that any rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

#### **3.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES**

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

#### **3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS**

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

#### **3.6 ACCOUNTING CONSIDERATIONS**

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

### **3.7 SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES**

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

### **3.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.**

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

### **3.9 LEGALITY OF PURCHASE**

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

### **3.10 POLITICAL AND ECONOMIC RISK IN INDIA**

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

### **3.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER**

- (a) *Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high-risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.*

A majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high-risk category. There is uncertainty on the client's ability to fulfil its loan obligations as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk. All group lending loans are provided under the Grameen Model and based on the joint liability of the group.

As at March 31, 2020, the gross NPA was Rs. 211.81 Crores on a gross portfolio of Rs. 7,219.90 Crores (including managed portfolio of Rs. 2599.33 Crores).

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of the impaired loans in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control, such as over-extended member credit that we are unaware of. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's members largely belong to low-income segment and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

**(b) *The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

- (c) ***Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income***

All of the loans the Issuer issues are due within approximately two years of disbursement. The relatively short-term nature of the Issuer's loans means that the Issuer's long-term interest income stream is less certain than if a portion of its loans were for a longer term. In addition, the Issuer's customers may not obtain new loans from the Issuer upon maturity of their existing loans, particularly if competition increases. The potential instability of the Issuer's interest income could materially and adversely affect the Issuer's results of operations and financial position.

The loans given by the issuer are at fixed interest rate, and the tenor of the underlying asset has increased from one year to two year which has provided stability to the portfolio and interest income and has also smoothed operating expense.

- (d) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations in other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

On November 8, 2016, the Central Government exercising its powers under section 26(2) of the Reserve Bank of India Act, 1934, issued a notification wherein the erstwhile valid bank notes in denominations of Rs. 500 and Rs. 1000 have, since then, ceased to be legal tender. Pursuant to the same, RBI, vide Circular dated November 21, 2016 (RBI Circular No. DBR.No.BP.BC.37/21.04.048/2016-17), has provided an additional period of 60 (Sixty) days to the underlying borrowers to repay their existing dues thereby deferring the classification of an existing stressed standard account as non-performing asset, if the payments in such accounts are due between 1 November and December 31, 2016. Even though the circular clarifies that this is a short-term deferment of classification as substandard due to delay in payment of dues arising during the period specified above and that it does not result in restructuring of the loans, the move to demonetize higher value currency is likely to cause delay in repayments, causing an increase in overdues for NBFC-MFIs for the time being.

- (e) ***Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.***

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and

retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

**(f) *The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

**(g) *The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

**(h) *Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (circular dated August 3, 2012 and NBFC-MFI Directions) the Issuer is required to maintain its status as a NBFC-MFI in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC-MFI Directions and fails to maintain the status of NBFC-MFI, it will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.

**(i) *Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.***

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45-IC of the RBI Act, 1934 every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15.0% in relation to aggregate risk-weighted assets and risk adjusted assigned loans.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operating results.

## **SECTION 4: FINANCIAL STATEMENTS**

The audited financial statements of the Issuer for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 are set out in **Annexure VII** hereto.

## SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

### 5.1 Documents Submitted to the Stock Exchanges

The following documents have been / shall be submitted to the BSE:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the Board / Working Committee Resolution authorizing the borrowing and list of authorized signatories;
- (e) Certified true copy of the resolution dated August 05, 2020 of the Company at passed at its Annual General Meeting held on authorising the Company to borrow, upon such terms as the Board may think fit by issuance of non convertible debentures for any amount not exceeding INR 5000,00,00,000/- (Rupees Five Thousand Crore), together with certified true copies of the resolutions dated July 6, 2019 of the Company under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 passed at its Annual General Meeting;
- (f) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same.
- (g) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained; and
- (h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

### 5.2 Documents Submitted to the Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
- (e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009/ Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all

‘Qualified Institutional Buyers’ (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

### **5.3 Name and Address of the following**

|  |  |
|--|--|
| Name of the Issuer:                            | Satin Creditcare Network Limited   |
| Registered Office of Issuer:                   | 5th Floor, Kundan Bhawan, Azadpur Commercial Complex,<br>New Delhi - 110033.   |
| Corporate Office of Issuer:                    | Floor 1 & 3, Plot No.97, Sector-44, Gurugram-122003, Haryana   |
| Compliance Officer of Issuer:                  | Mr. Adhish Swaroop<br>Floor 1 & 3, Plot No.97, Sector-44, Gurugram-122003, Haryana   |
| CFO of Issuer:                                 | Mr Krishan Gopal<br>Floor 1 & 3, Plot No.97, Sector-44, Gurugram-122003, Haryana   |
| Registration Number:                           | B – 14.01394   |
| Corporate Identification Number of the Issuer: | L65991DL1990PLC041796  |
| Phone No. of the Issuer:                       | +91 – 124 – 4715400  |
| Fax No. of the Issuer:                         | -  |
| Contact Person for the Issuer:                 | Mr. Adhish Swaroop<br>Floor 1 & 3, Plot No.97, Sector-44, Gurugram-122003, Haryana   |
| Email of the Issuer:                           | secretarial@satincreditcare.com  |
| Website of Issuer:                             | www.satincreditcare.com  |
| Auditors of the Issuer:                        | M/s Walker Chandiook & Co. LLP<br>L-41, Connaught Circus, New Delhi- 110001  |
| Arranger to the Issue:                         | NA   |
| Trustee to the Issue:                          | Catalyst Trusteeship Limited,<br>GDA House, Plot No. 85, Bhusari Colony<br>(Right), Paud Road, Pune – 411 038  |
| Registrar to the Issue:                        | Kfin Technologies Private Limited,<br>Selenium, Tower B, Plot No- 31 & 32, Financial District<br>Nanakramguda, Serilingampally Hyderabad Rangareddi TG<br>500032 |
| Credit Rating Agency:                          | CARE Ratings Limited,<br>4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off<br>Eastern Express Highway, Sion (East), Mumbai - 400 022                        |

### **5.4 A brief summary of business / activities of the Issuer and its line of business:**

#### **(a) Overview**

The Issuer was incorporated in October 1990 (original name of the company was Satin Leasing & Finance Private Limited) as an NBFC. It started operations with the objective of providing 'doorstep' credit and savings services to shopkeepers and petty traders in the market places of Delhi. It converted into a public company in 1994 and had its IPO (Initial Public Offering) in June 1996 with shares listed on Delhi, Jaipur and Ludhiana stock exchanges. Currently all said stock exchanges are derecognized by SEBI. However, company got listing approval of Calcutta Stock Exchange (CSE). SCNL has successfully listed its shares on the National Stock Exchange (NSE) in August 2015 and the Bombay Stock Exchange (BSE) in October 2015.

Headquartered in New Delhi, the Issuer is now a leading microfinance institution that is poised to meet the demands of India's low-income individuals. In May 2008, the Issuer launched a group lending microfinance vertical based on the Grameen Model. The Issuer provides prompt, convenient and affordable credit to low income individuals in its areas of operation. The urban small business lending operation serves individuals in the informal sector involved in microenterprises or small and medium-sized businesses regardless of gender. However, the group lending operation focuses solely on women through a joint liability loan product that allows them to start new businesses or grow existing businesses. Satin operates in 23 states, i.e., Uttar Pradesh, Bihar, Punjab, Assam, West Bengal, Madhya Pradesh, Rajasthan, Orissa, Tamil Nadu, Haryana, Delhi & NCR, Jharkhand, Uttarakhand, Chhattisgarh, Gujarat, Tripura, Maharashtra, Karnataka, Pondicherry, Meghalaya, Jammu & Kashmir, Himachal Pradesh and Sikkim.

Besides the promoters and public shareholders, the Issuer's other key shareholders comprise of ShoreCap II Limited, Danish Microfinance Partners K/S, M V Mauritius Limited, Norwegian Microfinance Initiative and SBI FMO Emerging Asia Financial Sector Fund Pte Ltd. The institutional investors of the Issuer have a proven commitment to, and track record in providing growth capital for building companies engaged in the development sector. CARE has assigned the MFI grading of the Issuer at "MFI 1+" as of 2nd November 2018. The grading is valid till 2nd November 2019 and shows the Issuer's improved ability to manage its microfinance operations. Additionally, CARE has re-affirmed the long term bank facilities rating of the Issuer to A- on 2nd July 2019. The Issuer's founder Mr. H P Singh had the idea of financing portable generator sets to shopkeepers on credit while working as the internal auditor of the Sriram Honda Company in 1988. He soon realized that daily instalments were more convenient than monthly instalments for small shopkeepers and accordingly made daily instalments the basis of his business model when he started the Company. The Company presently provides weekly, fortnightly and monthly repayment option to its borrowers/clients. The Company commenced operations in East Delhi, which was widely considered one of the most difficult territories in Delhi for providing financial services. The Company soon expanded its area of operations to cover the entire city of Delhi. The Company expanded into rural areas through "Grameen Model" from May 2008 and at present majority of the operations is through joint liability lending in rural / semi urban area.

Mr. Singh is a law graduate and a fellow of The Institute of Chartered Accountants of India. He has over two decades of microfinance experience and has pioneered the unique concept of daily collection of repayments of loans. He has experience in the field of auditing, accounts, project financing, advisory services and company law matters. Mr. Singh is actively involved in the Issuer's day-to-day operations and has been a vital source of inspiration since the company's inception in 1990. Under Mr. Singh's leadership, Satin has grown into one of the leading microfinance institutions in North India and continues to expand its operations. He has participated in HBS Accion Program on Strategic Leadership for Microfinance.

#### **Subsidiaries:**

##### ***Taraashna Financial Services Limited:***

Taraashna is a company incorporated under the provisions of the Companies Act, 1956. Taraashna started its journey in June 2012 (incorporated on 22nd May 2012), it became the subsidiary company of Satin Creditcare Network Ltd. w.e.f. 01st September 2016 and further become wholly owned

subsidiary w.e.f. July 27, 2018. Taraashna is an intermediary for promoting financial inclusion in the country. Taraashna facilitates access to finance by providing credit and saving facilities to the unbanked clients in India.

#### ***Satin Housing Finance Limited:***

In April 2017, the Company has incorporated a wholly owned subsidiary in the name of M/s Satin Housing Finance Limited ("**SHFL**") with Authorised Capital of Rs. 80,00,00,000/- (Rupees Eighty Crores only) and paid up Equity share Capital of Rs. 80,00,00,000/- (Rupees Eighty Crores only) with the objective of balancing the risks of your Company by diversification into secured lending and also by diversification of its portfolio from purely rural towards rural / semi urban and urban markets. The Company's foray into the housing finance segment will enable the Company to have a diversified customer base and is in line with the Company's strategy to diversify into other financial products. The Company's entry into this new business segment and focus on affordable housing will provide another growth engine that will contribute towards the growth of the enterprise as a whole.

#### **Satin Finserv Limited:**

Satin Finserv Limited is 100% wholly owned subsidiary of Satin Creditcare Network Limited, incorporated in August, 2018 and got licence from RBI having registration no. N. 14. 03461 to commence business as Non Banking Financial Company in January 2019. Currently its Authorised Share Capital is Rs. 103 crore and its paid up share capital is 102.50 crore. Satin Finserv Limited offer business loans to individuals, micro small and medium enterprises (SME) and other corporate setups.

#### **Industry Overview**

Indian microfinance now has 70 million borrower accounts, by-far the largest in any country across the world. Over the last year Indian microfinance institutions that are organised as NBFC-MFIs and operating in remote rural areas of India have emerged as effective financial intermediaries offering an alternative to the inaccessible formal financial institutions. Most of them who received funding and growth capital from banks, have demonstrated commendable scale, sustainability and impact.

Many NBFC-MFIs have received a good quantum of capital in FY 2014 in the form of both debt and equity. Almost all NBFC-MFIs (less than INR 1000 crores of assets under management) have been consistent in their growth, maintaining excellent portfolio quality in FY 2015.

As a result of a crisis in the MFI industry on October 2010 in the southern state of Andhra Pradesh, the RBI set up a committee to study issues and concerns in the MFI sector, which provided the Malegam Committee Report. The Malegam Committee Report has made various operational and financial recommendations on the microfinance sector that may have negative implications on the operating and financial performance of MFIs including the Issuer. Some of the recommendations made include:

- i.** Increase in regulatory restrictions on a NBFC-MFI (minimum net worth, establishing client protection codes, increase in information technology systems and corporate governance, maintenance of solvency and penalty on MFI for non-compliance);
- ii.** State level legislations to be enacted for regulation of MFIs; Maximum indebtedness of an individual borrower;
- iii.** Maximum annual income of a household qualifying for a loan from an NBFC-MFI;
- iv.** Maximum number of loans to an individual borrower;
- v.** Restrictions on the end usage of the loan for income generating purposes; and
- vi.** Maximum interest rate and maximum margin over cost of funds, maximum processing

fees.

Most of the recommendations made under the Malegam Committee Report in January 2011 have been accepted by RBI and the RBI has issued circular dated July 20, 2012 to banks stating that bank loans to micro finance sector will be eligible for categorization as priority sector advance if they meet the eligibility criteria's set out in the said circular and has created a new category of NBFCs called the Non-Banking Financial Company-Micro Finance Institution (the NBFC-MFIs). The directions issued by the RBI on August 3, 2012 have been incorporated and now form part of the NBFC-MFI Directions. The NBFC-MFI Directions have been further modified on April 08, 2015

All non-deposit taking NBFCs (other than a company licensed under Section 25 of the Indian Company Act, 1956) that has not less than 85% of its net assets in the nature of —qualifying assets and has a minimum net owned funds of Rs. 5 Crores other than the ones registered in north eastern region of the country for which net owned fund requirement stands at Rs. 2 Crores. The existing NBFCs to be classified as NBFC-MFIs will be required to comply with the NBFC-MFI Directions w.e.f. April 01, 2012. Existing NBFCs with asset size of more than Rs. 100 Crores are required to maintain a minimum CRAR of 15% from Dec 2, 2011 onwards. Some of the key requirements of the NBFC-MFI Directions and subsequent modifications which the Issuer is required to comply with which will affect the business operations of the Issuer, which are:

- i. All registered NBFCs intending to convert to NBFC-MFI must seek registration with immediate effect and in any case not later than October 31, 2012, subject to the condition that they shall maintain Net Owned Funds (NOF) at Rs.3 Crores by March 31, 2013 and at Rs.5 Crores by March 31, 2014, failing which they must ensure that lending to the Microfinance sector i.e. individuals, SHGs or JLGs which qualify for loans from MFIs, will be restricted to 10 per cent of the total assets.
- ii. NBFC-MFIs are required to maintain not less than 85 per cent of their net assets as Qualifying Assets. In view of the problems being faced by NBFCs in complying with these criteria on account of their existing portfolio, it has been decided that only the assets originated on or after January 1, 2012 will have to comply with the Qualifying Assets criteria. As a special dispensation, the existing assets as on January 1, 2012 will be reckoned towards meeting both the Qualifying Assets criteria as well as the Total Net Assets criteria.
- iii. Rate of interest on individual loans may exceed 26%, the maximum variance permitted for individual loans between the minimum and maximum interest rate cannot exceed 4 per cent.
- iv. Maintain margin cap of 10% for NBFC- MFIs with assets more than INR 100 Crores and 12% for NBFC-MFIs with assets less than INR 100 Crores
- v. NBFC-MFIs are also required to ensure that the aggregate amount of loans given for income generation is not less than 50 per cent of the total loans extended.
- vi. NBFI MFIs will have to ensure compliance with, among others, conditions relating to annual household income levels Rs. 100,000/- for rural and Rs. 160,000/- for urban and semi urban households, total indebtedness not to exceed Rs. 100,000/- membership of SHG/JLG, borrowing sources as well as percentage of qualifying assets and percentage of income generating assets
- vii. Maintain fair practices in lending as stated in the NBFC-MFI Directions;
- viii. Ensure that it has a code of conduct and systems are in place for supervision of field staff such that non- coercive methods for recovery are used;

- ix. Ensure corporate governance norms are adopted and there is improvement in efficiency, information technologies etc.; and submit statutory auditors certificate with reference to the position of the company as at end of the financial year ended March 31, every year which should also indicate that the company fulfils all conditions stipulated to be classified as an NBFC-MFI.

**(b) Corporate Structure**

**i. Vision and Mission:**

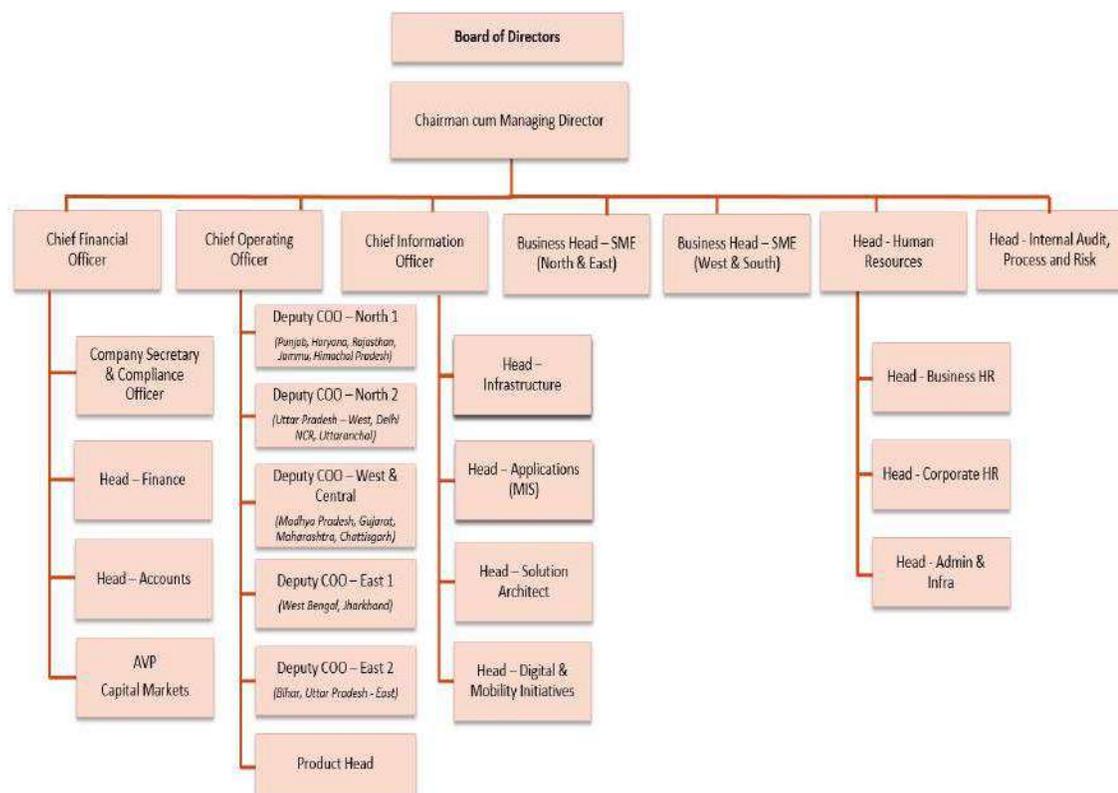
The Issuer's mission is: "Providing monetary access to financially excluded families to improve their economic and social capacity"

Vision: "Satin would like to provide easy doorstep service to its low-income customers who lack access to funds from other financial institutions at affordable rates within the least possible time. Satin would like to expand its operations throughout North India and the rest of the country in the long term".

**ii. Current Corporate Status:**

The Issuer was incorporated as a private limited company and is currently registered as a NBFC-MFI with the RBI. The Issuer derives the following benefits of being registered as an NBFC-MFI:

- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC with transparent ownership. As an Issuer, Satin can raise equity and offer commercial returns.
- **Diverse Funding Sources:** An NBFC can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.
- **Commercialisation:** Classifying Satin as an NBFC increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.
- **Mainstream Resources:** As a for-profit commercial NBFC, Satin will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Satin grows in size, operating as an NBFC within the regulatory framework mitigates risks from political and regulatory intervention.
- **Stakeholder Involvement:** As an NBFC, Satin can bring a variety of stakeholders to the table, including clients, management, employees and investors.



### Brief Profile of the Board of Directors

| Name  | Background  |
|---|---|
| <b>Mr. H P Singh</b><br><b>Chairman cum Managing Director</b> | <p>Mr. H P Singh is a law graduate and a fellow of The Institute of Chartered Accountants of India since 1984. He 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. His financial engineering experience of almost three decades has helped the Company in operational strategy and efficiency. He is actively involved in SCNL's day-to-day operations and has been a vital source of inspiration since the Company's inception in 1990. Under his leadership, SCNL has grown into one of the leading microfinance institutions in North India and continues to expand its operations. He has participated in HBS Accion Program on Strategic Leadership for Microfinance in 2009 and leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011</p> |
| <b>Mr. Satvinder Singh</b><br><b>Promoter Director</b>        | <p>Mr. Satvinder Singh serves as the Director of the Company. Mr. Singh has extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for SCNL. Mr. Singh is a management graduate and has been associated with the Satin since its inception in 1990 and acted as Managing Director of SCNL from September 1995 to February 2011</p>   |
| <b>Mr. Rakesh Sachdeva</b><br><b>Independent Director</b>     | <p>Mr. Rakesh Sachdeva joined SCNL's Board in April 1999. He previously served as Executive Director at SCNL and is now actively involved in evaluating the company's macro issues. Mr. Sachdeva is a Fellow of the Institute of Chartered Accountants of India and previously worked at Apollo Tyres Ltd. and was Vice President of Corporate Finance at U.K. Paints Group,</p>  |

|   |   |
|---|---|
|   | controlling M/S Berger Paints (India) Ltd., Rajdoot Paints Ltd. and Malibu Estate Pvt. Ltd.   |
| <b>Mr. Sundeep Kumar Mehta</b><br><b>Independent Director</b> | Mr. Sundeep Kumar Mehta joined the Board in 2013. He is a Science graduate from University of Rajasthan and also holds a Post graduate diploma in Business Administration from Annamalai University. Apart from these, he holds various other certificates, degrees and diplomas in the field of Cyber Law, History, Labour Laws, Auto Engg and Human resources. He has over 32 years of experience. Prior to joining SCNL, he has served RKJ group, Escorts Ltd, Panacea Biotech Ltd, Bata India Ltd, and also Eicher Good Earth Ltd at various high capacities.   |
| <b>Ms. Sangeeta Khorana</b><br><b>Independent Director</b>    | Ms. Sangeeta Khorana joined the board in August 2013. She is a former Indian Civil Services officer. She has a doctorate in International Economics from University of St. Gallen in Switzerland, and summa cum laude Masters' degrees from University of Berne, Switzerland and Allahabad, India. She has over 16 years of experience and has worked with the Indian government before moving to academic and consulting in Europe. She has published extensively in internationally ranked journals and has authored books and book chapters. Her expertise on international business is world recognised and she has been invited by the European Parliament and British media to provide expert comments on India related issues.   |
| <b>Mr. Colin Goh</b><br><b>Independent Director</b>           | Mr. Colin Goh was trained in Economics & Finance from Curtin University of Technology with a scholarship and an MBA in International Management from University of Technology, Sydney. Mr. Goh is currently the CEO of a newly incorporated not-for-profit organization, The Rice Company Limited. He is currently also the Strategic Business Advisor to M/S Project Innovations Pte Ltd, a company offering place management & Consultancy Services for under-performing properties in Singapore and around Asia. Mr. Goh stepped down after 10 years of service as CEO of “The Old Parliament House Limited” on March 26 <sup>th</sup> 2014, a not for profit organization incorporated by the National Arts Council Singapore to promote the practices of Building Creative Communities; Connecting Arts and Business Resources and Sustaining Arts Spaces. A strong advocate for sustainable social entrepreneurship, he designed a financial model for the company and managed to make it one of the few or only not for profit arts & culture organization in Singapore to accumulate a net surplus of over SGD\$1 million in its first full year of operation in 2004. Advocating that all organizations must develop a level of social awareness as a tenet to its business, he was instrumental in the setting up of The Business Times Budding Artists Fund in May 2005 to provide financial support for economically distanced children so that no child in Singapore will be denied an opportunity to be trained in the arts. Furthering this, he managed to convince likeminded individuals from Malaysia, Indonesia, The Philippines, India, China and Japan, to adopt the Budding Artists Fund and together pledged to support the setting up of The Budding Artists Fund, Asia (an extension of the Business Times Budding Artists Fund). He has been invited to speak on various occasions including the Guangzhou Provincial Government for a UNESCO award world heritage site in Kaiping; at the World Creative cities Conference in Yokohama, Japan in November 2009 |
| <b>Mr. Sanjay K. Bhatia</b><br><b>Independent Director</b>    | Mr. Sanjay K. Bhatia, a Chartered Accountant and Commerce graduate from Delhi University has work experience of more than 30 years, with various leading corporates. Mr. Bhatia has well rounded experience of Sales Management, Strategy formation in both start-up and BAU environment. Currently he is Head – Sales at Antara Senior Living Limited, responsible for development of upcoming community for progressive seniors, formulation of long term strategy and tactical execution and general management. He has  |

|  |   |
|--|---|
|  | provided consultancy on Income Tax, Corporate Tax and corporate law matters to various leading organizations. He was associated as Vice President and Head – Strategic Initiatives (Revenue) at Max Life Insurance Limited, Max New York Life, Vikas Motors Limited, Dinker Portfolio Private Limited, New Delhi, DMA of Citibank N.A. and GE Countrywide.  |
| <b>Mr. Anil Kumar Kalra</b><br><b>Independent Director</b> | Mr. Anil Kumar Kalra, a qualified professional having 32 years of experience in Banking and 5 years as CEO/ SVP in leading NBFC offering financial services in London and India and served in the area of Banking, Financial Services, Investment Banking and Infrastructure Financing. He worked as senior vice president in the leading NBFC engaged in providing financial services including Asset financing, Debt Syndication, Corporate Advisory, Merchant Banking etc. to Corporates besides support to sister companies in the Group focussed on Infrastructure Projects financing. He was the chief executive officer in Financial Services Company, London, UK. He was associated with various well known Banks/Financial Institutions in India and London including Public Sector Banks. He has done 'Master in Business Administration' with specialisation in Finance from Faculty of Management Studies (FMS), Delhi University and B.Com (H) from Shree Ram College of Commerce, Delhi University. |
| <b>Mr. Christian B. Ramm</b>                               | Mr. Christian B. Ramm is Investment Director at Nordic Microfinance Initiative (NMI), a public-private partnership investing in microfinance institutions (MFIs) in Asia and Africa. He has previously experience as Finance Manager at the family office Ferd Social Entrepreneurs and Canal Digital Norway (Telenor Group) and Finance Manager and Country Director for Norwegian People’s Aid in Angola. In addition, he has been Managing Director at Schibsted Publishing (Sweden) and held several management positions at the Schibsted Media Group in Norway. He has also worked as a journalist for Finansavisen, a major financial newspaper in Norway. Mr. Ramm holds a master’s degree in Finance from Norwegian School of Economics (NHH) and University Mannheim, Germany and has completed studies in psychology at the University of Bergen, Norway.  |

### iii. Brief Profile of the Senior Management

| Management Details       |                         |   |
|--------------------------|-------------------------|---|
| Name                     | Designation             | Experience  |
| <b>Mr. Jugal Kataria</b> | Group Controller        | Mr. Jugal Kataria is a graduate from Shree Ram College of Commerce and is a Cost Accountant, Chartered Accountant and Company Secretary with approx. 27 years of relevant experience. He has participated in an ‘Internal Auditors Training Course’ for ISO 9000 and ‘Harvard Business School Accion Program on Strategic Leadership for Microfinance’. He attended leadership program organized by Women’s World Banking at Wharton Business School, University of Pennsylvania in 2011. Mr. Kataria worked with Apollo Tyres Limited and Berger Paints (India) Limited before joining SCNL in 2000. |
| <b>Mr. Krishan Gopal</b> | Chief Financial Officer | Mr. Krishan Gopal, Chief Financial Officer, has over 14 years of experience across Strategic Planning, Budgeting, Accounting, Auditing, Investor Relations and Fund Raising. He is a member of the Institute of   |

| Management Details             |  |   |
|--------------------------------|--|---|
| Name                           | Designation                            | Experience  |
|                                |  | Chartered Accountants of India. He has rich and extensive experience of fund raising through Capital Markets, Banks, Deposits, domestic & foreign investors and is well versed with regulatory compliance framework & Asset liability management. He has worked with Price Waterhouse, Deloitte and his last assignment was with PNB Housing Finance Limited.   |
| <b>Mr. Dev Verma</b>           | Chief Operating Officer                | Mr. Dev Verma carries 21 + years of rich experience in various industries like Consumer Durables, Financial Services, Insurance and Microfinance sector. He has worked with companies like National Panasonic India Ltd, Citi Financial Consumer Finance India Ltd, Max Life Insurance and his last assignment was with SKS Microfinance Ltd as Vice President - Business Head. He has done his MBA in Marketing from Institute for Integrated Learning in Management (IILM) Delhi, India in 1995 – 1997  |
| <b>Mr. Sanjay Mahajan</b>      | Chief Information Officer              | Sanjay holds Master's degree in Math from Punjab University and has done his Post Graduate in Computer Science & applications from Punjab University. He has a versatile experience of over 24 years in Information Technology across the Globe. He has been instrumental in deploying cost effective IT strategies, leading & deploying new / re-structuring business solutions. <b>Sanjay</b> has joined Satin in January 2016. Before Joining Satin, he worked as Global IT director with Bata India Limited. He has earlier served as IT Director (India & Sub Continent) for YUM Restaurants India Pvt. Ltd. Sanjay also worked with Procter & Gamble for India & Singapore, Gillette India Ltd., Eicher Tractors Ltd. and Punjab Tractors Ltd |
| <b>Mr. Subir Roy Chowdhury</b> | Chief Human Recourse Officer           | Subir is PGDHRM from IISWBM – Kolkata and B.Com (Hons) from Kolkata University. He has a versatile experience of 21 years in HR functions. Subir has joined Satin in April 2016 as Chief Human Resource Officer. Before joining SCNL, he worked with Magma Fincorp Ltd as Head – Business & Corporate HR where he has initiated the competence framework, Talent Management, Succession Planning, PMS & Total Rewards. He has earlier worked with ICICI Securities Ltd, ICICI Prudential Life Insurance Company Ltd, Magma Leasing Ltd, Wacker Metroark Chemicals Ltd. and Kotak Securities   |
| <b>Mr. Adhish Swaroop</b>      | Company Secretary & Compliance Officer | Mr. Adhish Swaroop, Company Secretary & Compliance Officer, is a B. Com (Honor's), LLB and is a Member of the Institute of Company Secretaries of India. He has vast exposure in complying with the requirements of Company Laws, SEBI and RBI related matters. Mr. Swaroop has overall experience of 18 years in the field of Secretarial Compliances, Corporate Advisory, Corporate Governance, ESOPs   |

| Management Details |             |   |
|--------------------|-------------|---|
| Name               | Designation | Experience  |
|                    |             | and Mergers & Acquisitions. He has worked as Company Secretary and Compliance Officer of APL Apollo Tubes Limited, Vogue Commercial Company Ltd. and DB (International) Stock Brokers Limited. In the initial phase of career he was involved in the self-practice for 6 years and carried out the assignment in respect of secretarial, accounts and taxation. |

**i. Business Segments-**

**PRODUCT DETAILS**

| Product                          | Income Generating Loan (IGL)   |
|----------------------------------|--|
| Loan Term                        | <=INR 15,000/- loan for 12 months and above<br>> INR 15,000/- loan for minimum of 24 months  |
| Finance Amounts                  | <= INR 35,000/- in the first cycle (Maximum Indebtedness / borrower in 1st cycle)<br><= INR 50,000/- in the subsequent cycles (Maximum Indebtedness / borrower in 2nd cycle and above) |
| Interest Rate (reducing balance) | < = 26%  |
| Repayment Policy                 | Weekly / Fortnightly / Monthly as per borrower's choice  |
| Loan Processing Fees             | 1% of the finance amount plus applicable tax   |

**i. Lending Methodology**

**Origination process:**

The Issuer has a robust origination processes. Origination quality is ensured by allowing the clients to self-select the other members of the group based on pre-defined eligibility criteria and clearly explaining the product features and rules and regulations through a comprehensive 5 day Compulsory Group Training ('CGT') process. Details of the concept of joint liability and group guarantee are explained to them in detail in these meetings. The details of the product, loan terms and conditions are also explained to the clients. This is followed by pre-group recognition test ('Pre-GRT') and the group recognition test ('GRT') to ensure that all clients have understood the Issuer's rules and regulations and to confirm client identity. Branch managers ('BMs') conduct Pre-GRT to ensure that all the information in the KYC documents are correct and that all members have understood the Issuer's rules and regulations. BMs must visit each client's house during Pre-GRT. Process of Pre-GRT conducted by the BM will be the same as the process of GRT conducted by the team manager ('TM') – thereby forming a maker-checker process. What is also checked is whether the clients are aware about occupation of other members in their group and also what their monthly income is around 25% of the groups are rejected during GRT. The main reason for rejection of group is lack of understanding of the joint liability concept by members in that group. Compulsory GRT is done for 2nd cycle of loan in which credit history and attendance in center meets are the parameters based on which it is decided whether a 2nd cycle of loan would be given or not. KYC documents collected are either PAN Card or Ration Card or Voters Card. Family details, earnings of family members, dependents on the client, information about alternate sources of income are recorded in the loan application form. All customers of the Issuer should have an alternate source of income.

**Loan Utilization Check:**

100% Client Loan utilization check is done by the credit officer. During the 1st cycle, only 3 members of a group are disbursed the Client Loan. Once their Client Loan utilization check is done and found to be satisfactory, only then is the money disbursed to the other 2 group members.

**Cash Management:**

For cash management, the divisional office has the details of the cash to be collected and loans to be disbursed by every branch. At the end of the day, the divisional office knows the exact cash which has been collected and disbursed. Thus, the cash management is very effective in which the divisional office knows at the end of day the amount of cash movement which has happened. It has been mandated by the management that the branches maintain zero cash balance in the branches. The Issuer has availed of insurance for cash in transit and for cash in safe.

**Delinquency Management:**

The organization has a clearly defined policy for handling defaults and loan officers have been given instructions on how to deal with an instance of overdue payments. The emphasis is on group pressure and enforcement of joint liability which are achieved by visits from BM and area manager (AM) in case of a default. The follow-up process is covered in detail during the training program at the head office and also during the on-field training.

**Technology & MIS:**

The Issuer's MIS system for group lending vertical was built by Force Ten Technologies based in Kolkata and customized for the Issuer's technology needs. The software is based on SQL technology in the backend and Visual Basic (VB) in the front end. Force Ten Technologies is well attuned to the Issuer's requirements through providing maintenance and module changes on a regular basis. In this regard, the system is highly capable of handling the Issuer's accounting, reporting, and monitoring demands. There are two primary modules, one for Branch operations and a second module of territory/region/head office consolidation. Front-end data entry takes place in regional offices while the majority of report generation occurs in the region and head office.

The Issuer's accounting system is embedded within the MIS. The software has the capacity to track every client, group, centre, branch, territory, region, zone and the Company in its entirety. The MIS is used to generating many reports including the "Daily Progress Report" on various areas of operation including PAR, portfolio outstanding, disbursement, collections, etc. While the system meets current needs, we remain cognizant of other MIS platforms in the event that an upgrade is necessary for future growth and expansion.

In the individual lending operations, the Issuer has a centralized system of operations, accounts and MIS using Fox Pro software which has been developed by an in-house team of programmers. All loan proposals are sent from branches to the head office along with the BM's recommendations. All collection receipts are also sent to head office and then capture into MIS by the IT department.

**Internal Audit:**

The Company has a two-pronged strategy for internal audit of its systems and processes. For the individual lending vertical, the audit is outsourced to an independent firm of chartered accountants who conduct site visits at random. They provide regular reports to the chairman. Reports are discussed with the branch managers and operational state heads to minimize inconsistencies and ensure correction of operational problems. This also cares checking of ALL compliance with regards to RBI guidelines, SEBI / stock exchanges guidelines, income tax, service tax, PF, ESI and other statutory compliance etc. For the group lending vertical, the Company has a full-fledged "in-

house” Internal Audit & Risk Management department. The broad responsibility of Internal Audit and Risk Management department is to provide

1. Check and ensure that the standard operating process as followed in true spirit.
2. Check the effectiveness of monitoring and internal control mechanism.
3. Check quality of client intake and customer service.
4. Gather information from clients through feedback while visiting to client’s place, and centers.
5. Check transactions at branches and region office and ensure accuracy.

**Structure** – A team of audit department is posted across the 12 operating region. Typically, each member of audit team is responsible for conduct of audit of 8 to 9 branches. Branches are categorized as Small (less than 3000 accounts), Medium (3000 to 6000 accounts), Large (more than 6000 accounts)

**Audit Types**- Depending upon the size of branch the audit process varies between 5 to 7days (5 days for small branches and medium branches and 7 days for large branches).

**Frequency** - Each branch is expected to undergo a surprise internal audit in every second month. Each region office gets audited in every quarter. The region office audit is handled by a team of auditors operating in the same region.

**Reports** – Reports are shared with the top management while a copy of the report is being shared with operation team for further compliances.

**Compliance** – Compliance to the gaps identified by the audit department are objectively defined. Hence the responsible officer from the operation department submits his compliance report within stipulated time and after necessary rectification.

## ii. Company Credit Rating

The rating is based on the experience of the promoter and management team, diversified resource base, improvement in income and profitability and good asset quality.

### (c) Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis

|  | 31-Mar-20 | 31-Mar-19 | 31-Mar-18 |
|--|-----------|-----------|-----------|
| Net worth  | 1,45,277  | 1,15,142  | 89,190    |
| Total Debt                                       | 5,40,908  | 5,23,506  | 5,15,090  |
| - Non current maturities of long term Borrowings | 2,76,388  | 2,73,750  | 2,86,593  |
| - short term borrowings                          | 19,004    | 17,846    | 14,859    |
| - Current maturities of long term Borrowings     | 2,45,515  | 2,31,910  | 2,13,637  |
| Other long term liabilities                      | 3,007     | 2,115     | 1,790     |
| Net Fixed Assets                                 | 9,033     | 6,171     | 5,545     |
| Non-Current Assets                               | 1,753     | 630       | 882       |
| Deferred Tax Assets                              | -         | 571       | 8,871     |
| Cash and Cash equivalents                        | 2,00,739  | 1,96,212  | 1,15,498  |
| Current Assets                                   | 5,585     | 4,017     | 3,241     |
| Current liabilities (including provision)        | 26,231    | 28,792    | 19,504    |
| Trade Receivables under Loan Contracts           | 613       | 652       | 19        |
| Off balance sheet assets                         | 2,59,933  | 2,12,305  | 899       |
| Assets under management                          | 7,21,990  | 6,46,683  | 5,08,480  |
| Interest income                                  | 1,07,844  | 1,17,950  | 95,731    |
| Interest Expense                                 | 57,368    | 63,903    | 53,170    |
| Provisioning & write Offs                        | 18,883    | 5,206     | 4,446     |

|                                    |        |        |        |
|------------------------------------|--------|--------|--------|
| PAT                                | 15,627 | 19,494 | 8,215  |
| Gross NPA (%)                      | 2.93%  | 2.89%  | 4.44%  |
| Net NPA (%)                        | 0.66%  | 1.29%  | 0.26%  |
| Tier I Capital Adequacy Ratio (%)  | 22.10% | 19.94% | 14.56% |
| Tier II Capital Adequacy Ratio (%) | 8.39%  | 8.55%  | 6.62%  |

(d) **Gross Debt: Equity Ratio of the Company:**

| <b>(Rs. Crores)</b>                 |         |
|-------------------------------------|---------|
| Before the issue of debt securities | 5409.08 |
| After the issue of debt securities  | 5434.08 |

the debt-to-equity ratio is calculated as follows: (Rs. Crores)

|             |          |
|-------------|----------|
| Debt        | 4967.25  |
| Equity      | 1,454.99 |
| Debt/Equity | 3.42     |

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows: (Rs. Crores)

|             |          |
|-------------|----------|
| Debt        | 5017.25  |
| Equity      | 1,454.99 |
| Debt/Equity | 3.45     |

(e) **Project cost and means of financing, in case of funding new projects:**

NIL

**5.5 Brief history of Issuer since its incorporation giving details of its following activities:**

(a) **Details of Share Capital as on last quarter end, i.e., 30.06.2020:**

| <b>Share Capital</b>            | <b>Amount in Rs.</b> |
|---------------------------------|----------------------|
| <b>Authorised</b>               |                      |
| Authorised Capital              |                      |
| <b>Equity Share Capital</b>     | 95,00,00,000         |
|                                 |                      |
| <b>Preference Share Capital</b> | 75,00,00,000         |
|                                 |                      |
| <b>TOTAL</b>                    | 1,70,00,00,000       |

| <b>Issued, Subscribed and Paid-up Equity Capital</b>                       | <b>Amount in Rs.</b> |
|--|----------------------|
| Issued Equity Share Capital<br>52084694 Equity Shares of Rs. 10/- each     | 52,08,46,940         |
| Subscribed Equity Share Capital<br>52084694 Equity Shares of Rs. 10/- each | 52,08,46,940         |
| <b>Paid up Equity Share Capital</b>  | <b>51,71,26,940</b>  |
| <b>BREAK-UP OF PAID UP SHARE CAPITAL</b>                                   |                      |
| 52038194 Equity Shares of Rs. 10/- each                                    | 520381940            |
| Less: Amount recoverable from Satin Employees Welfare Trust                | 34,89,500/-          |
| Add: Forfeited Shares (Amount originally paid on 46500 equity shares)      | 2,34,500             |
| <b>Issued, Subscribed and Paid-up Preference Share Capital</b>             |                      |
| 2,50,00,000 (12.10 % Preference Shares of Rs. 10/- each)                   | 25,00,00,000         |
| <b>TOTAL</b>   | <b>25,00,00,000</b>  |

- (b) **Changes in its capital structure as on last quarter end i.e., 30.06.2020 for the last five years:**

| <b>Date of Change (AGM/EGM)</b>    | <b>Authorised Capital in Rs.</b>                                | <b>Particulars</b>  |
|------------------------------------|---|---|
| 05/01/2011 (EGM)                   | Authorised Capital increased from 17,50,00,000 to 20,00,00,000  | 2,00,00,000 Equity Shares of Rs. 10 each.   |
| 12/03/2013 (EGM)                   | Authorised Capital increased from 20,00,00,000 to 25,00,00,000  | 2,50,00,000 Equity Shares of Rs. 10 each.   |
| 05/02/2014 (EGM)                   | Authorised Capital increased from 25,00,00,000 to 130,00,00,000 | 3,00,000 Equity Shares of Rs.10 each and 10,00,00,000 Preference Shares of Rs.10 each.  |
| 13/03/2015 (EGM)                   | Re-Classification of Authorized Share Capital                   | 4,00,000 Equity Shares of Rs. 10 each and 9,00,00,000 Preference Shares of Rs. 10 each. |
| 30/07/2016 (AGM)                   | Re-Classification of Authorized Share Capital                   | 5,50,000 Equity Shares of Rs. 10 each and 7,50,00,000 Preference Shares of Rs. 10 each. |
| 07/04/2017 (EGM)                   | Re-Classification of Authorized Share Capital                   | 6,50,000 Equity Shares of Rs. 10 each and 7,50,00,000 Preference Shares of Rs. 10 each  |
| 17/06/2020 (through Postal Ballot) | Re-Classification of Authorized Share Capital                   | 9,50,000 Equity Shares of Rs. 10 each and 7,50,00,000 Preference Shares of Rs. 10 each  |

(c) **Equity Share Capital History of the Company as on last quarter end i.e. 30.06.2020 for the last five years:**

| S . No . | Parti nents   | Dat e of Allo tme nt | No . of Eq uiti ty Sha res all ott ed | Form of Consi derat ion (cash, other than cash etc.) | Pric e per shar e/Iss ue Pric e (in Rs.) | F ac e Val ue (i n Rs.) | Pre miu m | Total Consi derat ion | Nat ure of Allo tme nt    | Cu mul ative No. of equi ty shar es | Cu mul ative equi ty shar e capi tal (Rs) | Cu mul ative equi ty shar e pre miu m (Rs) | Re ma rks |
|----------|---|----------------------|---------------------------------------|--|--|-------------------------|-----------|-----------------------|---------------------------|-------------------------------------|---|--|-----------|
| 1        | Allot ted to Diffe rent perso ns belong ing to prom oters and Non Prom oters Grou p | 03/0 6/20 15         | 32 30 00 0                            | Cash   | 130                                      | 10                      | 120       | 41990 0000            | Pref renti al allot men t | 2908 1361                           | 2908 1361 0                               | 1466 5542 29                               | NA        |

|   |  |            |        |      |     |    |     |          |   |          |           |            |    |
|---|--|------------|--------|------|-----|----|-----|----------|---|----------|-----------|------------|----|
| 2 | Allotted to different persons belonging to promoters group pursuant to conversion of equivalent number of Warrants | 10/02/2016 | 147000 | Cash | 130 | 10 | 120 | 19110000 | Conversion of warrants into equity shares | 30551361 | 305513610 | 1642954229 | NA |
| 3 | Allotted to SBI FMO belonging to non-promoters group pursuant to conversion of equivalent number of Warrants       | 21/03/16   | 140000 | Cash | 130 | 10 | 120 | 18200000 | Equity shares                             | 31951361 | 319513610 | 1810954229 | NA |

|   |  |            |         |            |        |    |        |            |   |          |           |            |    |
|---|--|------------|---------|------------|--------|----|--------|------------|---|----------|-----------|------------|----|
| 4 | Share Swap with the shareholders Tara Ashna Services Limited | 30/8/2016  | 1087456 | Share Swap | 457.82 | 10 | 447.82 | 497859106  | - | 33038817 | 330388170 | 2297938775 | NA |
| 5 | Allotment to qualified institutional buyers                  | 03/10/2016 | 4529970 | Cash       | 551.88 | 10 | 541.88 | 2499999844 | - | 37568787 | 375687870 | 4752638919 | NA |
| 6 | Allotment to Asian Development Bank                          | 21/04/2017 | 1543187 | Cash       | 416.67 | 10 | 406.67 | 642999727  | - | 39111974 | 391119740 | 5380206776 | NA |

|   |   |            |         |      |        |    |        |            |   |          |           |            |    |
|---|---|------------|---------|------|--------|----|--------|------------|---|----------|-----------|------------|----|
| 7 | Allotted to Trishasha Holdings & Investments Private Limited belonging to promoter group pursuant to conversion of equivalent number of warrants. | 30/06/2017 | 658690  | Cash | 455.45 | 10 | 445.45 | 300000361  | - | 39770664 | 397706640 | 5673620236 | NA |
| 8 | Allotment to qualified institutional buyers   | 11/10/2017 | 4918032 | Cash | 305    | 10 | 295    | 1499999760 | - | 44688696 | 446886960 | 7124439676 | NA |
| 9 | Allotment to Non-Promoters Group  | 28/12/2017 | 2985073 | Cash | 325    | 10 | 325    | 999999455  | - | 47673769 | 476737690 | 8094588401 | NA |

|    |   |            |         |                             |        |    |        |            |  |          |           |            |    |
|----|---|------------|---------|-----------------------------|--------|----|--------|------------|--|----------|-----------|------------|----|
| 10 | Allotment to Capital First Limited  | 30/05/2018 | 1230098 | Conversion                  | 274.53 | 10 | 284.53 | 349999784  | EQUITY SHARES                                    | 48903867 | 489038670 | 8432287205 | NA |
| 11 | Allotment to Indus Ind Bank Limited & Trishashna Holdings & Investments Private Limited | 27/06/2019 | 3134327 | Conversion of OCC RPS & FCW | 325.00 | 10 | 335    | 1049999545 | Conversion of OCC RPS & FCW Win to equity shares | 52038194 | 520381940 | 9450943480 | NA |

Notes (If Any): NIL

#### Preference Share Capital History of our Company

The history of Preference Share capital of our Company is provided in the following table:

| S. No. | Particular of Allotments                                       | Date of Allotment | No. of Preference Shares allotted | Price per Share (Rs.) | Face Value (Rs.) | Premium (Rs.) | Total Consideration (Rs.) | Form of Consideration (Cash, other than cash, etc) | Remarks  |
|--------|--|-------------------|-----------------------------------|-----------------------|------------------|---------------|---------------------------|--|----------|
| 1.     | Allotted to persons belonging to non-promoters group category* | 28/02/2014        | 60,00,000                         | 10                    | 10               | 0             | 6,00,00,000               | Cash   | Redeemed |

|    |   |            |             |        |    |        |                 |      |  |
|----|---|------------|-------------|--------|----|--------|-----------------|------|--|
| 2. | Allotted to persons belonging to non-promoters group category | 10/06/2016 | 2,50,00,000 | 10     | 10 | 0      | 25,00,00,000    | Cash |  |
| 3. | Allotted to persons belonging to non-promoters group category | 10/08/2017 | 12,30,098   | 284.53 | 10 | 274.53 | 34,99,99,783.94 | Cash | Converted in to Equity on May 30, 2018 |
| 4  | Allotted to person belonging to non-promoters group           | 29/12/2017 | 13,43,283   | 335    | 10 | 335    | 449999805       | cash | Converted into Equity on June 27, 2019 |

Notes (if any): NIL

**(d) Details of any Acquisition or Amalgamation in the last 1 (one) year:**

There has been no acquisition or amalgamation in the last 1 (one) year.

**(e) Details of any Reorganization or Reconstruction in the last 1 (one) year:**

There has been no reorganization or reconstruction in the last 1 (one) year.

**5.6 Details of the shareholding of the Company as on the latest quarter end, i.e., 30.06.2020**

**(a) Shareholding pattern of the Company as on last quarter end, i.e. 30.06.2020 :**

| S. No. | Name of the Shareholder / Particulars   | Total Number of equity shares | Total percentage (%) of Shareholding | No of shares in demat form |
|--------|---|-------------------------------|--------------------------------------|----------------------------|
| 1      | Anureet Hp Singh  | 484,356                       | 0.93                                 | 484,356                    |
| 2      | Harbans Singh   | 406,402                       | 0.78                                 | 406,402                    |
| 3      | Satvinder Singh   | 257,011                       | 0.49                                 | 257,011                    |
| 4      | Neeti Singh   | 137,711                       | 0.26                                 | 137,711                    |
| 5      | Trishashna Holdings & Investments Private Limited   | 14323264                      | 27.52                                | 14323264                   |
| 6      | Wisteria Holdings & Investments Private Limited   | 100,000                       | 0.19                                 | 100,000                    |
| 7      | Nordic Microfinance Initiative Fund Iii Ks  | 3,369,318                     | 6.47                                 | 3,369,318                  |
| 8      | Sbi Emerging Asia Financial Sector Fund Pte Ltd   | 3,313,609                     | 6.37                                 | 3,313,609                  |
| 9      | Kora Investments I Llc  | 2,388,059                     | 4.59                                 | 2,388,059                  |
| 10     | Asian Development Bank  | 1,543,187                     | 2.97                                 | 1,543,187                  |
| 11     | Idfc First Bank Limited   | 8,29,676                      | 1.59                                 | 8,29,676                   |
| 12     | IndusInd Bank Limited   | 1,343,283                     | 2.58                                 | 1,343,283                  |
| 13     | Morgan Stanley Asia (Singapore) Pte - Odi   | 10,03,601                     | 1.93                                 | 10,03,601                  |
| 14     | Massachusetts Institute Of Technology   | 16,06,726                     | 3.09                                 | 16,06,726                  |
| 15     | Satin Employees Welfare Trust   | 3,48,950                      | 0.67                                 | 3,48,950                   |
| 18     | Dsp Equity & Bond Fund  | 4626691                       | 8.89                                 | 4626691                    |
| 19     | Aditya Birla Sun Life Trustee Private Limited A/C<br>Aditya Birla Sun Life Small Cap Fund | 2101896                       | 4.04                                 | 2101896                    |
| 20     | Uti - Hybrid Equity Fund  | 600359                        | 1.15                                 | 600359                     |
| 21     | Other Public  | 13,254,095                    | 25.47                                | 13,254,095                 |
|        | Total   | 52,038,194                    | 100.00                               | 51873948                   |

Notes: Details of shares pledged or encumbered by the promoters (if any): NIL

(b) **List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. 30.06.2020 :**

| Sr. No. | Name of the Shareholder / Particulars  | Total Number of equity shares | Total percentage (%) of Shareholding | Number of shares held in Demat Form |
|---------|--|-------------------------------|--------------------------------------|-------------------------------------|
| 1       | Trishashna Holdings & Investments Private Limited                                      | 14323264                      | 27.52                                | 14323264                            |
| 2       | Dsp Equity & Bond Fund   | 4626691                       | 8.89                                 | 47,85,520                           |
| 3       | Nordic Microfinance Initiative Fund Iii Ks   | 33,69,318                     | 6.47                                 | 3,369,318                           |
| 4       | Sbi Fmo Emerging Asia Financial Sector Fund Pte Ltd                                    | 3,313,609                     | 6.37                                 | 3,313,609                           |
| 5       | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund | 2101896                       | 4.04                                 | 2101896                             |
| 6       | Kora Investments I Llc   | 23,88,059                     | 4.59                                 | 23,88,059                           |
| 7       | Uti - Hybrid Equity Fund   | 600359                        | 1.15                                 | 600359                              |
| 8       | MASSACHUSETTS INSTITUTE OF TECHNOLOGY  | 16,06,726                     | 3.09                                 | 16,06,726                           |
| 9       | Asian Development Bank   | 15,43,187                     | 2.97                                 | 15,43,187                           |
| 10      | INDUSIND BANK LIMITED TREASURY DEPT  | 1343283                       | 2.58                                 | 1343283                             |

**5.7 Following details regarding the directors of the Company\*:**

(a) **Details of the current directors of the Company:**

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

| S. No. | Name of the Directors   | Designation       | Date of Birth, Age (in years) | Address  | DI N     | PAN        | Director of the company since | Details of other directorship  |
|--------|-------------------------|-------------------|-------------------------------|--|----------|------------|-------------------------------|--|
| 1      | Mr. Harvinder Pal Singh | Managing Director | 24-12-1960, 59                | 14A, Tower 1, The Hibiscus Near Baani Square, Sector | 00333754 | AATPS4070P | 16/10/1990                    | 1. Anushna Estates Private Limited<br>2. Satin Creditcare Foundation |

|  |  |  |  |                           |  |  |  |   |
|--|--|--|--|---------------------------|--|--|--|---|
|  |  |  |  | 50,<br>Gurgaon-<br>122001 |  |  |  | 3. Parinita Investments Private Limited<br>4. Parishek Finance Private Limited<br>5. Riwaaz Investments Private Limited<br>6. Satin (India) limited<br>7. Niryas Food Products Private Limited<br>8. UV Associates Private Limited<br>9. Satin Finserv Limited<br>10. Satin Media Solutions Limited<br>11. Taco Consultants Private Limited<br>12. Global Social (India) Foundation<br>13. Tomorrow's One Global Network Private Limited<br>14. Tomorrow's Knowledge Pte. Limited<br>15. Tomorrow's One Capital Pte. Limited<br>16. Prestellar Ventures Fund I Pte.Ltd. |
|--|--|--|--|---------------------------|--|--|--|---|

|   |                         |          |                |   |          |             |            |  |
|---|-------------------------|----------|----------------|---|----------|-------------|------------|--|
|   |                         |          |                |   |          |             |            | 17. Satin Housing Finance Limited<br>18. Trishashna Holdings & Investments Private Limited<br>19. Taraashna Financial Services Limited |
| 2 | Mr. Satvinder Singh     | Director | 13-03-1966, 54 | Building 1, Apartment 5B, The Hibiscus Sector 50, South City II, Gurgaon-122018 | 00332521 | ANVP S8312B | 16/10/1990 | 1. Taco Consultants Private Limited<br>2. Satin Neo Dimensions Private Limited<br>3. Wisteria Holding & Investment Private Limited     |
| 3 | Mr. Rakesh Sachdeva     | Director | 23-03-1958, 62 | 4111 ATS One Hamlet, Sector-104 Gautam Budh Nagar, Noida-201304,                | 00333715 | ACRPS 8188A | 30/04/1999 | 1. Taraashna Financial Services Limited  |
| 4 | Mr. Sundeep Kumar Mehta | Director | 21-09-1961, 58 | 1629, Sector-29 Noida-201303  | 00840544 | AAJP M6046R | 13/02/2013 | 1. Activa Certification Private Limited<br>2. Satin Finserv Limited<br>3. Satin Housing Finance Limited                                |
| 5 | Ms. Sangeeta Khorana    | Director | 01-11-1963, 56 | 59 Pottle Walk, Wimborne BH21 2FD   | 06674198 | AAOP K3235F | 09/08/2013 | -  |

|   |                               |              |                                       |  |                  |                    |                |   |
|---|-------------------------------|--------------|---------------------------------------|--|------------------|--------------------|----------------|---|
|   |                               |              |                                       | Dorset,<br>United<br>Kingdo<br>m   |                  |                    |                |   |
| 6 | Mr. Goh<br>Colin              | Dire<br>ctor | 01-<br>07-<br>1967<br>, 52            | 173<br>Ceylon<br>Road<br>Singapo<br>re-<br>429739<br>SG  | 069<br>631<br>78 | -                  | 12/11/20<br>14 | <ol style="list-style-type: none"> <li>1. The Rice Co. Ltd</li> <li>2. Global Cultural Alliance Ltd</li> <li>3. Millet Holdings Pte Ltd</li> <li>4. Millet World Pte Ltd</li> <li>5. Scape Ltd Singapore Arts School Ltd</li> </ol> |
| 7 | Mr. Sanjay<br>Kumar<br>Bhatia | Dire<br>ctor | Sept<br>embe<br>r 23,<br>1964<br>, 55 | 1414<br>DR.<br>Mukherj<br>ee<br>Nagar<br>Delhi-<br>110009  | 070<br>330<br>27 | AAHP<br>B8915<br>E | 06/12/20<br>14 | <ol style="list-style-type: none"> <li>1. Antara Care Homes Limited</li> <li>2. Taraashna Financial Services Limited</li> </ol>   |
| 8 | Mr. Anil<br>Kumar Kalra       | Dire<br>ctor | May<br>22,1<br>955,<br>65             | C-2<br>Flate<br>No-<br>117B,<br>Lawren<br>ce Road,<br>Keshav<br>Puram,<br>Onkar<br>Nagar,<br>Saraswa<br>tiVihar<br>North<br>West<br>Delhi-<br>110035 | 073<br>617<br>39 | AEFPK<br>4646B     | 08/12/20<br>15 | <ol style="list-style-type: none"> <li>1. Satin Finserv Limited</li> <li>2. Satin Housing Finance Limited</li> </ol>  |
| 9 | Mr. Christian<br>B. Ramm      | Dire<br>ctor | Aug<br>ust<br>18,<br>1975<br>, 44     | NOBEL<br>S GATE<br>20A<br>0268<br>OSLO<br>NA NO  | 080<br>966<br>55 | NA                 | 30/05/20<br>20 | <ol style="list-style-type: none"> <li>1. SUB-K Impact solution Limited (India)</li> <li>2. AB Bank Rwanda</li> </ol>   |

*\*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: NIL*

(a) **Details of change in directors since last three years:**

| Name & Designation          | DIN      | Date of Appointment / Resignation | Director of the Company since (in case of resignation) | Remarks |
|-----------------------------|----------|-----------------------------------|--|---------|
| Mr. Richard Benjamin Butler | 06574786 | 19/01/2018 (resignation)          | 29/05/2013   | Nil     |
| Mr. Ramesh G Dharmaji       | 01186341 | 08/11/2017 (resignation)          | 30/07/2016   | Nil     |
| Mr. Sanjaya Gupta           | 02939128 | 21/08/2017 (appointment)          | N.A.   | Nil     |
| Mr. Daniel Simpson Jacobs   | 07858118 | 08/01/2018 (appointment)          | N.A.   | Nil     |
| Mr. Sanjaya Gupta           | 02939128 | 16/10/2018 (resignation)          | 21/08/2017   | Nil     |
| Mr. Suramya Gupta           | 06816354 | 07/01/2019 (resignation)          | 12/08/2015   | Nil     |
| Mr. Davis Fredrick Golding  | 00440024 | 12/04/2019 (resignation)          | 10/08/2016   | Nil     |
| Mr. Rajeev Kakar            | 01888608 | 06/06/2019 (appointment)          | N.A.   | Nil     |
| Mr. Daniel Simpson Jacobs   | 07858118 | 04/03/2020(Resignation)           | 8/01/2018  | Nil     |
| Mr. Rajeev Kakar            | 01888608 | 30/04/2020(Resignation)           | 06/06/2019   | Nil     |
| Mr. Arthur Sletteberg       | 07123647 | 30/05/2020(Resignation)           | 25/05/2015   | Nil     |
| Mr. Christian Bernhard Ramm | 08096655 | 30/05/2020(Appointment)           | N.A.   | Nil     |

**5.8 Following details regarding the auditors of the Company:**

(a) **Details of the auditor of the Company:**

| Name                           | Address                                  | Auditor since | Remarks |
|--------------------------------|--|---------------|---------|
| M/s Walker Chandiook & Co. LLP | L-41, Connaught Circus, New Delhi-110001 | July 08, 2017 | None    |

(b) **Details of change in auditors since last three years:**

| Name | Address | Date of appointment/resignation | Auditor of the Company since (in case of resignation) | Remarks |
|------|---------|---------------------------------|---|---------|
| N. A | N. A    | N. A                            | N. A  | N. A    |

**5.9 Details of borrowings of the Company, as on latest quarter end 30.06.2020:**

(a) **Details of Secured Loan Facilities (as on June 30, 2020):** (Amount in Rupees MN)

| Lenders Name/Banks Name      | Type of Facility | Sanctioned Amount | Disburse Amount | Principal Amount Outstanding | Tenor     | Security | Cash Collateral | Repayment Schedule/Date |
|------------------------------|------------------|-------------------|-----------------|------------------------------|-----------|----------|-----------------|-------------------------|
| ABU DHABHI COMMERCIAL BANK   | TERM LOAN        | 250.00            | 250.00          | 134.25                       | 27 Months | 110%     | NIL             | Monthly                 |
| ANDHRA BANK                  | TERM LOAN        | 500.00            | 500.00          | 125.00                       | 30 Months | 100%     | 5%              | Quarterly               |
| ANDHRA BANK                  | TERM LOAN        | 100.00            | 100.00          | 1,000.00                     | 36 Months | 110%     | 10%             | Quarterly               |
| AXIS BANK LIMITED            | TERM LOAN        | 500.00            | 500.00          | 71.43                        | 24 Months | 105%     | 5%              | Quarterly               |
| AXIS BANK LIMITED            | TERM LOAN        | 1,200.00          | 980.00          | 420.00                       | 24 Months | 105%     | 5%              | Quarterly               |
| AXIS BANK LIMITED            | TERM LOAN        | -                 | 220.00          | 125.71                       | 24 Months | 105%     | 5%              | Quarterly               |
| AXIS BANK LIMITED            | TERM LOAN        | 500.00            | 300.00          | 187.50                       | 24 Months | 105%     | 5%              | Quarterly               |
| AXIS BANK LIMITED            | TERM LOAN        | -                 | 200.00          | 175.00                       | 27 Months | 105%     | 5%              | Quarterly               |
| BAJAJ FINANCE LIMITED        | TERM LOAN        | 500.00            | 300.00          | 112.50                       | 24 Months | 110%     | 0%              | Monthly                 |
| BAJAJ FINANCE LIMITED        | TERM LOAN        | -                 | 200.00          | 78.26                        | 24 Months | 110%     | 0%              | Monthly                 |
| BANDHAN BANK                 | TERM LOAN        | -                 | 1,000.00        | 250.00                       | 31 Months | 105%     | 3%              | Quarterly               |
| BANDHAN BANK                 | TERM LOAN        | -                 | 850.00          | 212.50                       | 31 Months | 105%     | 3%              | Quarterly               |
| BANDHAN BANK                 | TERM LOAN        | 3,000.00          | 1,000.00        | 857.14                       | 24 Months | 105%     | 3%              | Quarterly               |
| BANDHAN BANK                 | TERM LOAN        | -                 | 1,000.00        | 1,000.00                     | 24 Months | 105%     | 3%              | Quarterly               |
| BANK OF AMERICA              | TERM LOAN        | 500.00            | 500.00          | 500.00                       | 48 Months | 105%     | 0%              | Bullet                  |
| BANK OF BAHRAIN & KUWAIT BSC | TERM LOAN        | 350.00            | 50.00           | 12.50                        | 24 Months | 105%     | NIL             | Monthly                 |
| BANK OF BAHRAIN & KUWAIT BSC | TERM LOAN        | -                 | 300.00          | 75.00                        | 24 Months | 105%     | NIL             | Monthly                 |
| BANK OF BAHRAIN & KUWAIT BSC | TERM LOAN        | 150.00            | 150.00          | 125.00                       | 24 Months | 105%     | NIL             | Monthly                 |
| BANK OF BARODA               | TERM LOAN        | 930.00            | 930.00          | 930.00                       | 33 Months | 110%     | 10%             | Quarterly               |
| BANK OF BARODA               | TERM LOAN        | 2,000.00          | 2,000.00        | 2,000.00                     | 33 Months | 110%     | 10%             | Quarterly               |
| BANK OF INDIA                | TERM LOAN        | 250.00            | 250.00          | 62.53                        | 42 Months | 100%     | 5%              | Quarterly               |
| BNP PARIBAS                  | TERM LOAN        | 750.00            | 750.00          | 375.00                       | 24 Months | 100%     | 5%              | Quarterly               |
| BNP PARIBAS                  | TERM LOAN        | 93.75             | 93.75           | 93.75                        | 3 Months  | 100%     | NIL             | Bullet                  |
| CTBC BANK CO LTD             | TERM LOAN        | -                 | 250.00          | 250.00                       | 181 Days  | 110%     | NIL             | Bullet                  |
| DBS BANK TL-1                | TERM LOAN        | 1,000.00          | 1,000.00        | 954.55                       | 24 Months | 105%     | 5%              | Monthly                 |
| DEVELOPMENT CREDIT BANK      | TERM LOAN        | 200.00            | 200.00          | 19.95                        | 26 Months | 100%     | 8%              | Monthly                 |
| DEVELOPMENT CREDIT BANK      | TERM LOAN        | 250.00            | 250.00          | 125.00                       | 26 Months | 100%     | 5%              | Monthly                 |

|  |               |        |        |        |           |      |     |           |
|--|---------------|--------|--------|--------|-----------|------|-----|-----------|
| DOHA BANK LIMITED                                | TERM LOAN     | 180.00 | 180.00 | 135.00 | 42 Months | 133% | NIL | Quarterly |
| DOHA BANK LIMITED                                | TERM LOAN     | 300.00 | 300.00 | 300.00 | 42 Months | 110% | NIL | Quarterly |
| FED BANK FINANCIAL SERVICES LIMITED              | TERM LOAN     | 200.00 | 100.00 | 25.00  | 24 Months | 110% | 0%  | Quarterly |
| HERO FINCORP LTD.                                | TERM LOAN     | 300.00 | 287.98 | 47.16  | 30 Months | 110% | 0%  | Monthly   |
| HERO FINCORP LTD.                                | TERM LOAN     | -      | 12.02  | 2.54   | 30 Months | 110% | 0%  | Monthly   |
| HEWLETT PACKARD FINANCIAL SERVICES               | TERM LOAN(AF) | 14.61  | 14.61  | 3.17   | 48 Months | NIL  | NIL | Quarterly |
| HEWLETT PACKARD FINANCIAL SERVICES               | TERM LOAN(AF) | 14.99  | 14.99  | 3.26   | 48 Months | 100% | NIL | Quarterly |
| HEWLETT PACKARD FINANCIAL SERVICES               | TERM LOAN(AF) | 4.78   | 4.78   | 1.04   | 48 Months | 100% | NIL | Quarterly |
| HEWLETT PACKARD FINANCIAL SERVICES               | TERM LOAN(AF) | 19.35  | 19.35  | 6.65   | 48 Months | 100% | NIL | Quarterly |
| HINDUJA LEYLAND FINANCE LIMITED                  | TERM LOAN     | 100.00 | 100.00 | 6.56   | 36 Months | 110% | NIL | Monthly   |
| ICICI BANK LIMITED                               | TERM LOAN     | 250.00 | 250.00 | 113.64 | 24 Months | 100% | 3%  | Monthly   |
| ICICI BANK LIMITED                               | TERM LOAN     | 250.00 | 250.00 | 136.36 | 24 Months | 100% | 2%  | Monthly   |
| KARNATAKA BANK                                   | TERM LOAN     | 150.00 | 150.00 | 150.00 | 34 Months | 100% | 10% | Quarterly |
| KOTAK MAHINDRA BANK                              | TERM LOAN     | 750.00 | 400.00 | 16.67  | 24 Months | 105% | 5%  | Monthly   |
| KOTAK MAHINDRA BANK                              | TERM LOAN     | -      | 200.00 | 75.00  | 24 Months | 105% | 5%  | Monthly   |
| KOTAK MAHINDRA BANK                              | TERM LOAN     | -      | 150.00 | 75.00  | 24 Months | 105% | 5%  | Monthly   |
| KOTAK MAHINDRA BANK                              | TERM LOAN     | 750.00 | 400.00 | 200.00 | 24 Months | 105% | 5%  | Monthly   |
| KOTAK MAHINDRA BANK                              | TERM LOAN     | -      | 80.00  | 43.33  | 24 Months | 105% | 5%  | Monthly   |
| KOTAK MAHINDRA BANK                              | TERM LOAN     | -      | 90.00  | 56.25  | 24 Months | 105% | 5%  | Monthly   |
| KOTAK MAHINDRA BANK                              | TERM LOAN     | -      | 100.00 | 75.00  | 24 Months | 105% | 5%  | Monthly   |
| KOTAK MAHINDRA BANK                              | TERM LOAN     | -      | 80.00  | 66.67  | 24 Months | 105% | 5%  | Monthly   |
| MAANAVEEYA DEVELOPMENT & FINANCE PRIVATE LIMITED | TERM LOAN     | 350.00 | 350.00 | 175.00 | 36 Months | 105% | 0%  | Quarterly |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | 150.00 | 75.00  | 9.38   | 24 Months | 100% | 5%  | Monthly   |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | -      | 75.00  | 9.38   | 24 Months | 100% | 5%  | Monthly   |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | 150.00 | 75.00  | 9.38   | 24 Months | 100% | 5%  | Monthly   |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | -      | 75.00  | 9.38   | 24 Months | 100% | 5%  | Monthly   |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | 100.00 | 100.00 | 25.00  | 24 Months | 100% | 5%  | Monthly   |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | 100.00 | 100.00 | 25.00  | 24 Months | 100% | 5%  | Monthly   |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | 100.00 | 100.00 | 25.00  | 24 Months | 100% | 5%  | Monthly   |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | 50.00  | 50.00  | 18.75  | 24 Months | 100% | 5%  | Monthly   |
| MAS FINANCIAL SERVICES LIMITED                   | TERM LOAN     | 50.00  | 50.00  | 18.75  | 24 Months | 100% | 5%  | Monthly   |





|  |           |           |          |          |           |         |     |             |
|--|-----------|-----------|----------|----------|-----------|---------|-----|-------------|
| MICRO UNITS DEVELOPMENT & REFINANCE AGENCY LIMITED | TERM LOAN | -         | 500.00   | 399.50   | 36 Months | 100%    | 5%  | Monthly     |
| NABARD   | TERM LOAN | 1,450.00  | 1,450.00 | 116.00   | 60 Months | 112%    | NIL | Half Yearly |
| NABARD   | TERM LOAN | 500.00    | 500.00   | 40.00    | 60 Months | 112%    | NIL | Half Yearly |
| NABARD   | TERM LOAN | 3,000.00  | 500.00   | 50.00    | 60 Months | 112%    | NIL | Half Yearly |
| NABARD   | TERM LOAN | -         | 2,500.00 | 250.00   | 60 Months | 112%    | NIL | Half Yearly |
| NABARD   | TERM LOAN | 2,500.00  | 2,500.00 | 625.00   | 60 Months | 112%    | NIL | Half Yearly |
| NABARD   | TERM LOAN | 5,000.00  | 5,000.00 | 2,000.00 | 60 Months | 111%    | NIL | Half Yearly |
| NABARD   | TERM LOAN | 2,000.00  | 2,000.00 | 1,100.00 | 60 Months | 111%    | NIL | Half Yearly |
| NABARD   | TERM LOAN | 500.00    | 500.00   | 350.00   | 60 Months | 111.20% | NIL | Half Yearly |
| NABARD   | TERM LOAN | 2,500.00  | 2,500.00 | 1,750.00 | 60 Months | 111.20% | NIL | Half Yearly |
| NABARD   | TERM LOAN | 2,500.00  | 2,500.00 | 2,500.00 | 36 Months | 112%    | NIL | Half Yearly |
| NABARD   | TERM LOAN | 1,500.00  | 1,500.00 | 1,500.00 | 22 Months | 112%    | 10% | Half Yearly |
| NABARD FINANCIAL SERVICES LIMITED                  | TERM LOAN | 100.00    | 100.00   | 46.15    | 26 Months | 105%    | NIL | Monthly     |
| NABKISAN FINANCE LIMITED                           | TERM LOAN | 150.00    | 150.00   | 12.45    | 36 Months | 110%    | NIL | Monthly     |
| NABKISAN FINANCE LIMITED                           | TERM LOAN | 62.00     | 62.00    | 46.50    | 48 Months | 110%    | NIL | Quarterly   |
| ORIENTAL BANK OF COMMERCE                          | TERM LOAN | 500.00    | 500.00   | 500.00   | 42 Months | 110%    | 10% | Quarterly   |
| QATAR NATIONAL BANK                                | TERM LOAN | -         | 200.00   | 200.00   | 3 Months  | 105%    | 0%  | Bullet      |
| RBL BANK LIMITED                                   | TERM LOAN | 600.00    | 600.00   | 75.00    | 27 Months | 110%    | 5%  | Quarterly   |
| RBL BANK LIMITED                                   | TERM LOAN | 1,150.00  | 1,150.00 | 143.75   | 24 Months | 105%    | 5%  | Quarterly   |
| SBM BANK (MAURITIUS) LIMITED                       | TERM LOAN | 170.00    | 170.00   | 145.71   | 24 Months | 100%    | 5%  | Quarterly   |
| SHRIRAM CITY UNION FINANCE                         | TERM LOAN | 200.00    | 200.00   | 44.32    | 36 Months | 110%    | Nil | Monthly     |
| SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA         | TERM LOAN | 2,000.00  | 2,000.00 | 1,333.33 | 36 Months | 100%    | 5%  | Monthly     |
| SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA         | TERM LOAN | 1,500.00  | 1,500.00 | 1,500.00 | 36 Months | 100%    | 5%  | Monthly     |
| SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA         | TERM LOAN | 1,250.00  | 1,250.00 | 1,250.00 | 11 Months | 110%    | NIL | Monthly     |
| STANDARD CHARTERED BANK                            | TERM LOAN | -         | 500.00   | 500.00   | 14 Months | 100%    | 5%  | Quarterly   |
| STANDARD CHARTERED BANK                            | TERM LOAN | 530.00    | 420.00   | 420.00   | 13 Months | 100%    | 5%  | Quarterly   |
| STANDARD CHARTERED BANK                            | TERM LOAN | -         | 110.00   | 110.00   | 13 Months | 100%    | 5%  | Quarterly   |
| STANDARD CHARTERED BANK                            | TERM LOAN | 30,000.00 | 1,000.00 | 750.00   | 12 Months | 100%    | 5%  | Quarterly   |
| STANDARD CHARTERED BANK                            | TERM LOAN | -         | 250.00   | 250.00   | 12 Months | 100%    | 5%  | Bullet      |

|   |           |          |          |          |                       |      |     |                   |
|---|-----------|----------|----------|----------|-----------------------|------|-----|-------------------|
| STANDARD CHARTERED BANK                   | TERM LOAN | -        | 110.00   | 110.00   | 12 Months             | 100% | 5%  | Bullet            |
| STANDARD CHARTERED BANK                   | TERM LOAN | -        | 140.00   | 140.00   | 12 Months             | 100% | 5%  | Bullet            |
| STANDARD CHARTERED BANK                   | TERM LOAN | -        | 470.00   | 470.00   | 12 Months             | 100% | 5%  | Bullet            |
| STANDARD CHARTERED BANK                   | TERM LOAN | -        | 250.00   | 250.00   | 12 Months             | 100% | 5%  | Bullet            |
| STATE BANK OF INDIA                       | TERM LOAN | 500.00   | 500.00   | 424.24   | 42 Months             | 100% | 10% | Monthly           |
| TATA CAPITAL FINANCIAL SERVICES PVT. LTD. | TERM LOAN | 250.00   | 250.00   | 218.75   | 24 Months             | 105% | 5%  | Quarterly         |
| HSBC                                      | TERM LOAN | 500.00   | 500.00   | 62.50    | 30 Months             | 100% | 5%  | Monthly           |
| HSBC                                      | TERM LOAN | 750.00   | 750.00   | 281.25   | 30 Months             | 100% | 3%  | Monthly           |
| HSBC                                      | TERM LOAN | 1,000.00 | 1,000.00 | 473.00   | 30 Months             | 100% | 0%  | Monthly           |
| HSBC                                      | TERM LOAN | -        | -        | 84.00    | 30 Months             | 100% | 0%  | Monthly           |
| HSBC                                      | TERM LOAN | 675.00   | 675.00   | 506.25   | 30 Months             | 100% | 0%  | Monthly           |
| HSBC                                      | TERM LOAN | 550.00   | 440.00   | 396.00   | 30 Months             | 100% | 0%  | Monthly           |
| HSBC                                      | TERM LOAN | -        | 110.00   | 99.00    | 30 Months             | 100% | 0%  | Monthly           |
| HSBC                                      | TERM LOAN | 1,055.00 | 580.00   | 580.00   | 30 Months             | 100% | 0%  | Monthly           |
| UGRO CAPITAL LIMITED                      | TERM LOAN | 50.00    | 50.00    | 18.04    | 27 Months             | 105% | 0%  | Monthly           |
| UNION BANK OF INDIA                       | TERM LOAN | 1,000.00 | 250.00   | 174.96   | 36 Months             | 105% | 5%  | Quarterly         |
| UNION BANK OF INDIA                       | TERM LOAN | -        | 750.00   | 525.01   | 36 Months             | 105% | 5%  | Quarterly         |
| VIJAYA BANK                               | TERM LOAN | 250.00   | 250.00   | 152.00   | 42 Months             | 100% | 10% | Monthly           |
| WOORI BANK                                | TERM LOAN | 200.00   | 200.00   | 77.78    | 36 Months             | 100% | 10% | Monthly           |
| WOORI BANK                                | TERM LOAN | 300.00   | 300.00   | 225.00   | 36 Months             | 100% | 10% | Monthly           |
| OEEB                                      | ECB       | 1,068.60 | 1,068.59 | 1,068.60 | 59 Months             | 100% | 0%  | Half Yearly       |
| RESPONSIBILITY FII                        | ECB       | 648.74   | 648.74   | 709.95   | 36 Months             | NIL  | 0%  | Bullet            |
| WORLD BUSINESS CAPITAL                    | ECB       | 412.04   | 412.04   | 212.48   | 96 Months             | 125% | NIL | Quarterly         |
| WORLD BUSINESS CAPITAL                    | ECB       | 221.87   | 221.87   | 102.22   | 96 Months             | N.A  | NIL | Quarterly         |
| ADITYA BIRLA FINANCE LIMITED              | NCD       | 300.00   | 300.00   | 116.67   | 36 Months             | 100% | NIL | Monthly           |
| BLUEORCHARD MICROFINANCE FUND             | NCD       | 650.00   | 650.00   | 650.00   | 60 Months             | 100% | Nil | Bullet Payment    |
| BLUEORCHARD MICROFINANCE FUND             | NCD       | 970.00   | 970.00   | 970.00   | 60 Months             | 100% | Nil | Bullet Payment    |
| BLUEORCHARD MICROFINANCE FUND             | NCD       | 1,200.00 | 1,200.00 | 1,200.00 | 48 Months             | 100% | Nil | Partial Repayment |
| DEVELOPING WORLD MARKET                   | NCD       | 250.00   | 250.00   | 250.00   | 48 Months And 28 Days | 100% | NIL | Bullet Payment    |
| FMO                                       | NCD       | 2,130.00 | 2,130.00 | 2,130.00 | 5 Years               | 100% | 0%  | Half Yearly       |

|                              |     |                  |                  |                  |           |      |     |                |
|------------------------------|-----|------------------|------------------|------------------|-----------|------|-----|----------------|
| IFMR CAPITAL FINANCE LIMITED | NCD | 600.00           | 600.00           | 200.00           | 36 Months | 100% | NIL | Annually       |
| IFMR FIMPACT INVESTMENT FUND | NCD | 20.00            | 20.00            | 20.00            | 68 Months | 110% | NIL | Bullet Payment |
| RESPONSABILITY (NCD)         | NCD | 500.00           | 500.00           | 500.00           | 36 Months | 110% | Nil | Bullet Payment |
| RESPONSIBILTY (NCD 28)       | NCD | 680.00           | 680.00           | 680.00           | 36 Months | 100% | NIL | Bullet Payment |
| SYMBIOTICS (NCD)             | NCD | 450.00           | 450.00           | 450.00           | 36 Months | 100% | NIL | Bullet Payment |
| SYMBIOTICS (NCD)             | NCD | 330.00           | 330.00           | 330.00           | 36 Months | 100% | NIL | Bullet Payment |
| UNION BANK OF INDIA          | NCD | 250.00           | 250.00           | 250.00           | 36 Months | 110% | NIL | Bullet         |
| WATER CREDIT INVESTMENT FUND | NCD | 387.00           | 387.00           | 387.00           | 36 Months | 100% | NIL | Bullet Payment |
| <b>TOTAL</b>                 |     | <b>98,067.72</b> | <b>71,512.71</b> | <b>47,237.79</b> |           |      |     |                |

**(b) Details of Unsecured Loan Facilities as on 30.06.2020:**

| Lenders Name/Banks Name                        | Type of Facility | Sanctioned Amount | Disburse Amount | Principal Amount Outstanding | Tenor                 | Security | Cash Collateral | Repayment Schedule/Date |
|--|------------------|-------------------|-----------------|------------------------------|-----------------------|----------|-----------------|-------------------------|
| ASN-Novib Mikrokreditfonds                     | NCD_Unsecured    | 26.28             | 26.28           | 26.28                        | 48 MONTHS             | NIL      | NIL             | Bullet Payment          |
| DEVELOPING WORLD MARKET                        | NCD_Unsecured    | 25.00             | 25.00           | 25.00                        | 48 months and 27 days | NIL      | NIL             | Bullet Payment          |
| IDFC FIRST BANK                                | SUB DEBT         | 30.00             | 30.00           | 30.00                        | 84 MONTHS             | NIL      | NIL             | Bullet Payment          |
| IDFC FIRST BANK                                | SUB DEBT         | 25.00             | 25.00           | 25.00                        | 84 MONTHS             | NIL      | NIL             | Bullet Payment          |
| IDFC FIRST BANK                                | SUB DEBT         | 200.00            | 200.00          | 200.00                       | 84 MONTHS             | NIL      | NIL             | Bullet Payment          |
| AAV S.A.R.L (MASALA INVESTMENT NCD - Sub Debt) | SUB DEBT(NCD)    | 50.05             | 50.05           | 50.05                        | 85 MONTHS             | NA       | NIL             | 99.99% Payment          |
| Caspian Impact Investments Private Limited     | SUB DEBT(NCD)    | 10.00             | 10.00           | 10.00                        | 75 MONTHS             | NA       | NIL             | Bullet Payment          |
| IDFC FIRST BANK                                | SUB DEBT(NCD)    | 25.00             | 25.00           | 25.00                        | 72 MONTHS             | NA       | NIL             | Bullet Payment          |
| IFMR CAPITAL FINANCE LIMITED                   | SUB DEBT(NCD)    | 35.00             | 35.00           | 35.00                        | 74 MONTHS             | NA       | NIL             | Bullet Payment          |
| IFMR FIMPACT                                   | SUB DEBT(NCD)    | 25.00             | 25.00           | 25.00                        | 75 MONTHS             | NA       | NIL             | Bullet Payment          |
| IFMR Fimpact Investment Fund                   | SUB DEBT(NCD)    | 13.00             | 13.00           | 13.00                        | 69 MONTHS             | NA       | 0%              | Bullet Payment          |
| IFU  | SUB DEBT(NCD)    | 30.00             | 30.00           | 30.00                        | 63 MONTHS             | NA       | Nil             | HALF YEARLY             |
| Indostar Capital Finance Limited(Sub-Debt)     | SUB DEBT(NCD)    | 40.00             | 40.00           | 40.00                        | 84 MONTHS             | NA       | NIL             | Bullet Payment          |
| SAMENA INDIA CREDIT(SINGAPORE) PVT. LTD        | SUB DEBT(NCD)    | 15.00             | 15.00           | 15.00                        | 66 MONTHS             | NA       | 0%              | Bullet Payment          |

|       |  |            |            |            |  |  |  |  |
|-------|--|------------|------------|------------|--|--|--|--|
| TOTAL |  | 549.3<br>3 | 549.3<br>3 | 549.3<br>3 |  |  |  |  |
|-------|--|------------|------------|------------|--|--|--|--|

(c) **Details of Non-Convertible Debentures: (as on 30.06.2020):**

| Debenture Series              | Tenor / Period of Maturity | Coupon (ROI) | Amount       | Amount Outstanding | Date of allotment | Redemption Date/ Schedule | Credit Rating | Secured/ Unsecured | Security |
|-------------------------------|----------------------------|--------------|--------------|--------------------|-------------------|---------------------------|---------------|--------------------|----------|
| Aditya Birla Finance Limited  | 36 MONTHS                  | 10.11%       | 300          | 117                | 29-Aug-18         | 25-Aug-21                 | CARE A-Stable | Secured            | 100%     |
| ASN-Novib Mikrokreditfonds    | 48 MONTHS                  | 12.00%       | 263          | 263                | 16-Sep-19         | 15-Sep-21                 | CARE A-Stable | Unsecured          | NIL      |
| BlueOrchard Microfinance Fund | 60 MONTHS                  | 12.75%       | 650          | 650                | 03-Oct-17         | 03-Oct-22                 | CARE A-Stable | Secured            | 100%     |
| BlueOrchard Microfinance Fund | 60 MONTHS                  | 12.35%       | 970          | 970                | 31-Jul-18         | 31-Jul-23                 | CARE A-Stable | Secured            | 100%     |
| BlueOrchard Microfinance Fund | 48 Months                  | 12.11%       | 1,200        | 1,200              | 27-Sep-19         | 27-Sep-23                 | CARE A-Stable | Secured            | 100%     |
| DEVELOPING WORLD MARKET       | 48 months and 28 days      | 13.35%       | 250          | 250                | 03-Nov-16         | 30-Nov-20                 | CARE A-Stable | Secured            | 100%     |
| DEVELOPING WORLD MARKET       | 48 months and 27 days      | 13.35%       | 250          | 250                | 04-Nov-16         | 30-Nov-20                 | CARE A-Stable | Unsecured          | NIL      |
| FMO                           | 5 YEARS                    | 11.10%       | 2,130        | 2,130              | 14-Dec-18         | 14-Dec-23                 | CARE A-Stable | Secured            | 100%     |
| IFMR CAPITAL FINANCE LIMITED  | 36 MONTHS                  | 11.95%       | 600          | 200                | 08-Feb-18         | 08-Feb-21                 | CARE A-Stable | Secured            | 100%     |
| IFMR Fimact Investment Fund   | 68 MONTHS                  | 14.50%       | 20           | 20                 | 08-May-15         | 18-Dec-20                 | CARE A-Stable | Secured            | 110%     |
| ResponsAbility (NCD)          | 36 MONTHS                  | 12.75%       | 500          | 500                | 15-Jul-17         | 15-Jul-20                 | CARE A-Stable | Secured            | 110%     |
| RESPONSIBILITY (NCD 28)       | 36 MONTHS                  | 11.70%       | 680          | 680                | 15-Jun-19         | 15-Jun-22                 | CARE A-Stable | Secured            | 100%     |
| SYMBIOTICS (NCD)              | 36 MONTHS                  | 11.99%       | 450          | 450                | 07-Dec-17         | 07-Dec-20                 | CARE A-Stable | Secured            | 100%     |
| SYMBIOTICS (NCD)              | 36 MONTHS                  | 11.99%       | 330          | 330                | 08-Dec-17         | 08-Dec-20                 | CARE A-Stable | Secured            | 100%     |
| SYMBIOTICS (NCD)              | 15 MONTHS                  | 10.35%       | 250          | 250                | 27-Feb-19         | 08-May-20                 | CARE A-Stable | Secured            | 100%     |
| WATER CREDIT INVESTMENT FUND  | 36 MONTHS                  | 11.00%       | 387          | 387                | 25-Oct-18         | 26-Oct-21                 | CARE A-Stable | Secured            | 100%     |
| <b>GRAND TOTAL</b>            |                            |              | <b>9,230</b> | <b>8,646</b>       |                   |                           |               |                    |          |

(d) **List of Top 10 Debenture Holder(s) as on 30.06.2020 :**

| S.No | Name of Debenture Holder      | Amount (Rs. in Mn) |
|------|-------------------------------|--------------------|
| 1    | BLUEORCHARD MICROFINANCE FUND | 2820               |
| 2    | FMO                           | 2130               |
| 3    | SYMBIOTICS (NCD)              | 780                |
| 4    | RESPONSIBILITY (NCD 28)       | 680                |
| 5    | DEVELOPING WORLD MARKET       | 500                |
| 6    | RESPONSABILITY (NCD)          | 500                |
| 7    | WATER CREDIT INVESTMENT FUND  | 387                |
| 8    | ASN-NOVIB MIKROKREDITFONDS    | 262.8              |
| 9    | UNION BANK OF INDIA           | 250                |
| 10   | IFMR CAPITAL FINANCE LIMITED  | 200                |
|      | <b>Total</b>                  | <b>8509.8</b>      |

(e) **The amount of corporate guarantee issued by the Issuer along with the name of the counterparty (like name of the subsidiary, JV entity, Group Company, etc.) on behalf of whom it has been issued. (if any):**

The Company has not issued any corporate guarantee for any third party as of June 30, 2020

- (f) **Details of Commercial Paper: The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table:-**

| Name of the Institution | Principal Amount Outstanding as on June 30, 2020 (Rs. Mn.) | Issue Date | Maturity Date |
|-------------------------|--|------------|---------------|
| NA                      | NA   | NA         | NA            |

**Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 30.06.2020:**

| Part y Name (in case of Facility) / Instrument Name | Type of Facility / Instrument | Am t Sa nc ti on ed / Is su ed | Pr in ci pal A m t ou t st an di ng | Re pay ment Dat e / Sch edu le | Cr edi t Ra tin g  | Sec ure d / Un sec u red | Secu rity | Date of issu e/all otm ent | No. of Preferen ce Shares | Face Value | Issue Price | Consi derati on in Cash/o ther than Cash | Cum ulati ve Issue d Prefe rence Shar e capit al |
|---|-------------------------------|--------------------------------|-------------------------------------|--------------------------------|--------------------|--------------------------|-----------|----------------------------|---------------------------|------------|-------------|--|--|
| As per the BE NP OS Provided by RTA                 | Pre fer enc e Sha res         | 25 0, 00 00 0                  | 25 0, 00 00 0                       | -                              | CA RE BB B (R PS ) | NA                       | NA        | Jun e 10, 201 6            | 25,000,0 00               | 10         | 10          | Cash                                     | 250,0 00,00 0                                    |

- (g) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years:**

NIL

- (h) **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

NIL

**5.10 Details of Promoters of the Company: Please refer below disclosure.**

**(a) Details of Promoter Holding in Company as on latest quarter end, i.e. 30.06.2020:**

| Sr. No | Name of the shareholders                          | Total No of Equity shares | No. of shares in Demat form | Total shareholding as % of total no of equity shares | No of shares Pledged | % of shares pledged with respect to shares owned |
|--------|---|---------------------------|-----------------------------|--|----------------------|--|
| 1.     | Anureet Hp Singh                                  | 484356                    | 484356                      | 0.93   | 0                    | 0.00   |
| 2.     | Harbans Singh                                     | 406402                    | 406402                      | 0.78   | 0                    | 0.00   |
| 3.     | Satvinder Singh                                   | 257011                    | 257011                      | 0.49   | 0                    | 0.00   |
| 4.     | Neeti Singh                                       | 137711                    | 137711                      | 0.26   | 0                    | 0.00   |
| 5.     | Trishashna Holdings & Investments Private Limited | 14323264                  | 14323264                    | 27.52  | 3068790              | 21.43  |
| 6.     | Wisteria Holdings & Investments Private Limited   | 100000                    | 100000                      | 0.19   | 0                    | 0.00   |

**5.11 Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.**

*[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009/ Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 (as amended, modified or restated from time to time)]*

| <b>Profit and Loss Statement (in INR Mn)</b>                                     | <b>For the period ended</b> | <b>For the period ended</b> | <b>For the period ended</b> |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>Standalone Financials</b>   | <b>31.03.2020</b>           | <b>31.03.2019</b>           | <b>31.03.2018</b>           |
| Finance Operations - Interest Income   | 10,784.44                   | 11,148.00                   | 9,052.00                    |
| Other Finance Income (Treasury & Other Income)                                   | 863.79                      | 1,248.00                    | 715.00                      |
| Net gain on derecognition of financial instruments under amortized cost category | 2,360.81                    | 1,335.00                    | -                           |
| <b>Total Revenue from operations</b>   | <b>14,009.04</b>            | <b>13,731.00</b>            | <b>9,767.00</b>             |
| <b>II. Expenses</b>  |                             |                             |                             |
| Finance cost   | 5,736.81                    | 6,390.00                    | 5,317.00                    |
| Impairment on financial instruments  | 1,888.29                    | 521.00                      | 444.63                      |
| Employee benefit expenses  | 2,966.68                    | 2,648.00                    | 1,891.53                    |
| Depreciation and amortisation expense  | 151.98                      | 113.00                      | 140.60                      |
| Other expenses   | 1,133.61                    | 1,002.00                    | 707.52                      |
| <b>Total</b>   | <b>11,877.37</b>            | <b>10,674.00</b>            | <b>8,501.27</b>             |

| <b>LIABILITIES &amp; EQUITY INR MN</b>                                 | <b>Mar-20</b>    | <b>Mar-19</b>    | <b>Mar-18</b>    |
|--|------------------|------------------|------------------|
| <b>EQUITY</b>  |                  |                  |                  |
| Equity share capital   | 517.13           | 485.31           | 472.69           |
| Other equity   | 14,010.57        | 11,028.86        | 8,446.26         |
| <b>Total</b>   | <b>14,527.70</b> | <b>11,514.17</b> | <b>8,918.95</b>  |
| <b>LIABILITIES</b>   |                  |                  |                  |
| Derivative financial instruments                                       | -                | -                | 11.76            |
| Trade payables   | 41.63            | 12.96            | 3.74             |
| Other payables   | 141.38           | 106.99           | 64.42            |
| Borrowings (other than debt securities)                                | 54,090.80        | 52,350.57        | 51,508.98        |
| Other financial liabilities  | 2,440.09         | 2,759.33         | 1,847.25         |
| <b>Total</b>   | <b>56,713.91</b> | <b>55,229.85</b> | <b>53,436.15</b> |
| Deferred/Current tax liabilities (net)                                 | 114.20           | 117.86           | 91.44            |
| Provisions   | 108.64           | 135.44           | 101.64           |
| Other non-financial liabilities  | 77.85            | 76.06            | 77.39            |
| <b>Total</b>   | <b>300.69</b>    | <b>329.36</b>    | <b>270.47</b>    |
|  |                  |                  |                  |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                    | <b>71,542.29</b> | <b>67,073.38</b> | <b>62,625.57</b> |
|  |                  |                  |                  |
| <b>ASSETS</b>  |                  |                  |                  |
| <b>Financial Assets</b>  |                  |                  |                  |
| Cash and cash equivalents incl. Lien/un-Lien FD's & Liquid Investments | 20,073.94        | 19,621.29        | 11,549.86        |
| Derivative financial instruments                                       | 67.36            | 18.70            | -                |
| Trade receivables  | 61.31            | 65.16            | 1.87             |
| Loans  | 47,093.91        | 44,600.86        | 48,452.19        |
| Investments  | 2,676.02         | 1,576.02         | 767.79           |
| Other financial assets   | 175.88           | 199.69           | 324.06           |
| <b>Total</b>   | <b>70,148.42</b> | <b>66,081.72</b> | <b>61,095.77</b> |
| Current tax assets (net)   | 315.30           | -                | -                |
| Deferred tax assets (net)  | -                | 311.59           | 887.08           |
| Net Fixed Assets   | 903.31           | 617.08           | 554.48           |
| Other non-financial assets   | 175.26           | 62.99            | 88.24            |
| <b>Total</b>   | <b>1,393.87</b>  | <b>991.66</b>    | <b>1,529.80</b>  |
| <b>TOTAL ASSETS</b>  | <b>71,542.29</b> | <b>67,073.38</b> | <b>62,625.57</b> |

**5.12 Abridged version of Latest Audited/ Limited Review Yearly Consolidated and Standalone Financial Information and auditors qualifications, if any.**

*[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009/*

Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 (as amended, modified or restated from time to time)]

| <b>Profit and Loss Statement (in INR Mn)</b>                                     | <b>For the period ended</b> | <b>For the period ended</b> | <b>For the period ended</b> |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>Consolidate Financials</b>  | <b>31.03.2020</b>           | <b>31.03.2019</b>           | <b>31.03.2018</b>           |
| Finance Operations - Interest Income   | 11,214.89                   | 12,037.23                   | 9,569.90                    |
| Other Finance Income (Treasury & Other Income)                                   | 1,173.89                    | 1,108.58                    | 742.53                      |
| Net gain on derecognition of financial instruments under amortized cost category | 2,645.54                    | 1,334.55                    | -                           |
| <b>Total Revenue from operations</b>   | <b>15,034.32</b>            | <b>14,480.37</b>            | <b>10,312.42</b>            |
| <b>II. Expenses</b>  |                             |                             |                             |
| Finance cost   | 5,860.90                    | 6,424.87                    | 5,340.57                    |
| Impairment on financial instruments  | 1,918.07                    | 524.21                      | 444.71                      |
| Employee benefit expenses  | 3,513.46                    | 3,054.78                    | 2,204.82                    |
| Depreciation and amortisation expense  | 175.37                      | 125.11                      | 147.43                      |
| Other expenses   | 1,450.26                    | 1,193.29                    | 1,016.28                    |
| <b>Total</b>   | <b>12,918.05</b>            | <b>11,322.27</b>            | <b>9,153.81</b>             |
|  |                             |                             |                             |
| Corporate Social Responsibility Expense  | 2.80                        | 8.58                        | 11.43                       |
| Profit before tax  | 2,116.27                    | 3,158.09                    | 1,158.61                    |
| Tax expense:   | (566.54)                    | -1,143.13                   | -410.57                     |
| <b>Profit after tax</b>  | <b>1,549.73</b>             | <b>2,014.96</b>             | <b>748.04</b>               |
|  |                             |                             |                             |
| <b>ASSETS</b>  |                             |                             |                             |
| <b>Financial Assets</b>  |                             |                             |                             |
| Cash and cash equivalents incl. Lien/un-Lien FD's & Liquid Investments           | 21,268.93                   | 20,227.09                   | 12,055.69                   |
| Derivative financial instruments   | 67.36                       | 18.7                        | -                           |
| Trade receivables  | 123.30                      | 123.76                      | 117.72                      |
| Loans  | 49,411.12                   | 45,486.25                   | 48,472.79                   |
| Investments  | -                           | -                           | 0.33                        |
| Other financial assets   | 252.19                      | 200.4                       | 328.79                      |
| <b>Total</b>   | <b>71,122.90</b>            | <b>66,056.20</b>            | <b>60,975.32</b>            |
| Current tax assets (net)   | 377.86                      | 83.43                       | 78.7                        |
| Deferred tax assets (net)  | -                           | 340.99                      | 926.06                      |
| Net Fixed Assets   | 1,280.87                    | 632.66                      | 574.95                      |
| Other non-financial assets   | 214.55                      | 414.16                      | 435.25                      |
| <b>Total</b>   | <b>1,873.28</b>             | <b>1,471.25</b>             | <b>2,014.96</b>             |
| <b>TOTAL ASSETS</b>  | <b>72,996.18</b>            | <b>67,527.44</b>            | <b>62,990.28</b>            |
|  |                             |                             |                             |
| <b>LIABILITIES AND EQUITY</b>  |                             |                             |                             |

|   |                  |                  |                  |
|---|------------------|------------------|------------------|
| <b>LIABILITIES</b>                      |                  |                  |                  |
| Derivative financial instruments        | -                | -                | 11.76            |
| Trade payables                          | 96.60            | 18.81            | 168.1            |
| Other payables                          | 152.64           | 115.48           | 82.83            |
| Borrowings (other than debt securities) | 55,415.13        | 52,706.04        | 51,608.85        |
| Other financial liabilities             | 2,553.23         | 2,826.62         | 1,951.84         |
| <b>Total</b>                            | <b>58,217.60</b> | <b>55,666.96</b> | <b>53,823.37</b> |
| Deferred/Current tax liabilities (net)  | 72.79            | 117.86           | 91.44            |
| Provisions                              | 128.57           | 151.55           | 113.16           |
| Other non-financial liabilities         | 90.32            | 96.62            | 93.84            |
| <b>Total</b>                            | <b>291.68</b>    | <b>366.02</b>    | <b>298.43</b>    |
|   |                  |                  |                  |
| <b>EQUITY</b>                           |                  |                  |                  |
| Equity share capital                    | 517.13           | 485.31           | 472.69           |
| Other equity                            | 13,969.77        | 11,009.16        | 8,395.78         |
| <b>Total</b>                            | <b>14,486.89</b> | <b>11,494.46</b> | <b>8,868.47</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>     | <b>72,996.18</b> | <b>67,527.44</b> | <b>62,990.28</b> |

- 5.13 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor’s decision to invest / continue to invest in the debt securities.**

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor’s decision to invest/ continue to invest in the debt securities of the Issuer.

- 5.14 The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities and consents thereof.**

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Information Memorandum.

- 5.15 The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.**

The Rating Agency has assigned a rating of “CARE A-” (Pronounced as “Single A Minus”) with “Stable” outlook to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such

instruments carry moderate credit risk. The rating letter(s) from the Rating Agency are provided in **Annexure II** of this Information Memorandum.

**5.16 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

- (a) The Debentures are proposed to be guaranteed by the Guarantor by way of the GOI Guarantee. The GOI Guarantee will be issued in accordance with Rule 280 of the General Financial Rules as published by the Ministry of Finance (Department of Expenditure), Government of India from time to time (hereinafter referred to as "GFR") within the timelines that are agreed between the Guarantor and the Debenture Holders, in accordance with the terms of GOI Guidelines and other Applicable Law.
- (b) The GOI Guarantee may be invoked by the Debenture Holders upon occurrence of the any event for invocation set out under the GOI Guidelines (including the inability of the Company to repay/pay any part of the Outstanding Amounts in respect of the Debentures) in accordance with the procedure set out in the GOI Guidelines.
- (c) Subject to the terms of the GOI Guidelines, the GOI Guarantee is a continuing guarantee and may be reviewed on an annual basis in accordance with Rule 281 of the GFR.
- (d) Any claims under the GOI Guarantee and/or other reporting requirements in respect of the GOI Guarantee will be done in accordance with the GOI Guidelines.

**5.17 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:**

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The in-principle approval of the BSE has been obtained in this regard

**5.17 A Copy of consent letter from the Debenture Trustee shall be disclosed.**

The consent letter from Debenture Trustee is provided in **Annexure III** of this Information Memorandum.

**5.18 Other details:**

**(a) Debenture Redemption Reserve ("DRR") Creation:**

- (i) As per the Companies (Share Capital & Debentures) Rules, 2014 non-banking financial companies registered with the RBI are exempted from the requirement to maintain a debenture redemption reserve ("DRR") in case of privately placed debentures.
- (ii) The Issuer hereby agrees and undertakes that, if required under Applicable Law, it will create a DRR in accordance with the provisions of the Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities.

- (iii) If during the tenor of the Debentures, any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of the DRR, the Company shall abide by such guidelines and shall do all deeds, acts and things as may be required by the Debenture Trustee.
- (iv) Where applicable, the Issuer shall submit to the Debenture Trustee a certificate duly certified by a chartered accountant certifying that the Issuer has transferred the required amount to the DRR at the end of each Financial Year.
- (v) In addition to the foregoing, to the extent required by Applicable Law, the Issuer shall invest or deposit amounts up to such thresholds, and in such form and manner and within the time periods, as may be prescribed by Applicable Law, in respect of any amounts of the Debentures maturing in any Financial Year.

**(b) Issue / instrument specific regulations:**

The issue of the Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, GOI Guidelines, the SEBI LODR Regulations, the NBFC Directions and the applicable RBI guidelines in respect of issuance of non-convertible debentures by NBFCs on a private placement basis.

**(c) Application process:**

The application process for the Issue is as provided in 0 of this Information Memorandum.

**5.19 A statement containing particulars of the dates of, and parties to all material contracts, agreements:**

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Information Memorandum, which are or may be deemed material, have been entered into by the Company.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

| S. No. | Nature of Contract  |
|--------|---|
| 1      | Certified true copy of the Memorandum & Articles of Association of the Issuer.  |
| 2      | Board Resolutions dated May 15, 2020 and June 15, 2020 read with the resolution passed by the Working Committee of the Board of Directors dated August 12, 2020 authorizing the issue of Debentures offered under the terms of this Information Memorandum.   |
| 3      | Shareholders Resolutions, each dated July 6, 2019, of the Company under Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013, read with the shareholders resolution dated August 05, 2020 passed of the Company under Section 42 of the Companies Act, 2013, authorizing the borrowing by the Company and the issuance of non-convertible debentures and the creation of security up to Rs. 5000 Crore. |
| 4      | Copies of the Annual Reports of the Company for the last three financial years.   |
| 5      | Credit rating letters from the Rating Agency dated July 31, 2020  |
| 6      | Letter from Catalyst Trusteeship Limited dated August 11, 2020 giving its consent to act as Debenture Trustee.  |

|    |   |
|----|---|
| 7  | Letter for the appointment of the Registrar and Transfer Agent.   |
| 8  | Certified true copy of the certificate of incorporation of the Company.   |
| 9  | Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.      |
| 10 | Copy of application made to BSE for grant of in-principle approval for listing of Debentures.-                              |
| 11 | Debenture Trustee Agreement to be entered into between Satin Creditcare Network Limited and Catalyst Trusteeship Limited.   |
| 12 | Debenture Trust Deed to be entered into between Satin Creditcare Network Limited in favour of Catalyst Trusteeship Limited. |
| 13 | Deed of Hypothecation to be entered into between Satin Creditcare Network Limited and Catalyst Trusteeship Limited.         |

## 5.20 Details of Debt Securities Sought to be Issued

The Issuer intends to raise an amount of up to Rs. 50,00,00,000/- (Indian Rupees Fifty Crores only) by way of the issue of 500 (Five Hundred) rated, listed, senior, secured, redeemable, taxable, non-convertible debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the Debentures set out in 0 of this Information Memorandum.

## 5.21 Issue Size

The aggregate issue size for the Debentures is Rs. 50,00,00,000/- (Indian Rupees Fifty Crores only).

## 5.22 Utilization of the Issue Proceeds

- (a) The funds raised by the Issue shall be utilized by the Issuer for meeting/fulfilling the funding requirements of the Issuer for on-lending to its underlying borrowers/clients (the "**Purpose**").
- (b) The Issuer shall not use the proceeds of the Issue towards:
  - (i) any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities;
  - (ii) any speculative purposes;
  - (iii) acquisition of land or any investment in the real estate sector;
  - (iv) on-lending activities for purposes which are not eligible/permissible under bank finance by banks to non-banking financial companies;
  - (v) any activities mentioned in the Exclusion List;
  - (vi) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*"; and/or
  - (vii) in contravention of Applicable Law (including without limitation, any

guidelines, rules or regulations of the Supervisory Authorities).

### 5.23 Issue Details

| DESCRIPTION   | PARTICULARS   |
|---|---|
| <b>Security Name</b>  | 10.25% SCNL 18082020  |
| <b>Issuer</b>   | Satin Creditcare Network Limited  |
| <b>Type of Instrument</b>   | Secured, Senior, Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs/ Debentures)   |
| <b>Nature of Instrument</b>   | Secured, Senior, Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs/ Debentures)   |
| <b>Seniority</b>  | Senior  |
| <b>Mode of Issue</b>  | Private Placement   |
| <b>Eligible Investor(s)</b>   | Please refer Section 8.14 below.  |
| <b>Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)</b> | <ul style="list-style-type: none"> <li>Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment.</li> <li>In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest of 2% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the Debenture Holder.</li> </ul>  |
| <b>Rating of the Instrument</b>   | <p>“ICRA/CARE A-”</p> <p>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue</p>  |
| <b>Issue Size</b>   | Up to INR 50,00,00,000 (Indian Rupees Fifty Crore).   |
| <b>Option to retain oversubscription amount</b>   | N.A.  |
| <b>Objects of the Issue</b>   | <ul style="list-style-type: none"> <li>The Issue proceeds will be utilized to meet funding requirements of the Issuer for on-lending purposes</li> <li>The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market activities), any speculative purposes, land acquisition or usages that are restricted for bank financing, any activity in the ‘Exclusion List’ (as such term shall be defined under the Transaction Documents) or investment in the real estate sector.</li> <li>The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines.</li> </ul> |
| <b>Details of the utilization of the proceeds</b>   | <ul style="list-style-type: none"> <li>The Issue proceeds will be utilized to meet funding requirements of the Issuer for on-lending purposes</li> <li>The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital</li> </ul>  |

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|   | <p>market activities), any speculative purposes, land acquisition or usages that are restricted for bank financing, any activity in the 'Exclusion List' (as such term shall be defined under the Transaction Documents) or investment in the real estate sector.</p> <ul style="list-style-type: none"> <li>The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines.</li> </ul>  |
| <b>Coupon Rate</b>  | 10.25% Coupon per annum, payable on Annually basis  |
| <b>Step Up/Step Down Coupon Rate</b>  | N.A.  |
| <b>Coupon Payment Frequency</b>   | Annually and on Redemption  |
| <b>Coupon Payment Dates</b>   | The Coupon shall be payable on annual basis from the Deemed Date of Allotment and on Redemption as mentioned below subject to Business Day Convention:<br>August 18, 2021<br>February 18, 2022  |
| <b>Coupon Type</b>  | Fixed   |
| <b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).</b> | N.A.  |
| <b>Day count basis</b>  | Actual/Actual.  |
| <b>Interest on application money</b>  | At the Initial Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque (s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.   |
| <b>Default Interest Rate</b>  | Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents: <ol style="list-style-type: none"> <li>If, at any time, a Payment Default occurs, the Issuer agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed.</li> <li>If the Issuer fails to execute the Debenture Trust Deed and Deed of Hypothecation within the stipulated timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</li> </ol> |
| <b>Tenor</b>  | 18 Months from the Deemed Date of Allotment   |
| <b>Redemption Date</b>  | At the end of 18 months from the Deemed Date of Allotment i.e.  |

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|   | February 18, 2022   |
| <b>Redemption Amount</b>  | At Par. Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture   |
| <b>Redemption Premium /Discount</b>   | N. A  |
| <b>Issue Price</b>  | Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture   |
| <b>Discount at which security is issued and the effective yield as a result of such discount.</b>                                 | N.A.  |
| <b>Put Date</b>   | N.A.  |
| <b>Put Price</b>  | N.A.  |
| <b>Call Date</b>  | N.A.  |
| <b>Call Price</b>   | N.A.  |
| <b>Put Notification Time</b>  | N.A.  |
| <b>Call Notification Time</b>   | N.A.  |
| <b>Face Value</b>   | Rs. 10,00,000/- (Indian Rupees Ten Lakh) per Debenture.   |
| <b>Minimum application and in multiples of 1 securities thereof</b>   | The minimum application size for the Issue shall be 10 Debentures (being INR 1,00,00,000 (Indian Rupees One Crore)) and in multiples of 1 Debenture thereafter.   |
| <b>Issue Opening Date</b>   | August 17, 2020   |
| <b>Issue Closing Date</b>   | August 17, 2020   |
| <b>Pay-in Date</b>  | August 18, 2020   |
| <b>Deemed Date of Allotment</b>   | August 18, 2020   |
| <b>Issuance mode of the Instrument</b>  | Dematerialized, Private Placement   |
| <b>Trading mode of the Instrument</b>   | Dematerialized  |
| <b>Settlement mode of the Instrument</b>  | RTGS/ ICCL  |
| <b>Depository</b>   | NSDL and/or CDSL  |
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| <b>Business Day Convention</b>  | <p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p> |
| <b>Record Date</b>  | The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 11 (Eleven) Business days prior to any Due Date.  |
| <b>Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security,</b> | The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables (“ <b>Hypothecated Receivables</b> ”) created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Receivables shall at all times be   |

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| <p><b>minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document).</b></p> | <p>equal to the value of the outstanding principal amount of the Debentures. The issuer undertakes that:</p> <ul style="list-style-type: none"> <li>• The outstanding Facility amount shall be secured (to the satisfaction of the NCD holders) to maintain the value of security at all times equal to 1.10x time or 110% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs</li> <li>• to create the security over the Hypothecated Assets as contemplated above on or prior to the Deemed Date of Allotment by executing a duly stamped deed of hypothecation (“Deed of Hypothecation”) and to perfect and register the security (including filing CHG-9) within the time period applicable and no later than 30 days from the date of execution of the Deed of Hypothecation.</li> <li>• to replace any Hypothecated Receivables that become non-performing (90 days overdue) with current receivables. Such replacement shall be affected within 15 (Fifteen) Business Days of the receivables becoming non-performing</li> <li>• non-maintenance of security cover will attract penal interest of 2% p.a. over and above the coupon rate for the period of non-compliance</li> </ul> <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p> <ul style="list-style-type: none"> <li>• the receivables are existing at the time of selection and have not been terminated or pre-paid;</li> <li>• the receivables are not overdue on the day of selection</li> <li>• the receivables have not been restructured or rescheduled</li> <li>• all applicable “Know Your Customer” norms have been complied with as prescribed by the Reserve Bank of India or the National Housing Bank;</li> </ul> <p>All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines.</p> |
| <p><b>Transaction Documents</b></p>  | <p>i. Debenture Trust Deed,<br/> ii. Deed of Hypothecation<br/> iii. Debenture Trustee Agreement<br/> iv. Disclosure Document;<br/> v. PAS-4</p> <p>Such other documents as agreed between the Issuer and the Debenture Trustee.</p>   |
| <p><b>Conditions Precedent to Disbursement</b></p>   | <p>1. Execution of Disclosure Document<br/> 2. Credit Rating Letter &amp; Rationale<br/> 3. Trustee Consent Letter<br/> 4. Resolution of the Company's board of directors authorizing the issuance of debentures;<br/> 5. Resolution of the shareholders of the Company under 180(1)(c) of the Act</p> <p>Execution of any other documents as agreed between the Issuer and the Debenture Trustee/ Investor.</p>   |

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| <b>Conditions subsequent to the Disbursement</b>      | <p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> <li>i. the Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment of the respective Series;</li> <li>ii. the Company will ensure listing of Debentures on the BSE within stipulated timelines;</li> <li>iii. the Company shall, inter alia, file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) days of the allotment of Debentures along with a list of the Debenture Holders and PAS 5;</li> <li>iv. Execution of Deed of Hypothecation &amp; Debenture Trust Deed within the stipulated timelines as per Companies Act, 2013</li> <li>v. Filing CHG-9 Form with ROC within stipulated timelines</li> <li>vi. Execution of any other documents as customary for transaction of a similar nature and size.</li> </ol>        |
| <b>Events of Default</b>                              | <p>As mentioned in the Disclosure Document under captioned “Event of Defaults”.</p>  |
| <b>Provisions related to Cross Default</b>            | <p>The Issuer:</p> <ol style="list-style-type: none"> <li>(i) defaults in any payment of any Financial Indebtedness (including under any non-convertible debentures issued to any other bank or financial institution or investor);</li> <li>(ii) defaults in the observance or performance of any obligation or receives a notice from any provider of Financial Indebtedness of any default under any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or</li> <li>(iii) any Financial Indebtedness is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.</li> </ol> |
| <b>Role and Responsibilities of Debenture Trustee</b> | <p>To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).</p>  |
| <b>Governing Law and Jurisdiction</b>                 | <p>The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai and as more particularly provided for in the Debenture Trust Deed.</p>   |

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| <b>Debenture Trustee</b>                            | Means Catalyst Trusteeship Limited, a company incorporated under the Companies Act, 1956, having its registered office at and corporate office at GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411038 and acting through its office at Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098, Maharashtra   |
| <b>Registrar &amp; Transfer Agent</b>               | KFIN Technologies Private Limited   |
| <b>Material Adverse Effect definition</b>           | Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder); or (d) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document  |
| <b>Representations and Warranties of the Issuer</b> | As mentioned in the caption titled “Representations and Warranties of the Issuer” in the Disclosure document to the Issue. The Representations and Warranties shall be continuous in nature and shall be deemed to occur on every day till redemption of the Debentures.  |
| <b>Business Day</b>                                 | Any being a day excluding Saturdays, Sundays or public holiday in Mumbai.   |
| <b>GOI Guarantee</b>                                | means the partial credit guarantee to be provided by the Guarantor in accordance with the terms of the GOI Guidelines in respect of, <i>inter alia</i> , the Debentures.  |
| <b>GOI Guidelines</b>                               | means the scheme dated May 20, 2020 titled " <i>Extended Partial Credit Guarantee Scheme</i> " offered by Government of India (GoI) to Public Sector Banks (PSBs) for (i) purchase of pooled assets having a rating of BBB+ or above from financially sound Non-Banking Financial Companies (NBFCs)/Housing Finance Companies (HFCs) and (ii) Portfolio Guarantee for purchase by PSBs of Bonds or Commercial Papers (CPs) with a rating of AA and below (including unrated paper with original/initial maturity of up to one year issued by NBFCs/HFCs/MFIs (in case of MFIs, Bonds/CPs with MFR rating equivalent), bearing reference number F. no. 17/36/2019-IF-I issued by the Department of Financial Services, Ministry of Finance, Government of India, read together with " <i>Frequently Asked Questions</i> " issued thereto, as may be amended, modified or restated from time to time. |
| <b>Guarantee Fee</b>                                | the guarantee fee payable to the Guarantor in accordance with the terms of the GOI Guidelines.  |

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| <b>Guarantor</b>   | Government of India (acting through the Small Industrial Development Bank of India or any other person in accordance with the GOI Guidelines and Applicable Law).   |
| <b>Indemnification</b>   | The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.   |
| <b>Transaction Costs</b>   | The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/consultants. Such costs include: <ul style="list-style-type: none"> <li>• Trustee fees</li> <li>• Rating fees</li> <li>• Stamping and registration costs in relation to all Transaction Documents</li> </ul> Any other reasonable transaction related expense incurred by the Debenture Holders  |
| <b>Taxes, Duties, Costs and Expenses</b>                             | <ul style="list-style-type: none"> <li>• Relevant taxes, duties and levies are to be borne by the Issuer.</li> </ul> The charges/ fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.   |
| <b>Additional Disclosures (Security Creation (where applicable))</b> | <p>If the Issuer fails to execute the Debenture Trust Deed and Deed of Hypothecation within the stipulated timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</p> <p>Non-maintenance of security cover will attract penal interest of 2% p.a. over and above the coupon rate for the period of non-compliance.</p> |
| <b>Additional Disclosures (Default in Payment)</b>                   | If, at any time, a Payment Default occurs, the Issuer agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed.  |

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| <b>Additional Disclosures<br/>(Delay in Listing)</b> | In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest of 2% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the Debenture Holder. |
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**Notes:**

1. The list of documents which have been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
2. The additional interest rates mentioned above as payable by the Issuer are independent of each other.

## **SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT**

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

- (A) **Name of the bank declaring the entity as a Wilful Defaulter:** NIL
- (B) **The year in which the entity is declared as a Wilful Defaulter:** NIL
- (C) **Outstanding amount when the entity is declared as a Wilful Defaulter:** NIL
- (D) **Name of the entity declared as a Wilful Defaulter:** NIL
- (E) **Steps taken, if any, for the removal from the list of wilful defaulters:** NIL
- (f) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** NIL
- (g) **Any other disclosure as specified by the Board:** NIL

## **SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS**

### **7.1 TRANSACTION DOCUMENTS**

The following documents shall be executed in relation to the Issue:

- (i) The debenture trustee agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee;
- (ii) The debenture trust deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer;
- (iii) The deed of hypothecation whereby the Issuer will create a first and exclusive first charge by way of hypothecation in favour of the Debenture Trustee to secure its obligations in respect of the Debentures; and
- (iv) Such other documents as agreed between the Issuer and the Debenture Trustee/Debenture Holders.

### **7.2 REPRESENTATIONS AND WARRANTIES OF THE ISSUER**

#### **1. STATUS**

- (a) It is a company, duly incorporated, registered and validly existing under Applicable Law.
- (b) It is a non-banking financial company-micro finance institution registered with the RBI.
- (c) It has the power to own its Assets and carry on its business as it is being conducted.

#### **2. BINDING OBLIGATIONS**

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

#### **3. ISSUE**

The Issue and the Debentures comply with the requirements prescribed by the Supervisory Authorities. The proceeds of the Debentures have been/will be utilised for the Purpose in compliance with the DTD and the other Transaction Documents.

#### **4. NON-CONFLICT WITH OTHER OBLIGATIONS**

The entry into and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not:

- (a) conflict with, or cause a breach in relation to:
  - (i) any Applicable Law;
  - (ii) its Constitutional Documents;
  - (iii) any agreement or instrument binding upon it or any of its Assets; or

- (iv) any judgment, decree, order or award of any competent court, tribunal or arbitrator; and
- (b) constitute a default, acceleration or termination of any other document, instrument, or deed that the Issuer is party to.

## **5. POWER AND AUTHORITY**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

## **6. VALIDITY AND ADMISSIBILITY IN EVIDENCE**

All approvals, authorisations, consents, permits (third party, statutory or otherwise) required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (b) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (c) for it to carry on its business, and which are material,  
  
have been obtained or effected and are in full force and effect.

## **7. NO DEFAULT**

- (a) No Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
- (b) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its Assets or which might have a Material Adverse Effect.

## **8. RANKING**

- (a) Its payment obligations under the Debentures are the direct, unconditional and irrevocable obligations of the Issuer.
- (b) The Debentures shall rank *pari passu inter se* and the payment obligations of the Issuer under the Transaction Documents shall be at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

## **9. NO PROCEEDINGS PENDING**

No litigation, investigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been commenced or threatened against the Issuer or its officers (including in relation to the insolvency or winding up of the Issuer), which if adversely determined, may have a Material Adverse Effect.

## **10. NO MISLEADING INFORMATION**

All information provided by the Issuer to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission of material fact or otherwise.

## **11. COMPLIANCE**

- (a) The Issuer has complied with Applicable Law. The entry into and performance by it of, and the transactions contemplated by the Transaction Documents complies with Applicable Law.
- (b) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge, anticipated against the Issuer which would have a Material Adverse Effect, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or is outstanding or to the best of the Issuer's knowledge, anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.
- (c) The Issuer shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the SEBI, the BSE, CERSAI and the ROC and obtain all consents and approvals required for the completion of the Issue.
- (d) The Issuer has made all payments in respect of its statutory dues, and other amounts required to be paid by it under Applicable Law.

## **12. ASSETS**

Except for the security interests and encumbrances created and recorded with the ROC, the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted, or as disclosed in its financial statements.

## **13. NO FILINGS OR STAMP TAXES**

There are no stamp duties, registration, filings, recordings or notarizations before or with any Governmental Authority required to be carried out in India in relation to the execution and delivery of the Transaction Documents by the Issuer other than the:

- (a) stamping of the Transaction Documents (on or prior to execution in New Delhi, India) in accordance the applicable provisions of the Indian Stamp Act, 1899 (as applicable to New Delhi, India);
- (b) stamping of the Debentures in accordance with the Indian Stamp Act, 1899;
- (c) filing of the return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC;
- (d) filing of the Debt Disclosure Documents with the ROC and SEBI;
- (e) filing of Form CHG 9 with the ROC within 30 (thirty) days of execution of the

Deed of Hypothecation; and

- (f) filing of Form I with CERSAI within 30 (thirty) days of execution of the Deed of Hypothecation.

#### **14. FINANCIAL STATEMENTS**

- (a) The Issuer maintains accurate and correct business and financial records.
- (b) Its financial statements (including those most recently supplied to the Debenture Trustee as of March 31, 2020) are prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- (c) Its financial statements as of March 31, 2020 supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.

#### **15. SOLVENCY**

- (a) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document. PROVIDED THAT the foregoing shall not apply to any moratorium provided to the Issuer, or Financial Indebtedness of the Issuer rescheduled, pursuant to the Moratorium Directions (COVID-19).
- (b) The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- (c) The value of the Assets of the Issuer is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- (d) The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
- (e) No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the IBC read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations framed thereunder from time to time)).
- (f) No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets").

## **16. SECURITY**

- (a) The receivables of the Company over which security is created pursuant to the Deed of Hypothecation ("**Charged Receivables**") are the sole and absolute property of the Issuer and are free from any mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.
- (b) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

## **17. GOI GUARANTEE AND THE GOI GUIDELINES**

- (a) The Issuer is a member of Microfinance Institutions Network, India (MFIN), being a self-regulatory organization recognized by the RBI.
- (b) The credit rating (being the Rating) assigned to the Debentures by the Rating Agency complies with the requirements prescribed under the GOI Guidelines.
- (c) The tenor in respect of the Debentures is more than 9 (nine) months, but does not exceed 18 (eighteen) months.
- (d) The aggregate amount of debt securities (in form of bonds, non-convertible debentures and/or commercial papers) issued by the Issuer does not exceed 1.25 (one decimal two five) times of the Issuer's aggregate debt liability maturing over a period of 6 (six) months from the Deemed Date of Allotment.
- (e) The Issuer has made a profit in at least one of the Financial Years ending on March 31, 2018 (FY 2017-18), March 31, 2019 (FY 2018-19), and/or March 31, 2020 (FY 2019-20).
- (f) The Issuer has been classified as "regular" or "SMA-0" by its lenders for the period that is 1 (one) year prior to August 1, 2018.
- (g) Without prejudice to (a) above, the Issuer is in compliance with the eligibility criteria applicable to it as set out in the GOI Guidelines.

## **18. MATERIAL ADVERSE EFFECT**

No Material Adverse Effect has occurred, including without limitation, in relation to the business, condition, operations, performance or prospects of the Issuer.

## **19. ILLEGALITY**

It is not illegal or unlawful for the Issuer to perform any of its obligations under the Transaction Documents.

## **20. EXECUTION OF TRANSACTION DOCUMENTS**

- (a) The DTD and the Transaction Documents executed or to be executed constitute legal, valid and enforceable obligations of the Issuer, and, to the extent applicable, create a legal, valid and enforceable security interest in favour of the Debenture Trustee.
- (b) No consents or approvals are required by the Issuer from its creditors or any Governmental Authority or any other person for the creation, effectiveness, priority

and enforcement of the Transaction Documents and the Transaction Security created thereunder.

### **7.3 FINANCIAL COVENANTS**

- (a) The Issuer shall at all times until the Final Settlement Date maintain its Capital Adequacy Ratio at such threshold as may be prescribed by the RBI from time to time.
- (b) The Issuer shall at all times until the Final Settlement Date fulfill such other financial covenants that may be agreed between the Issuer and the Debenture Holders from time to time.
- (c) Until the Final Settlement Date, the covenants prescribed in Paragraphs 1 and 2 above shall be tested for each Quarterly Date on the basis of consolidated and standalone balance sheets of the Issuer on or prior to the Testing Date.

### **7.4 REPORTING COVENANTS**

The Issuer shall provide or cause to be provided to the Debenture Trustee and to the Debenture Holders (including on any online reporting platform notified by the Debenture Trustee or any Debenture Holder), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

- 1. Prior to the Deemed Date of Allotment, all documents and information and confirmations comprising the Conditions Precedent.
- 2. As soon as available, and in any event within 180 (one hundred and eighty) calendar days after the end of each Financial Year:
  - (a) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash flow and a list comprising all material financial liabilities of the Issuer whether absolute or contingent as of the date thereof; and
  - (b) such additional information or documents as the Debenture Trustee may reasonably request.
- 3. Within 45 (forty five) calendar days after each Quarterly Date:
  - (a) certified copies of its un-audited consolidated and non-consolidated (if any) quarterly financial statements for the preceding fiscal quarter, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow;
  - (b) a certificate signed by a Director or the Chief Financial Officer/Treasury Head of the Issuer stating that the Issuer is in compliance with all the financial covenants; and
  - (c) details of the shareholding structure/pattern and composition/list of the board of directors in the Issuer (including any changes from the previous instance where such information was provided).

4. As soon as practicable, and in any event within 15 (fifteen) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.
5. As soon as practicable, and in any event within 15 (fifteen) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations, which might, if adversely determined, have a Material Adverse Effect.
6. As soon as practicable, and in any event within 15 (fifteen) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof obtains or reasonably, notice of the occurrence of any Event of Default or potential Event of Default including any steps taken to cure such event.
7. As soon as practicable, and in any event within 15 (fifteen) Business Days any prepayment, or the receipt of notice of any Financial Indebtedness of the Issuer declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
8. As soon as practicable, and in any event within 15 (fifteen) Business Days after such default, notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity.
9. As soon as practicable, and in any event within 15 (fifteen) Business Days of receiving any notice of any application for winding up/insolvency having been made or any notice of winding up or insolvency under the provisions of the Act or the IBC or any other statute relating to winding up/insolvency or otherwise of any suit or other legal process intended to be filed or initiated against the Issuer.
10. As soon as practicable and in any event within 15 (fifteen) Business Days of the occurrence of:
  - (a) any change in shareholding structure of the Issuer;
  - (b) any change in the board of directors of the Issuer;
  - (c) any change in the accounting policy of the Issuer, which may have a Material Adverse Effect. PROVIDED THAT the foregoing does not apply to a change in the accounting policy of the Issuer pursuant to Applicable Law;
  - (d) any change in its Constitutional Documents which might have a Material Adverse Effect;
  - (e) any event likely to have an adverse impact on the profits or business of the Issuer in excess of 5% (five percent) of its profits in the immediately previous Financial Year; and
  - (f) any event likely to have an adverse impact on the financial position of any company which is either a subsidiary or an affiliate of the Issuer, or any company in whose share capital the Issuer has invested, or, if any action is taken/initiated by any

creditor of such company. For the purposes of this sub-paragraph, any impact on 10% (ten percent) or more of the total Net Worth of the such entity will be considered as an adverse impact.

11. Within 45 (forty five) calendar days after each financial half year, a certificate signed by a Director or the Chief Financial Officer/Treasury Head of the Issuer stating that the Issuer is in compliance with all the financial covenants.
12. As soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request, such additional documents or information with respect to the financial condition, business and operations of the Issuer as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time.
13. The Issuer shall provide the following information to the Debenture Trustee/the Debenture Holders, within the timelines prescribed below, or such other timelines as may be prescribed by the Debenture Holders, from time to time:
  - (a) as soon as practicable, provide information to the Debenture Holders in respect of any additional/new financings that are availed by the Issuer from any bank of financial institution; and
  - (b) within such timelines as may be prescribed by the Debenture Holders, a certificate from a chartered accountant certifying compliance by the Issuer with pricing cap, margin cap and maximum permissible variance in pricing in respect of the loans and financial assistances provided by the Issuer to individuals.
14. As soon as practicable and in any event within 15 (fifteen) calendar days of receipt of a request such documents, statements or information that may be required:
  - (a) by the Debenture Holders for obtaining and procuring the GOI Guarantee from the Guarantor;
  - (b) for evidencing eligibility of the Issuer under the GOI Guidelines;
  - (c) for ensuring compliance of the Debentures (and the Debenture Holders, to the extent required) with Applicable Law (including but not limited to the GOI Guidelines and General Financial Rules as published by the Ministry of Finance (Department of Expenditure), Government of India from time to time (hereinafter referred to as "**GFR**"); and
  - (d) for complying with any other reporting requirement in respect of the GOI Guarantee.
15. The Issuer hereby agrees, confirms and authorizes the Debenture Holders/Debenture Trustee to submit and disclose the required information in respect of the Issuer and the Debentures to the Guarantor (or any other authorized entity/department) to ensure that the GOI Guarantee is obtained to the satisfaction of the Debenture Holders.

## **7.5 AFFIRMATIVE COVENANTS**

### **1. USE OF PROCEEDS**

The Issuer shall utilise the amounts received towards subscription of the Debentures for the Purpose in accordance with Applicable Law and procure and furnish to the Debenture Trustees a certificate from the Issuer's auditors in respect of the utilisation of funds raised

by the issue of the Debentures. The Debenture Trustee shall provide a copy of the aforementioned certificate to the Debenture Holders within 5 (five) calendar days of receipt.

## **2. COMPLIANCE WITH APPLICABLE LAW**

- (a) The Issuer will obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all licenses and authorisations necessary to enable it to lawfully enter into and perform its obligations under the DTD and the other Transaction Documents or to ensure the legality, validity, enforceability or admissibility in evidence in India of the DTD and the other Transaction Documents.
- (b) The Issuer will comply with:
  - (i) all Applicable Law (including but not limited to the Act, the GOI Guidelines, any guidelines or directions issued by the Supervisory Authorities), as applicable on the Issuer and in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;
  - (ii) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;
  - (iii) the provisions of the Act in relation to the issue of the Debentures (including but not limited to any obligation of the Issuer to constitute any committee (including any audit committee, remuneration committee, stakeholders' relationship committee etc.) on exceeding the prescribed threshold in accordance with Act or any rules thereunder); and
  - (iv) procure that the Debentures are rated and continue to be rated until the Final Settlement Date.

## **3. LOSS OR DAMAGE BY UNCOVERED RISKS**

The Issuer shall promptly inform the Debenture Trustee of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, etc. against which the Issuer may not have insured its properties.

## **4. COSTS AND EXPENSES**

The Issuer shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including travelling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs.

## **5. PAYMENT OF RENTS, ETC.**

The Issuer shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which

ought to be observed and performed by the Issuer under the DTD.

**6. PRESERVE CORPORATE STATUS**

- (a) The Issuer shall diligently preserve and maintain its corporate existence and status and comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof.
- (b) The Issuer will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed.

**7. PAY STAMP DUTY**

The Issuer shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws and in the event of the Issuer failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Issuer shall reimburse the same to the Debenture Trustee on demand.

**8. FURNISH INFORMATION**

- (a) The Issuer shall provide to the Debenture Trustee or its representatives such information/copies of relevant extracts as they may require on any matters relating to the business of the Issuer or to investigate the affairs of the Issuer.
- (b) The Issuer shall allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation.
- (c) Without prejudice to the foregoing, the Issuer undertakes that it will permit the Debenture Trustee to examine the books and records of the Issuer and to discuss the affairs, finances and accounts of the Issuer with, and be advised as to the same by, officers and independent accountants of the Issuer, all upon reasonable prior notice and at such reasonable times and intervals as the Debenture Trustee may reasonably request.
- (d) The Issuer shall furnish quarterly report to the Debenture Trustee (as may be required in accordance with SEBI/BSE guidelines or regulations) containing the following particulars:
  - (i) updated list of the names and addresses of the Debenture Holders;
  - (ii) details of the interest due, but unpaid and reasons thereof;
  - (iii) the number and nature of grievances received from the Debenture Holders and (A) resolved by the Issuer, and (B) unresolved along with the reasons thereof; and
  - (iv) a statement that the Transaction Security is sufficient to discharge the claims of the Debenture Holders as and when they become due.

- (e) The Issuer shall inform and provide the Debenture Trustee with all relevant documents in respect of any notice of any Event of Default or potential Event of Default.

**9. REDRESSAL OF GRIEVANCES**

The Issuer shall promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Issuer further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.

**10. COMPLY WITH INVESTOR EDUCATION AND PROTECTION FUND REQUIREMENTS**

The Issuer shall comply with the provisions of the Act relating to transfer of unclaimed/unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it.

**11. CORPORATE GOVERNANCE; FAIR PRACTICE CODE**

The Issuer shall comply with any corporate governance requirements applicable to the Issuer (as may be prescribed by the Supervisory Authorities or any stock exchange) and the fair practices code prescribed by the Supervisory Authorities.

**12. FURTHER ASSURANCES**

The Issuer shall:

- (a) provide details of any litigation, arbitration or administrative proceedings that if determined adversely could have a Material Adverse Effect;
- (b) provide details of occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;
- (c) not do any act or omit to do any act that might have a Material Adverse Effect;
- (d) comply with any reasonable monitoring and/or servicing requests from Debenture Holders; and
- (e) comply and execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee.

**13. SECURITY AND GOI GUARANTEE**

The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (a) the Debentures shall be secured by way of a first ranking exclusive continuing security by way of a first ranking exclusive charge on the Charged Receivables in favour of the Debenture Trustee for the benefit of the Debenture Holders on or prior to the Deemed Date of Allotment;

- (b) the Debentures shall be supported by the GOI Guarantee to be provided by the Guarantor in accordance with the GOI Guidelines;
- (c) all the Charged Receivables that will be charged to the Debenture Trustee shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;
- (d) the Issuer shall not create any charge, lien or other encumbrance upon or over the Charged Receivables or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security;
- (e) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the same undiminished and claim reimbursement thereof;
- (f) to create the security over the Charged Receivables as contemplated in the Transaction Documents on or prior to the Deemed Date of Allotment by executing the required duly stamped documents/instruments and to register and perfect the security interest created thereunder by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in relation thereto within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation;
- (g) commencing from the Deemed Date of Allotment and until the Final Settlement Date, the Issuer shall, within the timelines prescribed in the Deed of Hypothecation, provide a list of specific loan receivables/identified book debts over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover to the Secured Parties;
- (h) to keep the Application Money in a designated bank account in the event the DTD and the other Transaction Documents are not executed;
- (i) the Issuer shall, within the timelines prescribed in the Deed of Hypothecation, add fresh receivables to the Charged Receivables so as to ensure that the Security Cover is maintained or to replace such Charged Receivables that do not satisfy the eligibility criteria prescribed in the Transaction Documents. Without prejudice to the foregoing, the Issuer will replace all book debts/loan receivables comprising the Charged Receivables that are overdue by 90 (ninety) days or more with fresh book debts/loan receivables that fulfil the eligibility criteria prescribed in the Transaction Documents promptly and in no case later than 15 (fifteen) Business Days of any book debts/loan receivables becoming overdue by 90 (ninety) days or more;
- (j) the Issuer shall, on a half yearly basis, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Charged Receivables from time to time and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Charged Receivables;
- (k) the security interest created on the Charged Receivables shall be a continuing security;
- (l) the Charged Receivables shall satisfy the eligibility criteria set out in the Deed of

Hypothecation;

- (m) it shall, within 3 (three) months from the Deemed Date of Allotment, re-work and re-asses its asset-liability management framework/structure in all time buckets to ensure that for a period of 3 (three) months from the Deemed Date of Allotment, to ensure that its asset-liability management (determined in accordance with the NBFC Directions) is positive. Without prejudice to the above, the Issuer further undertakes that upon the expiry of 3 (three) months from the Deemed Date of Allotment, and until the Final Settlement Date, it will ensure that the cumulative mismatch/difference in the asset-liability management statement in all time buckets (determined in accordance with the NBFC Directions) is positive;
- (n) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/ or the Debenture Holders;
- (o) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Issuer which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the DTD; and
- (p) forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Charged Receivables and such amounts shall be deemed to be secured by the Charged Receivables.

#### **14. FILINGS; COMPLIANCE WITH BSE REQUIREMENTS**

The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (a) while submitting half yearly / annual financial results in accordance with Regulation 52 of the LODR Regulations, the Issuer shall file with the BSE for dissemination, along with a noting certificate of the Debenture Trustee, containing, inter alia, the following information:
  - (i) credit rating (and any change thereto);
  - (ii) asset cover, if required, accompanied with a half yearly certificate regarding maintenance of 100% (one hundred percent) asset cover in respect of the Debentures, by either a practicing company secretary or a practicing chartered accountant, within 1 (one) month from the end of the half year;
  - (iii) debt to equity ratio accompanied with a certificate of a practicing chartered accountant confirming such debt to equity ratio;
  - (iv) previous Due Date for the payment of interest/principal and whether the same has been paid or not; and
  - (v) next Due Date for the payment of interest/principal;
  - (vi) net worth;
  - (vii) net profit after tax;

- (viii) earnings per share;
- (b) in accordance with Regulation 52 of the LODR Regulations, the Issuer shall file with the BSE the prescribed statements, financial statements and noting certificate of the Debenture Trustee within the timelines prescribed therein;
- (c) in accordance with Regulation 56 of the LODR Regulations, the Issuer shall submit the following to the Debenture Trustee:
  - (i) a copy of the annual report at the same time as it is issued and a copy of the certificate from the Issuer's auditors in respect of utilisation of funds raised by the issue of the Debentures, at the same time or at the end of each Financial Year until such funds have been fully utilized or the purpose for which such funds were intended has been achieved;
  - (ii) a copy of all notices, resolutions and circulars relating to any new issue of non-convertible debt securities (at the same time as they are sent to shareholders/holders of non-convertible debt securities), the meetings of holders of non-convertible debt securities (at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings);
  - (iii) intimations regarding any revision in the rating or any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Issuer or any failure to create charge on the assets; and
  - (iv) a copy of the statement, if any filed with the BSE in compliance of Regulation 52(7) of the LODR Regulations indicating material deviations, if any, in the use of funds raised by the issue of the Debentures from the object stated in the Debt Disclosure Documents;
- (d) in accordance with Regulation 58 of the LODR Regulations, the Issuer shall furnish the following to the Debenture Holders in the manner prescribed therein:
  - (i) physical copies of full annual reports to those Debenture Holders who request the same;
  - (ii) notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy in accordance with Section 105 of the Act shall be applicable for such meeting; and
  - (iii) proxy forms for the Debenture Holders clearly providing the Debenture Holders to vote for each resolution in such a manner that they may vote either for or against each resolution;
- (e) it will submit the following to the Debenture Trustee, within 30 (thirty) calendar days of each Quarterly Date:
  - (i) a certificate from the Director/Managing Director of the Issuer certifying the value of the book debts/receivables comprising the Transaction Security; and
  - (ii) a certificate from an independent chartered accountant giving the value of book debts/receivables comprising the Transaction Security;

- (f) it will submit to the Debenture Trustee, on an annual basis, a certificate from the statutory auditor of the Issuer in relation to the value of the book debts/receivables comprising the Transaction Security;
- (g) it will provide to the Debenture Trustee, a copy of the annual report at the same time as it is issued and a copy of the certificate from the Issuer's statutory auditors in respect of utilisation of funds raised by the issue of the Debentures, at the same time or at the end of each Financial Year until such funds have been fully utilized or the purpose for which such funds were intended has been achieved;
- (h) it will submit periodical status/performance reports within 7 (seven) calendar days of the relevant board meeting or within 45 (forty five) calendar days of each Quarterly Date, whichever is earlier;
- (i) it will furnish quarterly reports to the Debenture Trustee (as may be required in accordance with SEBI/BSE guidelines or regulations) with respect to the number and nature of grievances received from the Debenture Holders and (i) resolved by the Issuer, and (ii) unresolved along with the reasons thereof;
- (j) it will keep the Debenture Trustee informed of all orders, directions and/or notices of all courts or tribunals affecting or likely to affect the Transaction Security; and
- (k) the Issuer shall, forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Transaction Security and such amounts shall be deemed to be secured by the Transaction Security.

## **15. EXECUTION OF TRANSACTION DOCUMENTS**

In the event of any delay in the execution of the DTD or any other documentation in respect of the Transaction Security, the Issuer will, at the option of the Debenture Holders, either:

- (a) refund the Application Money/discharge the Secured Obligations; or
- (b) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amount in addition to the Interest Rate until the aforementioned DTD or such other documentation is duly executed.

## **16. AUDIT AND INSPECTION**

- (a) The Issuer shall permit visits and inspection of books of records, documents and accounts to the Secured Parties and their representatives as and when required by them, after providing prior written notice of at least 3 (three) Business Days to the Issuer.
- (b) The Issuer shall, after receipt of prior written notice of at least 3 (three) Business Days by the Issuer, provide the Debenture Trustee and the Debenture Holders and any of their representatives, professional advisers and contractors with access to and permit them to, at the cost of the Issuer:
  - (i) examine and inspect the books and records, office premises, the premises of the Issuer;
  - (ii) portfolio data in the format prescribed by the Debenture Holders from time to time; and

- (iii) discuss the affairs, finances and accounts of each Obligor with, and be advised as to the same, by the relevant officers.
- (c) The Issuer shall permit (and provide its cooperation) any chartered accountant or other representative appointed by the Debenture Holders to conduct an audit in respect of its receivables on an annual basis. All costs and expenses in respect of such audit shall be to the account of the Issuer.
- (d) If so required by the Debenture Holders, all branches of the Issuer shall be inspected by the officials of the Debenture Holders or any other representatives of the Debenture Holders/Debenture Trustee (including any consultants, technical experts, auditors), on a quarterly basis or in such other intervals as the Debenture Holders/Debenture Trustee may determine. The Issuer (and its officers/representatives) shall provide all necessary assistance to the officials/representatives of the Debenture Holders/Debenture Trustee in this regard, and all costs and expenses in respect of such inspection shall be to the account of the Issuer.
- (e) Without prejudice to the above, the Debenture Holders/Debenture Trustee may attend the various meetings conducted by the Issuer (including its board of directors, any committee of the board of directors, senior management), at such intervals as may be required by the Debenture Holders.

**17. BOOKS AND RECORDS**

The Issuer shall maintain its accounts and records in accordance with Applicable Law, which accurately reflects its financial position and scale of operations.

**18. CAPITAL ADEQUACY RATIO**

Without prejudice to the obligations of the Issuer set out in respect of the financial covenants, the Issuer hereby undertakes that it shall procure (including from its Promoters) such further infusion of capital (including in the form of Tier I Capital and Tier II Capital (as may be required)), as may be required to maintain a Capital Adequacy Ratio above the minimum levels stipulated by the RBI from time to time.

**19. BOARD OF DIRECTORS**

The Issuer shall not appoint any person on its board of directors who is listed as a "defaulter" or a "wilful defaulter" by any financial institution/bank/any other person with the RBI or any other relevant agency. In case any of the directors on the board of directors of the Issuer are declared as a "defaulter" or a "wilful defaulter", the Issuer shall promptly take steps to remove such director from its board of directors, and provide relevant information in this respect to the Debenture Trustee.

**20. PROVISION FOR TAX AND STATUTORY LIABILITIES**

- (a) The Issuer agrees that upon making relevant provisions for taxes and other statutory liabilities, the Debenture Holders will (subject to the rights of the other secured creditors of the Issuer) have the first right on the profits of the Issuer for the purposes of the repayment of the Outstanding Amounts.
- (b) The Issuer agrees that it shall not divert any of its funds obtained for short term purposes (including in the form of working capital facilities), for any "long-term" uses.

## **7.6 NEGATIVE COVENANTS**

### **1. CHANGE OF BUSINESS AND CONSTITUTIONAL DOCUMENTS**

- (a) Change the general nature of its business from that which is permitted as a non-banking financial company-micro finance institution registered with the RBI.
- (b) Make any amendments or modifications to its Constitutional Documents, where any such change(s) may have a Material Adverse Effect.

### **2. DIVIDEND**

If an Event of Default has occurred and is continuing, declare or pay any dividend to its shareholders (of equity shares or preference shares) during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the Secured Obligations to the Secured Parties up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof. It is hereby clarified that any dividends can be paid only from the profits of the Issuer.

### **3. MERGER; EXPANSION**

- (a) Enter into any or propose to enter into any merger, de-merger, consolidation, re-organization, scheme of arrangement, compromise or settlement with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or entering into negotiations with in relation to any of the foregoing.
- (b) Undertake or permit any scheme of expansion or acquire any fixed assets, if such expansion or acquisition of fixed assets may result in a breach of the financial covenants or any diversion of the Issuer's working capital facilities for financing long-term assets.

### **4. COMPROMISE**

Enter into any or propose to enter into any composition, compromise, assignment, settlement or arrangement with any creditor of the Issuer or entering into negotiations with in relation to any of the foregoing which may have a Material Adverse Effect.

### **5. SHAREHOLDING**

- (a) Except as otherwise required by Applicable Law, issue any additional shares or equity interests or permit any of its existing shares or equity interests to be transferred, sold, pledged or otherwise encumbered which would lead to change in Control of the Issuer, or the dilution of the shareholding of the Promoters, each from that subsisting as on the Effective Date.
- (b) The Issuer will ensure and procure that the Promoters do not encumber, pledge, sell, transfer, or otherwise dispose of their shareholding in the Issuer, in any manner whatsoever, without the prior consent of the Debenture Trustee.

### **6. DISPOSAL OF ASSETS**

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Issuer (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect) that has the effect of exiting the current business of the Issuer or re-structuring of the existing business. The foregoing does not apply to any securitisation/portfolio sale of assets undertaken by the

Issuer in its ordinary course of business.

**7. LOANS; GUARANTEES; CONTRACTUAL OBLIGATIONS**

- (a) Provide any advances or loans, or place any deposits with, or provide any other form of Financial Indebtedness to, any person.
- (b) Give or issue any guarantee, indemnity, bond or letter of credit to or for the benefit of any person.
- (c) Permit to subsist any guarantee in respect of any Financial Indebtedness of any other person.
- (d) Invest in the share capital of any other person.
- (e) Enter into any contractual obligations of a long term nature (being a contractual obligation for a period exceeding 2 (two) years), or any contractual obligation, which in the opinion of the Debenture Holders is not in the ordinary course of the Issuer's business and/or is detrimental to the interests of the Debenture Holders

**8. REMUNERATION OF THE DIRECTORS**

Change the practice followed by the Issuer in respect of the remuneration provided by it to its directors, by way of ordinary remuneration, sitting fees and/or commission. PROVIDED THAT the foregoing shall not apply to any change made in accordance with any Applicable Law.

**9. CHANGE IN MANAGEMENT; CHANGE OF CONTROL**

- (a) Any change in the key managerial personnel (as defined in the Act) of the Issuer from that subsisting as on the Effective Date.
- (b) Without prejudice to paragraph 5 (*Shareholding*) above, any change of Control from that subsisting as on the Effective Date.
- (c) Any change in any of the directors of the Issuer that are also Promoters of the Issuer, from that subsisting as on the Effective Date.

**10. SUBORDINATION**

Repay any amounts, advances, deposits, loans or any other amounts that are provided to the Issuer in the form of quasi equity, equity-like instruments or any subordinated debt by any of the Promoters, directors of the Issuer, any other shareholder of the Issuer and/or any of their affiliates. The Issuer may pay interest on any of the aforementioned amounts only if the rate of interest on such amounts is lower than the Interest Rate and no Event of Default has occurred or is subsisting.

**11. BANK ACCOUNTS**

- (a) Open any bank accounts with any bank(s) other than those banks with which the Issuer has an existing lending relationship as on the Effective Date.
- (b) Obtaining any financial assistances (including by way of term loans) from any bank(s)/financial assistance(s) other than those bank(s)/financial assistance(s) with which the Issuer has an existing lending relationship as on the Effective Date.

## 7.7 EVENTS OF DEFAULT

### **(a) *Payment Defaults***

The Issuer does not pay any amount payable pursuant to the DTD at the place and in the currency in which it is expressed to be payable.

### **(b) *Misrepresentation***

Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false, incomplete or misleading in any respect when made or deemed made, and where such aforementioned breach may have a Material Adverse Effect.

### **(c) *Insolvency/Inability to Pay Debts***

(i) The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness. PROVIDED THAT the foregoing shall not apply to any moratorium provided to the Issuer, or Financial Indebtedness of the Issuer rescheduled, pursuant to the Moratorium Directions (COVID-19).

(ii) The Issuer commits any act or undertakes any action which may result in the insolvency/liquidation of the Issuer.

(iii) Any resolution is passed resolving or to consider resolving that the Issuer be wound up voluntarily, or any order for winding up of the Issuer is made by any competent court or tribunal, other than for the purposes of any amalgamation or reconstruction of the Issuer entered into with the prior approval of the Debenture Trustee in accordance with the provisions of the DTD.

(iv) The Issuer being determined as insolvent under the IBC (read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations framed thereunder from time to time).

### **(d) *Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator/ Resolution Professional***

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, insolvency, liquidation, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer. PROVIDED THAT the foregoing shall not apply to any moratorium provided to the Issuer, or Financial Indebtedness of the Issuer rescheduled, pursuant to the Moratorium Directions (COVID-19);

(ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer;

- (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, resolution professional, compulsory manager or other similar officer in respect of the Issuer;
- (iv) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets");
- (v) the commencement of an insolvency resolution process under the IBC (read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations framed thereunder from time to time) or under any other Applicable Law, in respect of the Issuer (whether voluntarily by the Issuer or otherwise);
- (vi) enforcement of any security over any Assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; or
- (vii) any other event occurs or proceeding is instituted under any Applicable Law that would have an effect analogous to any of the events listed in (i) to (vi) above.

**(e) *Creditors' Process and Expropriation***

- (i) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any material Assets (including without limitation, the Receivables) of the Issuer and is not discharged within the earlier of (A) the period provided in any order of any competent court or tribunal relating to the aforementioned actions, or (B) 30 (thirty) calendar days.
- (ii) Any expropriation, attachment, garnishee, sequestration, distress or execution affects the Transaction Security or part thereof.
- (iii) All or a material part of the undertaking, Assets, rights or revenues of the Issuer are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Issuer, or shall have taken any action for the dissolution of the Issuer, or any action that would prevent the Issuer, their members, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Governmental Authority, and such action has not been stayed, quashed or vacated within a period of 30 (thirty) days from the date of commencement of any proceedings/action in relation to any of the foregoing events.

**(f) *Cessation of Business***

- (i) The Issuer without obtaining the prior consent of the Super Majority Debenture Holders ceases (or threatens to cease) to carry on its business or gives (or threatens to give) notice of its intention to do so.
- (ii) Any competent court or tribunal passes an order restraining or otherwise preventing the Issuer from conducting all or any material part of its business.

- (iii) The termination, withdrawal or non-renewal of any approval, authorisation, or license by the relevant Governmental Authority in relation to the Issue or the Transaction Security.

**(g) *Material Adverse Effect***

The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee (acting on the instructions on the Majority Debenture Holders).

**(h) *Cross Default***

The Issuer (or any of its affiliates/group companies):

- (i) defaults in any payment of any Financial Indebtedness (including under any non-convertible debentures issued to any other bank or financial institution or investor);
- (ii) defaults in the observance or performance of any obligation or receives a notice from any provider of Financial Indebtedness of any default under any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or
- (iii) any Financial Indebtedness is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

**(i) *Judgment Defaults***

One or more judgments or decrees entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Issuer provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) days.

**(j) *Transaction Documents***

The DTD or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer.

**(k) *Illegality/Unlawfulness***

It is or becomes illegal or unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any of its obligations under any Transaction Document are not or cease to be valid, binding or enforceable.

**(l) *Repudiation***

The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

**(m) Security**

The creation of, or any attempt to create, any charge on the Transaction Security or any part thereof, other than in compliance with the Transaction Documents.

**(n) Security in Jeopardy**

In the opinion of the Debenture Trustee, the Transaction Security or any part thereof is in jeopardy including any depreciation in the value of the Transaction Security or any part thereof to such an extent that in the opinion of the Debenture Trustee, there is a requirement to provide further security to the satisfaction of the Secured Parties and such additional security is not provided within the time period prescribed in the Deed of Hypothecation.

**(o) Security and GOI Guarantee**

- (i) The Issuer fails to create and perfect the Transaction Security within the timelines prescribed in the Transaction Documents and/or in the manner prescribed in the Transaction Documents.
- (ii) The value of the Charged Receivables is insufficient to maintain the Security Cover and the Issuer fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the timelines prescribed in the Deed of Hypothecation.
- (iii) The GOI Guarantee is not issued in favour of the Debenture Holders and/or the Debenture Trustee (acting on behalf of and for the benefit of the Debenture Holders), as the case may be, within the timelines prescribed under Applicable Law (including the GOI Guidelines), and/or the Guarantor refuses, due to any reason whatsoever, to issue the GOI Guarantee.
- (iv) Any Transaction Document fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable.
- (v) The Issuer fails to register and perfect the security interest created on the Charged Receivables (including the failure to file Form CHG-9 with the ROC or the failure to procure the filing of Form I with CERSAI) within the timelines prescribed in the Transaction Documents.

**(p) Composition or Arrangement**

The Issuer enters into any or proposes to enter into any composition, compromise, assignment, settlement or arrangement with any creditor of the Issuer which might have a Material Adverse Effect.

**(q) Fraud and Embezzlement; Wilful Defaulter**

- (i) The Issuer or key managerial person (as defined in the Act) of the Issuer, or any other officer of the Issuer commits any act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds of the Issuer

or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer.

- (ii) Any Promoter or any key managerial personnel of the Issuer are declared as wilful defaulters by any bank or financial institution.

**(r) *Material Litigation***

Any litigation, investigation, arbitration or administrative proceedings of or before any court, arbitral body or agency are commenced or threatened against the Issuer or its officers which if adversely determined, may have a Material Adverse Effect.

**(s) *Breach of Financial Covenants***

Any breach of any of the financial covenants which is not cured within such time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

**(t) *Breach of Other Covenants***

Any breach of any covenant or undertaking of the Issuer in the Transaction Documents (other than (a) to (s)**Error! Reference source not found.** above) which, if capable of remedy, is not cured within 30 (thirty) days of occurrence or such other time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

## **SECTION 8 OTHER INFORMATION AND APPLICATION PROCESS**

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

### **8.1 Mode of Transfer/Transmission of Debentures**

The Debentures shall be transferable freely. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

### **8.2 Debentures held in Dematerialised Form**

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

### **8.3 Debenture Trustee for the Debenture Holder(s)**

The Issuer has appointed Catalyst Trusteeship Limited to act as the debenture trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

#### **8.4 Sharing of Information**

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

#### **8.5 Debenture Holder not a Shareholder**

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

#### **8.6 Modification of Debentures**

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders as set out below:

- a. Creating of any additional security; and
- b. Amendment to the terms and conditions of the Debentures or the Transaction Documents.

#### **8.7 Right to accept or reject Applications**

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

#### **8.8 Notices**

Any notice in respect of the Debentures may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

#### **8.9 Issue Procedure**

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants. All payments in respect of the Debentures shall be made by the Issuer into the bank account so specified by the applicant.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as investor on the said platform (as a one time exercise) and also complete the mandatory "know your customer verification process. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out herein below:

|  |   |
|--|---|
| Details of size of the Issue including green shoe option, if any | 500 (five hundred) rated, listed, secured, senior, secured, redeemable, taxable, non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) aggregating to a face value of Rs. 50,00,00,000/- (Rupees Fifty Crore)<br><br>Green shoe option: N.A.  |
| Bid opening and closing date                                     | Bid opening date: August 17, 2020; and<br>Bid closing date: August 17, 2020   |
| Minimum Bid lot  | Minimum application shall not be less than of Rs. 1 Crore (Rupees One crore) (i.e. 10 (Ten) Debentures), and in multiples of INR 10,00,000 (i.e. 1 (one) Debenture) thereafter.   |
| Manner of bidding in the Issue                                   | Closed Bidding  |
| Manner of allotment in the Issue                                 | Uniform Yield   |
| Manner of settlement in the Issue                                | Pay-in of funds through ICCL.<br><br>The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below. |
| Settlement cycle   | T+1,<br>where T refers to the date of bid opening date / issue opening date<br><br>Settlement of the Issue will be on August 18, 2020.  |

**Process flow of settlement:**

Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Information Memorandum along with the Private Placement Offer Letter have been issued by the Issuer and who have submitted/shall submit the application form (“**Successful Bidders**”), shall make pay-in of subscription monies in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out below, on the Deemed Date of Allotment:

|                     |                                     |
|---------------------|-------------------------------------|
| Name of Bank        | HDFC BANK                           |
| IFSC Code           | HDFC0000060                         |
| Account number      | ICCLEB                              |
| Name of beneficiary | INDIAN CLEARING CORPORATION LIMITED |

|                     |                                 |
|---------------------|---------------------------------|
| Name of Bank        | ICICI Bank Ltd.                 |
| IFSC Code           | ICIC0000106                     |
| Account number      | ICCLEB                          |
| Name of beneficiary | INDIAN CLEARING CORPORATION LTD |

|                     |                                 |
|---------------------|---------------------------------|
| Name of Bank        | YES BANK                        |
| IFSC Code           | YESB0CMSNOC                     |
| Account number      | ICCLEB                          |
| Name of beneficiary | INDIAN CLEARING CORPORATION LTD |

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

|                   |  |
|-------------------|--|
| Beneficiary Name: | Satin Creditcare Network Limited Application Account                           |
| Bank Account No.  | 042305001641   |
| IFSC CODE:        | ICIC0000423  |
| Bank Name         | ICICI Bank Limited   |
| SWIFT Code        | -  |
| Branch Address:   | Plot no 6, Bulaki Cold Storage Pvt Ltd, New Sabji Mandi, Azadpur, Delhi 110033 |
| Account type      | Current Account  |

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines.

## **8.10 Application Procedure**

Potential Investors will be invited to subscribe by way of the Application Form prescribed in this Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). Subject to the EBP Guidelines, the Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule, and the procedure will be subject to the EBP Guidelines.

## **8.11 Fictitious Applications**

All fictitious applications will be rejected.

## **8.12 Basis of Allotment**

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over

subscription, allotment shall be made on a “yield-time” priority basis in accordance with the EBP Guidelines. The investors will be required to remit the funds in the account of the ICCL as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

### **8.13 Payment Instructions**

The pay-in of subscription monies in respect of the Debentures by the Successful Bidder shall be made in accordance with the procedure set out in Section 8.9 above.

### **8.14 Eligible Investors**

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form (“**Eligible Investors**”):

- a. Public Sector Banks; and
- b. N. A.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them Without prejudice to the aforesaid, where the selection of the eligible investors is required to be done pursuant to bidding mechanism on the Electronic Platform called the “EBP Platform” under the EBP Guidelines or any other successive arrangement/platform mandated by SEBI, only those Persons Out of the aforesaid categories of investors, who are registered on the EBP Platform and are eligible to make bids for Debentures of the Company and to whom allocation is to be made by the Company pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Guidelines and the Electronic Book Providers shall be considered as “identified persons” for the purposes of Section 42(2) of the Companies Act, 2013 (as amended from time to time), to whom the Company shall make private placement of the Debentures and only such “identified persons” shall receive a direct communication from the Company with offer to subscribe to the Debentures and only such “identified persons” shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Guidelines) specifically mapped by the Company on the EBP Platform are also eligible to bid/apply/invest for this Issue.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Hosting of the Information Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI Debt Listing Regulations read with the EBP Guidelines. Eligible Investors should check their eligibility before making any investment.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

**Note:** Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements.

Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

#### **8.15 Procedure for Applying for Dematerialised Facility**

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

#### **8.16 Depository Arrangements**

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialized form.

#### **8.17 List of Beneficiaries**

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

#### **8.18 Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the

tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

### **8.19 Procedure for application by Mutual Funds and Multiple Applications**

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- a. SEBI registration certificate
- b. Resolution authorizing investment and containing operating instructions
- c. Specimen signature of authorized signatories

### **8.20 Documents to be provided by Investors**

Investors need to submit the following documents, as applicable:

- a. Memorandum and Articles of Association or other constitutional documents
- b. Resolution authorizing investment
- c. Certified true copy of the Power of Attorney to custodian
- d. Specimen signatures of the authorised signatories
- e. SEBI registration certificate (for Mutual Funds)
- f. Copy of PAN card
- g. Application Form (including EFT/RTGS details)

### **8.21 Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

### **8.22 Succession**

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtain legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

### **8.23 Mode of Payment**

All payments must be made in accordance with the EBP Guidelines and the instructions as set out in the Application Form.

### **8.24 Effect of Holidays**

- (a) If any Due Date on which any Interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.
- (b) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.
- (c) If the Redemption Date falls on a day which is not a Business Day, the payment of any amounts in respect of any Interest and the Outstanding Principal Amounts to be made shall be made on the preceding Business Day. It is clarified that for payment of any amounts in respect of any interest shall be calculated until but excluding such preceding Business Day.

### **8.25 Tax Deduction at Source**

- (i) All payments to be made by the Company to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Company is required to make a Tax Deduction pursuant to Applicable Law.
- (ii) The Company shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.
- (iii) If the Company is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.
- (iv) Within the earlier of (A) 60 (sixty) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction; or (B) 60 (sixty) days of each Due Date, the Company shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

### **8.26 Letters of Allotment**

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within a maximum of 7 (Seven) Business Days from the Deemed Date of Allotment or such period as is permissible under Applicable Law.

### **8.27 Deemed Date of Allotment**

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is August 18, 2020 by which date the Investors would be intimated of allotment.

### **8.28 Record Date**

The Record Date will be 11 (Eleven) Business Days prior to any Due Date.

### **8.29 Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

### **8.30 Interest on Application Money**

Please refer to Section 5.23 of this Information Memorandum.

### **8.31 PAN Number**

Every applicant should mention its Permanent Account Number (“**PAN**”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

### **8.32 Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

**Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents/ authorizations/ information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or**

**regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.**

## SECTION 9 DECLARATION

- i. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;
- ii. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government; and
- iii. the monies received under the offer shall be used only for the purposes and objects indicated in this Information Memorandum.

I am authorized by the Board of Directors of the Issuer *vide* resolutions dated May 15, 2020 and June 15, 2020 read with the resolution dated August 12, 2020 of the Working Committee of the Issuer, to sign this Information Memorandum and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

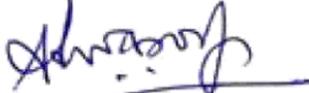
Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Information Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Information Memorandum.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For **Satin Creditcare Network Limited**



Authorised Signatory



Name: Adhish Swaroop

Title: Company Secretary and Compliance Officer

Date: August 12, 2020

**ANNEXURE I: TERM SHEET**  
**Please refer to Section 5.23 (Issue Details) above.**

## ANNEXURE II: RATING LETTERS & RATING RATIONALES



No. CARE/DRO/RL/2020-21/1806

Mr. H. P. Singh  
Chairman cum Managing Director  
Satin Creditcare Network Ltd  
97, Sector 44, Gurugram,  
Haryana 122003

July 31, 2020

Confidential

Dear Sir,

### Credit rating for Non-Convertible Debenture

Please refer to our letter no. CARE/DRO/RL/2020-21/1554 dated June 24, 2020 and your request for revalidation of the rating assigned to the Non-convertible debenture of your company, for a limit of Rs.200 crore.

2. The following rating(s) have been reviewed:

| Instrument                         | Amount<br>(Rs. crore)                   | Rating <sup>1</sup>                                     | Rating Action |
|------------------------------------|---|---|---------------|
| Non-Convertible<br>Debenture issue | 200*<br>(Rs. Two hundred crore<br>only) | CARE A-; Stable<br>(Single A Minus; Outlook:<br>Stable) | Reaffirmed    |

\*Rs.50 cr has been raised till date

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.

4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Debenture Trustee | Details of top 10 investors |
|-----------------|------|--------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|
|-----------------|------|--------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

CARE Ratings Ltd.

CORPORATE OFFICE: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.  
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457  
Email: care@careratings.com • www.careratings.com

13th Floor, E-1 Block, Videocon Tower Jhandewalan Extension, New Delhi - 110 055.  
Tel: +91-11-4533 3200 • Fax: +91-11-4533 3238

CIN-L67190MH1993PLC071691

5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
9. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



**Vidushi Gupta**  
Analyst  
[vidushi.gupta@careratings.com](mailto:vidushi.gupta@careratings.com)



**Shubha Bhanu**  
Senior Manager  
[shubha.bhanu@careratings.com](mailto:shubha.bhanu@careratings.com)

Encl.: As above

CARE Ratings Ltd.

#### Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

---

CARE Ratings Ltd.

13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi - 110 055.

Tel: +91-11-4533 3200 • Fax: +91-11-4533 3238

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

**CATALYST**  
Believe in yourself... Trust us!



1410/CL/MUM/20-21/DEB/269  
August 11, 2020

Satia Creditcare Network Limited  
Plot No 97, Sector – 44, First Floor,  
Institutional Area,  
Gurugram – 122003

Dear Sir,

Consent to act as Trustee for Listed, Secured, Rated, Non-Convertible Debentures in a Principal amount equivalent up to INR 50 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the, Listed, Secured, Rated, Non-Convertible Debentures in a principal amount equivalent up to INR 50 crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Acceptance fees: Rs. 1,00,000/- plus applicable taxes (one-time, non-refundable payable on appointment as trustee).

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Yours faithfully,  
For Catalyst Trusteeship Limited

Authorized Signatory

We accept the above terms  
For Satia Creditcare Network Limited

Authorized Signatory



**NOTE:** As per GST guidelines, CTL would be required to pay the applicable Service Tax on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

CATALYST TRUSTEESHIP LIMITED (FORMERLY COA TRUSTEESHIP LIMITED)

An ISO:9001 Company

Mumbai Office Wndcor. 6<sup>th</sup> Floor, Office No. 604, D.E.T. Road, Kallina, Santacruz (East), Mumbai 400 998 Tel: +91 (022) 4922 0555 Fax: +91 (022) 4922 0505  
Regd. Office COA House, Plot No. 85, Bhamburda Colony (Right), Paud Road, Pune 411 036 Tel: +91 (020) 23280081 Fax: +91 (020) 23280275  
Delhi Office Office No. 810, 8th Floor, Kalbahi Building, 28, Kasturba Gandhi Marg, New Delhi - 110001 Tel: +91 450 297 01 02.  
CIN No. U74899PN1997PLC070262 Email: dtg@ctrustee.com Website: www.catalysttrustee.com  
Pune | Mumbai | Bengaluru | Delhi | Chennai



1410/CL/MUM/20-21/DEB/269  
August 11, 2020

Satin Creditcare Network Limited  
Plot No 97, Sector - 44, First Floor,  
Institutional Area,  
Gurugram - 122003

Dear Sir,

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This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the, Listed, Secured, Rated, Non-Convertible Debentures in a principal amount equivalent up to INR 50 crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Acceptance fees: Rs. 1,00,000/- plus applicable taxes (one-time, non-refundable payable on appointment as trustee).

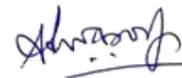
All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Yours faithfully,  
For Catalyst Trusteeship Limited



Authorized Signatory

We accept the above terms  
For Satin Creditcare Network Limited



Authorized Signatory



**NOTE: As per GST guidelines, CTL would be required to pay the applicable Service Tax on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.**



**ANNEXURE IV**  
**BOARD RESOLUTIONS AND WORKING COMMITTEE RESOLUTION**



**SATIN CREDITCARE NETWORK LTD.**

*Reaching out!*

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE WORKING COMMITTEE OF THE BOARD OF DIRECTORS ("COMMITTEE") OF SATIN CREDITCARE NETWORK LIMITED ("COMPANY") HELD ON WEDNESDAY, AUGUST 12, 2020 AT ITS REGISTERED OFFICE AT 5TH FLOOR, KUNDAN BHAWAN AZADPUR, COMMERCIAL COMPLEX, AZADPUR DELHI-110033**

**ISSUANCE OF NON-CONVERTIBLE DEBENTURES**

**"RESOLVED THAT** pursuant to the meetings of the Board of Directors ("Board") of the Company dated May 15, 2020 and June 15, 2020, and Sections 42, 71 and 179(3)(c) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and rules & regulations made thereunder ("Act"), if any (including any statutory modification or re-enactment thereof for the time being in force), the applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and also subject to approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities and pursuant to the relevant provisions of the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "Stock Exchanges") where the securities of the Company may be listed, and pursuant to the resolutions passed by the shareholders of the Company in its 29<sup>th</sup> Annual General Meeting & 30<sup>th</sup> Annual General Meeting of the Company duly held on July 06, 2019 and August 05, 2020, respectively, the Committee hereby approves the issuance of, and the Company be and is hereby authorised to:

- (a) issue upto 500 (Five Hundred) rated, listed, senior, secured, redeemable, taxable, non-convertible debentures, of a face value of INR 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating upto an aggregate face value of INR 50,00,00,000/- (Indian Rupees Fifty Crore) ("Debentures"), for cash, at par, in dematerialised form on a private placement basis, at an interest rate of 10.25% (Ten Decimal Two Five percent) per annum or such other interest rate as may be agreed, payable annually or at such other interest period as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for a period of up to 18 (Eighteen) months or such other period as may be agreed, on a private placement basis to Union Bank of India (being the identified person for the purposes of Section 42 of the Act) (the "Investors") for meeting/fulfilling the funding requirements of the Company for on-lending to its underlying borrowers/clients, and for such other purposes as may be agreed, including pursuant to, *inter alia*, the scheme dated May 20, 2020 on "Extended Partial Credit Guarantee Scheme" bearing reference number F. no. 17/36/2019-IF-I issued by the Department of Financial Services, Ministry of Finance, Government of India ("PCG Scheme"); and
- (b) secure the amounts to be raised pursuant to the issue of Debentures together with all interest and other charges thereon to be secured (up to such limits and security cover, and within such timelines as may be agreed) by one or more of the following (i) hypothecation of certain identified loans/book debts (and/or other assets) of the Company, and/or (ii) such other security or contractual comfort (including any guarantee from the Government of India pursuant to the PCG Scheme) as may be required in terms of the issuance of the Debentures (the "Security").

**RESOLVED FURTHER THAT** Mr. Harvinder Pal Singh, Chairman cum Managing Director, Mr. Adhish Swaroop, Company Secretary & Compliance Officer, Ms. Urvashi Tyagi, Head – Finance, Mr. Manish Kumar Mittal, AVP - Finance, Mr. Deepak Sharma, Sr. Manager - Finance and Ms. Surbhi Dhingra, Assistant Manager – Finance of the Company (collectively, the "Authorised Persons") be and are hereby severally authorised to do all such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures, including, without limitation the following:

- (a) seeking, if required, any approval, consent or waiver from any/all concerned government and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;
- (b) deciding, negotiating and finalizing the terms in respect of the issue, offer and allotment of the Debentures, including the price, coupon, face value, tenor, issue opening date, issue closing date and all other related matters;
- (c) executing the term sheet in relation to the Debentures;
- (d) seeking the listing of any of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;

**Corporate Office:**  
1st and 3rd Floor, Plot No 97,  
Sector-44, Gurugram - 122003  
Haryana, India

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

**CIN** : L65991DL1990PLC041796  
**Landline No** : 0124-4715400  
**E-Mail ID** : [info@satincreditcare.com](mailto:info@satincreditcare.com)  
**Website** : [www.satincreditcare.com](http://www.satincreditcare.com)

- (e) issuing the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect, and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider";
- (f) taking such steps and performing such actions (including providing information) as may be required to enable the holders of the Debentures to procure the guarantee from the Government of India under the PCG Scheme;
- (g) approving the debt disclosure document/information memorandum and the private placement offer cum application letter (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (h) finalising the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and share transfer agent, a credit rating agency (if so required), legal counsel, a depository and such other intermediaries as may be required including their successors and their agents;
- (i) finalising the terms of the the issue, offer and allotment of the Debentures;
- (j) entering into arrangements with the depository in connection with the issue of Debentures in dematerialised form;
- (k) creating and perfecting the Security as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures;
- (l) finalising the date of allocation and the deemed date of allotment of the Debentures;
- (m) negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and deal with regulatory authorities in connection with the issue, offer and allotment of the Debentures including but not limited to the RBI, SEBI (if so required), the jurisdictional registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and such other authorities as may be required;
- (n) to execute all documents, file forms with the jurisdictional registrar of companies, the Ministry of Corporate Affairs, Central Registry of Securitisation Asset Reconstruction and Security Interest, any Stock Exchange (if so required) or any depository;
- (o) sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;
- (p) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and / or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):
  - (i) debt disclosure document/information memorandum and the private placement offer cum application letter for the issue, offer and allotment of the Debentures (the "Disclosure Document");
  - (ii) debenture certificate for the Debentures;
  - (iii) debenture trust deed, debenture trustee agreement, deed of hypothecation and any other documents required in respect of the creation of security interest over the Company's movable properties, or providing of any contractual comfort (including any guarantee from the Government of India pursuant to the PCG Scheme), or the issue, offer and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto (collectively, the "Transaction Documents");
  - (iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

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Haryana, India

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Azadpur Commercial Complex,  
Azadpur, New Delhi - 110033, India

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

- (v) any other document designated as a Transaction Document by the debenture trustee;
- (q) do all acts necessary for the issue, offer and allotment of the Debentures in accordance with the terms set out in the Disclosure Document and the Transaction Documents;
- (r) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to (a) to (q) above, and to give such directions as it deems fit or as may be necessary or desirable with regard to the issue, offer and allotment of the Debentures; and
- (s) to do all such acts, deeds and things as the Authorised Persons may deem necessary or desirable in connection with the issue, offer and allotment of the Debentures.

**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to delegate the powers as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue of the Debentures.

**RESOLVED FURTHER THAT** any of the Authorised Persons of the Company be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and other relevant governmental authorities.

**RESOLVED FURTHER THAT** any of the Authorised Persons of the Company be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and acts as may be required to give effect to the issue, offer and allotment of the Debentures.

**RESOLVED FURTHER THAT** the Authorised Persons of the Company be and are hereby severally authorised to open bank account(s) with such bank(s) in India as may be required in connection with the issue, offer and allotment of the Debentures and that the Authorised Persons be and are hereby severally authorised to sign and execute the application form and other documents required for opening the said account(s), to operate such account(s), and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that such bank(s) be and is/are hereby authorised to honour all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid Authorised Persons on behalf of the Company.

**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to pay all stamp duty and related charges required to be paid for the issue, offer and allotment of the Debentures, including through any intermediaries such as the Stock Exchanges, clearing corporations or any depositories that may be authorised in this regard, in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities.

**RESOLVED FURTHER THAT** the Authorised Persons of the Company be and are hereby severally authorised to appoint Catalyst Trusteeship Limited, or any other qualified Agency as a debenture trustee ("Debenture Trustee") for the issue, offer and allotment of the Debentures.

**RESOLVED FURTHER THAT** the approval of the Committee be and is hereby given to the Company to appoint CARE Ratings Limited, being rating agencies registered with the SEBI, for obtaining the rating(s) in respect of the issue, offer and allotment of the Debentures.

**RESOLVED FURTHER THAT** any of the Authorised Persons of the Company, be and are hereby severally authorised to appoint KFin Technologies Private Limited as the registrar and share transfer agent for the issue of the Debentures;

**RESOLVED FURTHER THAT** the Authorised Persons of the Company be and are hereby severally authorized to negotiate, finalise and execute or ratify on behalf of the Company, the Transaction Documents, the Disclosure Documents and to do all such acts, deeds and things as may be necessary or expedient to implement the aforementioned resolutions and to do and execute all acts and deeds as may be required by the Debenture Trustee in connection with the Debentures.

**RESOLVED FURTHER THAT** the Authorised Persons of the Company be and are hereby severally authorised to get Company and the Debentures admitted to the National Securities Depository Limited and/or Central Depository Services (India) Limited and to execute or ratify the necessary or requisite agreement(s) with those depositories and the registrar and transfer agent and any

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other agreements, undertakings or other writings required for the issue, offer and allotment of the Debentures in dematerialised form and to negotiate, finalise and execute any documents in such respect and/or to ratify the same.

**RESOLVED FURTHER THAT** the Authorised Persons of the Company be and are hereby severally authorized to negotiate, finalise and execute or ratify amendments to such executed documents and other documents as and when they become necessary and to sign letters of undertaking, declarations, agreements and other papers which may be required.

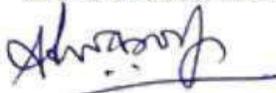
**RESOLVED FURTHER THAT** any of the Authorised Persons of the Company be and are hereby severally authorized to do all such acts, deeds, things and execute or ratify all such documents whatsoever as may be required in connection with the issue, offer and allotment of the Debentures including without limitation the opening of bank accounts, opening of demat accounts, appointment of legal counsel, the registrar to the issue, the rating agency and other advisors as may be required and making payment of their fees.

**RESOLVED FURTHER THAT** all or any the above contracts, agreements, deeds, letters of intent, signed, executed or to be executed, appointment of various agencies/intermediaries such as, Debenture Trustee, registrar and share transfer agent, National Securities Depository Limited and/or Central Depository Services (India) Limited, CARE Ratings Limited and any other actions here to before undertaken and performed in connection with the issue, offer and allotment of the Debentures on behalf of the Company by the Authorised Persons be and are hereby confirmed, ratified and approved.

**RESOLVED FURTHER THAT** the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of any director(s) of the Company and/or any Authorised Person and/or the Company Secretary of the Company who shall sign/ countersign the same in token thereof in accordance with the articles of association of the Company.

**RESOLVED FURTHER THAT** the aforesaid resolutions shall come into effect immediately and a copy of the foregoing resolutions certified to be a true copy by any of the Director or Company Secretary & Compliance Officer of the Company, may be furnished to such parties concerned with respect to the issue, offer and allotment of Debentures or whenever required."

Certified to be True Copy  
For Satin Creditcare Network Limited



Adhish Swaroop  
(Company Secretary & Compliance Officer)



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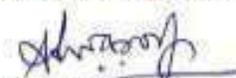
**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN SECOND MEETING OF BOARD OF DIRECTORS OF SATIN CREDITCARE NETWORK LIMITED FOR THE FINANCIAL YEAR 2020-21 HELD ON MONDAY, JUNE 15, 2020 THROUGH VIDEO CONFERENCING.**

**APPROVAL FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES**

**"RESOLVED THAT** in supersession of earlier resolution passed in this regard and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with Rule 14(2) and other applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the Securities Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Reserve Bank of India ('RBI') Master Directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any statutory/ regulatory authority, as may be applicable and the Memorandum and Articles of Association of the Company and subject to the consents, approvals, permissions and sanctions of the concerned statutory and regulatory authorities, if and to the extent necessary, the consent of Board of Directors of the Company be and is hereby accorded to issue/ offer/ invite for subscription and allotment of secured/ unsecured/ subordinated/ senior, rated/ unrated, listed/unlisted, perpetual or non-perpetual, redeemable (including marked linked debentures), Non-Convertible Debentures ("NCDs") by way of private placement, in one or more tranches, from time to time, to any category of investors eligible to invest in the NCDs, aggregating upto INR 5,000 Crore (Rupees Five 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, foreign portfolio investor(s), overseas fund(s), statutory corporation(s), commercial bank(s), domestic and multilateral lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), alternative investment funds, pension/ provident funds, family office(s), and individual(s), as the case may be or such other person/ persons/ investors as the Board may so decide/ approve in its absolute discretion, for a period of one year or for such other period as permissible under applicable laws, from the date of approval of the Members of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Working Committee of the Company be and are hereby authorised to determine the terms of issue of NCDs including but not limited to determining size, issue price, timing, tenure, interest rate of NCDs, listing of NCDs, if required, creation of security, utilization of the issue proceeds, appointment of debenture trustee(s), Registrar and Transfer Agent, Legal Counsel and other agency(ies) and to do all necessary acts and things and to execute all deeds, documents, instruments, papers and writings as may be required and to settle all questions, difficulties or doubts that may arise in this regard in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Committee of the Board, Director(s) and/ or officer(s) of the Company."

Certified to be true copy  
For Satin Creditcare Network Limited



**Adhish Swaroop**  
(Company Secretary & Compliance Officer)



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**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE FIRST MEETING OF THE BOARD OF DIRECTORS OF SATIN CREDITCARE NETWORK LIMITED FOR THE FINANCIAL YEAR 2020-21 HELD ON FRIDAY, MAY 15, 2020 THROUGH VIDEO CONFERENCING**

**CONSIDERATION, DISCUSSION AND APPROVAL OF THE REVISION IN THE COMPOSITION, SCOPE AND FUNCTIONS OF WORKING COMMITTEE OF THE COMPANY**

“RESOLVED THAT in suppression of all earlier resolution(s) passed in this regard, the consent of the Board of Directors of the Company be and is hereby accorded to revise the composition of ‘Working Committee’, with the following Directors/officials:

| Sl. No. | Category/Designation of Directors/ Officials of the Company who is eligible to become member | Current Name of Members | Designation                |
|---------|--|-------------------------|----------------------------|
| 1.      | Chairman cum Managing Director   | Mr. H P Singh           | Chairman                   |
| 2.      | Promoter, Non-Executive Director   | Mr. Satvinder Singh     | Member                     |
| 3.      | Group Controller   | Mr. Jugal Kataria       | Member                     |
| 4.      | Chief Financial Officer  | Mr. Krishan Gopal       | Member                     |
| 5.      | Head – Accounts  | Mr. Amit Kumar Gupta    | Member                     |
| 6.      | Head – Finance   | Mrs. Urvashi Tyagi      | Member                     |
| 7.      | Company Secretary & Compliance Officer   | Mr. Adhish Swaroop      | Secretary to the Committee |

RESOLVED FURTHER THAT the Working Committee shall meet as often as required and the quorum for the meeting shall be any three members or such other number as determined by Chairman of the Working Committee.

RESOLVED FURTHER THAT pursuant to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and RBI Guidelines (to the extent of its applicability) and applicable provisions of the Companies Act, 2013 and in suppression of earlier resolution(s) passed in this regard, ‘scope and function’ of Working Committee of the Company as placed hereunder before the Board be and is hereby considered, discussed and approved:

**Scope and Function of Working Committee:**

- Accepting Loan from various Banks/Financial Institutions/entity both domestic and foreign;
- Transaction related to securitization/ assignment and External Commercial Borrowings/ issuance of Non-Convertible Debentures and through any other way as stipulated and permissible under laws;
- Raising of funds through issuance of Commercial Papers upto face value of INR 1,000 Crore (within overall borrowing limit as approved by members of the Company from time to time in terms of Section 180(1)(c) of the Companies Act, 2013;
- To invest the funds of the Company to the extent permissible under applicable laws;

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- v. To open/apply for placing fixed deposit with any Bank/financial institutions/Non-Banking Financial Companies, to the extent permissible under applicable laws;
- vi. To grant loans or give guarantee or provide security in respect of loans to the extent permissible under applicable laws;
- vii. To open demat/trading account with any depository participant(s) and to do all necessary needful in this regard;
- viii. Pledge, Mortgage and/or Charge in all or any part of the movable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever;
- ix. Allotment of Securities to the extent permissible under the Companies Act, 2013 and other applicable laws;
- x. Affixation of common seal in terms of Articles of Association of the Company, wherever required to facilitate transactions;
- xi. Opening of Current Accounts at different places in India;
- xii. Any changes in authorised signatories who operate such accounts;
- xiii. Apply for Net Banking and consequent changes in their authority to operate;
- xiv. Any closure of existing Current Account of the Company;
- xv. Any other matter relating to the operations of various bank accounts and other general purposes of the Company;
- xvi. To invest funds of the Company by way purchase of portfolio from other NBFC-MFI in compliance with applicable laws and Board approved policy in this regard;
- xvii. To undertake hedges (including and not limited to Interest Rate Swaps, Currency Swaps, Options (Vanilla & Cost Reduction, Forward Contracts) in relation to External Commercial Borrowings or other Foreign Currency Borrowings;
- xviii. Adoption/ implementation of Company's policies, business/ operations/ administrative/ compliance requirement to run the business smoothly on the day to day basis; and
- xix. Any other general purpose related to grant authorization to perform day to day affairs of the Company.

**RESOLVED FURTHER THAT** the Working Committee of the Company be and is hereby authorised to borrow for growing needs of business with various Banks/Financial Institutions/entities both domestic and international with any one lender in one or more tranches from time to time without any limit and upto the limit as granted to the Board by members of the Company from time to time pursuant to Section 180(1)(c) of the Companies Act, 2013 as amended from time to time.

**RESOLVED FURTHER THAT** the Working Committee of the Company be and is hereby further authorized to pledge, mortgage and/or charge in 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 floating charge in 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 upto the limit as granted to the Board by members of the Company from time to time pursuant to Section 180(1)(a) of the Companies Act, 2013.

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**RESOLVED FURTHER THAT** subject to applicable laws, the Working Committee be and is hereby further authorized to give power to any Director, official/employee or any other person to execute the necessary documents in this regard on behalf of the Company.

**RESOLVED FURTHER THAT** copy of the foregoing resolution certified to be true under the hands of any Director or Company Secretary & Compliance Officer of the Company for the time being in office be submitted to all those who may need the same for the purpose of their reference, record and acting in accordance therewith.”

Certified to be true copy  
For and on behalf of  
Satin Creditcare Network Limited

Adhish Swaroop  
(Company Secretary & Compliance Officer)



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**ANNEXURE V**  
**Certified copy of Shareholders resolution**



**SATIN CREDITCARE NETWORK LTD.**

*Reaching out!*

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE THIRTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE SATIN CREDITCARE NETWORK LIMITED HELD ON WEDNESDAY AUGUST 5, 2020 AT 10:30 A.M THROUGH VIDEO CONFERENCING**

**TO ISSUE NON-CONVERTIBLE DEBENTURES (NCDs), IN ONE OR MORE SERIES / TRANCHES ON PRIVATE PLACEMENT BASIS**

“RESOLVED THAT in supersession of the earlier Special Resolution passed at the 29<sup>th</sup> Annual General Meeting held on July 6, 2019 and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the Securities Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Reserve Bank of India (‘RBI’) Master Directions on Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any statutory / regulatory authority, as may be applicable and the memorandum and articles of association of the Company and subject to the consents, approvals, permissions and sanctions of the concerned statutory and regulatory authorities, if and to the extent necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to issue/offer/invite for subscription and allotment of secured / unsecured / subordinated / senior, rated / unrated, listed / unlisted, perpetual or non-perpetual, redeemable (including marked linked debentures), Non-Convertible Debentures (“NCDs”) by way of private placement, in one or more tranches, from time to time, to any category of investors eligible to invest in the NCDs, aggregating upto INR 5,000 Crore (Rupees Five 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, foreign portfolio investor(s), overseas fund(s), statutory corporation(s), commercial bank(s), domestic and multilateral lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), alternative investment funds, pension/provident funds, family office(s), and individual(s), as the case may be or such other person/persons/investors as the Board may so decide/approve in its absolute discretion, for a period of one year or for such other period as permissible under applicable laws, from the date of approval of this resolution by the members.

RESOLVED FURTHER THAT the Board be and is hereby Authorized to determine the terms of issue of NCDs including but not limited to determining size, issue price, timing, tenure, interest rate of NCDs, listing of NCDs, if required, creation of security, utilization of the issue proceeds, appointment of debenture trustee(s), Registrar and Transfer Agent, Legal Counsel and other agency(ies) and to do all necessary acts and things and to execute all deeds, documents, instruments, papers and writings as may be required and to settle all questions, difficulties or doubts that may arise in this regard in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any committee of the Board, Director(s) and / or officer(s) of the Company.”

**Certified True Copy**

**For Satin Creditcare Network Limited**

**Company Secretary & Compliance officer**

**Place : Delhi**

**Date : August 5, 2020**



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**Website :** www.satincreditcare.com



Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Prospectus and Allotment Rules") deals with private placement of securities by a company. Rule 14(1) of the Prospectus and Allotment Rules prescribes that in case of an offer or invitation to subscribe to securities, the Company shall obtain previous approval of its shareholders/members ("Members") by means of a special resolution. Rule 14(1) of the Prospectus and Allotment Rules further prescribes that in case of offer or invitation for Non-Convertible Debentures ("NCDs"), where the proposed amount to be raised through such offer or invitation exceeds the limit as specified in Section 180(1)(c) of the Companies Act, 2013, it shall be sufficient to obtain such previous approval only once in a year for all the offers or invitations for such NCDs issued during a period of one year from the date of passing of the aforementioned special resolution.

In order to augment resources for on-lending by the Company, repayment/refinance of existing debt, working capital requirement, purchase of assets, investments, general corporate purposes, and for any other purposes, the Company may invite subscription for secured / unsecured / subordinated / senior, rated / unrated, listed / unlisted, perpetual or non-perpetual, redeemable (including market linked 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 various factors including the interest rate / effective yield determined, based on market conditions prevailing at the time of the issue(s).

Pursuant to Rule 14(1) of the Prospectus and Allotment Rules, the following disclosures are being made by the Company to the Members:

|   |   |
|---|---|
| <b>PARTICULARS OF THE OFFER INCLUDING DATE OF PASSING BOARD RESOLUTION</b>              | Rule 14(1) of the Prospectus and Allotment Rules, prescribes that where the proposed amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed under Section 180(1)(c) of the Companies Act, 2013, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such NCDs during such year.<br>In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs (whether secured/unsecured/subordinated/senior, rated/unrated, listed/unlisted, perpetual or non-perpetual, redeemable (including market linked debentures) NCDs) shall be decided from time to time, within the period of one year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date of the relevant Board resolution shall be mentioned/disclosed in the private placement offer cum application letter for each offer/issue of NCDs. |
| <b>KINDS OF SECURITIES OFFERED AND THE PRICE AT WHICH THE SECURITY IS BEING OFFERED</b> | Non-convertible debt instruments / NCDs.<br>The non-convertible debt instruments / NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.   |



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|   |  |
|---|--|
| <b>BASIS OR JUSTIFICATION FOR THE PRICE (INCLUDING PREMIUM, IF ANY) AT WHICH THE OFFER OR INVITATION IS BEING MADE</b>  | Not applicable, as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments/NCDs which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board, in discussions with the relevant investor(s).   |
| <b>NAME AND ADDRESS OF VALUER WHO PERFORMED VALUATION</b>   | Not applicable as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments / NCDs.  |
| <b>AMOUNT WHICH THE COMPANY INTENDS TO RAISE BY WAY OF SECURITIES</b>   | The specific terms of each offer/issue of NCDs shall be decided from time to time, within the period of one year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued within the period of 1 (one) year from the date of passing of the aforementioned shareholders resolution shall not exceed in the aggregate, the limit specified in the resolution under Section 42 of the Companies Act, 2013 i.e. upto INR. 5,000 crore. |
| <b>MATERIAL TERMS OF RAISING OF SECURITIES, PROPOSED TIME SCHEDULE, PURPOSES OR OBJECTS OF OFFER, CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF OBJECTS; PRINCIPLE TERMS OF ASSETS CHARGED AS SECURITIES.</b> | The material / specific terms of each offer/issue of NCDs and the other information being sought herein shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in the respective transaction documents executed in respect of each offer/issue.   |

Accordingly, consent of the Members is sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board to issue such NCDs during the year on private placement basis up to INR. 5,000 Crore (Indian Rupees Five Thousand Crore only) as stipulated above, in one or more series / tranches on private placement basis.

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

**Certified to be true copy**

**For Satin Creditcare Network Limited**



**Adhish Swaroop**

**(Company Secretary & Compliance Officer)**

**M. No.: A16034**

**Address: A-27, Guru Nanak Pura,**

**Laxmi Nagar, Delhi - 110092, India**

**Corporate Office :**  
1st, 3rd Floor, Plot No 97,  
Sector-44, Gurugram - 122003  
Haryana, India

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

**CIN** : 165991DL1990PLC041796  
**Landline No** : 124 - 4715400  
**E-Mail ID** : info@satincare.com  
**Website** : www.satincare.com



**CERTIFIED TRUE COPY OF THE RESOLUTIONS PASSED IN THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE SATIN CREDITCARE NETWORK LIMITED HELD ON SATURDAY, JULY 06, 2019 AT 10:30 A.M. AT "LITTLE THEATRE GROUP AUDITORIUM, 1, COPERNICUS MARG, NEW DELHI-110001"**

**1. 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**

"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 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. 15,000 Crore (Rupees Fifteen 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."

**2. TO INCREASE THE BORROWING POWER OF BOARD OF DIRECTORS UNDER SECTION 180(1) (c) OF THE COMPANIES ACT, 2013.**

"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 capital of the company, 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. 15,000 Crore (Rupees Fifteen 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."

Certified True Copy  
For Satin Creditcare Network Limited

Adhish Swaroop  
(Company Secretary & Compliance officer)



**Corporate Office:**  
1st and 3rd Floor, Plot No 97,  
Sector-44, Gurugram - 122003  
Haryana, India

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

**CIN** : L65991DL1990PLC041796  
**Landline No** : 0124-4715400  
**E-Mail ID** : [info@satincreditcare.com](mailto:info@satincreditcare.com)  
**Website** : [www.satincreditcare.com](http://www.satincreditcare.com)

**ANNEXURE VI: APPLICATION FORM**

**SATIN CREDITARE NETWORK LIMITED**

**CIN: L65991DL1990PLC041796**

A Public Limited Company incorporated under the Companies Act, 1956

**Date of Incorporation:** 16<sup>th</sup> October, 1990

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

**Telephone No.:** +91-11 4754 5000

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

|   |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|
| <b>DEBENTURE SERIES APPLICATION FORM SERIAL NO.</b> |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|

**ISSUE OF UPTO 500 (FIVE HUNDRED) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000 EACH, AGGREGATING UP TO INR 50,00,00,000 ON A PRIVATE PLACEMENT BASIS (THE "ISSUE").**

|                                      |   |
|--------------------------------------|---|
| <b>DEBENTURE SERIES APPLIED FOR:</b> |   |
| <b>[Number of Debentures [500]</b>   | <b>In words [Five Hundred]</b>            |
| <b>Amount INR [50,00,00,000]</b>     | <b>In words Rupees [Fifty Crore Only]</b> |

|   |
|---|
| <b>DETAILS OF PAYMENT:</b>  |
| RTGS<br>No. _____ Drawn on _____  |
| Funds transferred to <b>the account referred under the heading "Instructions" below</b><br>Dated 18/08/2020 |
| <b>Total Amount Enclosed</b><br><b>(In Figures) INR 50,00,00,000/- (In words) Fifty Crore Only</b>          |

**APPLICANT'S NAME IN FULL SPECIMEN SIGNATURE (CAPITALS)**

|                            |  |
|----------------------------|--|
| <b>Union Bank of India</b> |  |
|----------------------------|--|

**APPLICANT'S ADDRESS**

|                |  |
|----------------|--|
| <b>ADDRESS</b> |  |
| <b>STREET</b>  |  |
| <b>CITY</b>    |  |

|            |  |              |   |            |  |
|------------|--|--------------|---|------------|--|
| <b>PIN</b> |  | <b>PHONE</b> | + | <b>FAX</b> |  |
|------------|--|--------------|---|------------|--|

APPLICANT'S PAN/GIR NO.  
IT CIRCLE/WARD/DISTRICT .....

**WE ARE (x) COMPANY ( ) OTHERS ( ) SPECIFY**

We have read and understood the Terms and Conditions of the issue of Debentures including the risk factors described in the Private Placement Offer cum Application Letter and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

| <b>Name of the Authorised Signatory(ies)</b> | <b>Designation</b> | <b>Signature</b> |
|--|--------------------|------------------|
|  |                    |                  |
|  |                    |                  |
|  |                    |                  |

Applicant's Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

|                                    |                          |
|------------------------------------|--------------------------|
| <b>DEPOSITORY</b>                  | <b>NSDL ( ) CDSL ( )</b> |
| <b>DEPOSITORY PARTICIPANT NAME</b> |                          |
| <b>DP-ID</b>                       |                          |
| <b>BENEFICIARY ACCOUNT NUMBER</b>  |                          |
| <b>NAME OF THE APPLICANT(S)</b>    |                          |

|   |  |
|---|--|
| <b>Applicant Bank Account:</b><br><br>(Settlement by way of Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms) | Beneficiary Bank Name:<br>Account No:<br>IFSC Code/ BENEFICIARY BANK SWIFT:<br>Branch: |
|---|--|

|   |
|---|
| <b>FOR OFFICE USE ONLY</b>              |
| DATE OF RECEIPT ..... DATE OF CLEARANCE |
| .....                                   |

*(Note: Cheque and Drafts are subject to realisation)*

We understand and confirm that the information provided in the Private Placement Offer cum Application Letter is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: (i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures; (ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant; and (iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

Applicant's Signature

|                       |      |    |           |
|-----------------------|------|----|-----------|
| FOR OFFICE USE ONLY   |      |    |           |
| DATE OF RECEIPT ..... | DATE | OF | CLEARANCE |
| .....                 |      |    |           |

*(Note : Cheque and Drafts are subject to realisation)*

.....(TEAR HERE).....

**- ACKNOWLEDGMENT SLIP**

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| <i>(To be filled in by Applicant)</i> SERIAL NO. |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

Received from Union Bank of India

|  |                 |
|--|-----------------|
| Address  |                 |
| .....  |                 |
| ...  |                 |
| .....  |                 |
| Cheque/Draft/UTR                                       | #..... Drawn on |
| ..... for INR 50,00,00,000/- on account of application |                 |
| of 500 Debenture                                       |                 |

## **INSTRUCTIONS**

1. Application form must be completed in full, IN ENGLISH.
2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.
3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made only to the following account of ICCL, in accordance with the terms of the EBP Guidelines:

|                     |                                  |
|---------------------|----------------------------------|
| Name of Bank        | ICICI Bank Limited               |
| IFSC Code           | ICIC0000423                      |
| Account number      | 042305001641                     |
| Name of beneficiary | Satin Creditcare Network Limited |

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than

- (a) for adjustment against allotment of securities; or
  - (b) for the repayment of monies where the company is unable to allot securities.
4. Receipt of applicants will be acknowledged by the Company in the “Acknowledgement Slip” appearing below the application form. No separate receipt will be issued.
  5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.
  6. The application would be accepted as per the terms of the Scheme outlined in the transaction documents for the private placement

**ANNEXURE VII: LAST 3 YEARS AUDITED FINANCIAL STATEMENTS**

| <b>Profit and Loss Statement (in INR Mn)</b>                                     | <b>For the period ended</b> | <b>For the period ended</b> | <b>For the period ended</b> |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>Consolidate Financials</b>  | <b>31.03.2020</b>           | <b>31.03.2019</b>           | <b>31.03.2018</b>           |
| Finance Operations - Interest Income   | 11,214.89                   | 12,037.23                   | 9,569.90                    |
| Other Finance Income (Treasury & Other Income)                                   | 1,173.89                    | 1,108.58                    | 742.53                      |
| Net gain on derecognition of financial instruments under amortized cost category | 2,645.54                    | 1,334.55                    | -                           |
| <b>Total Revenue from operations</b>   | <b>15,034.32</b>            | <b>14,480.37</b>            | <b>10,312.42</b>            |
| <b>II. Expenses</b>  |                             |                             |                             |
| Finance cost   | 5,860.90                    | 6,424.87                    | 5,340.57                    |
| Impairment on financial instruments  | 1,918.07                    | 524.21                      | 444.71                      |
| Employee benefit expenses  | 3,513.46                    | 3,054.78                    | 2,204.82                    |
| Depreciation and amortisation expense  | 175.37                      | 125.11                      | 147.43                      |
| Other expenses   | 1,450.26                    | 1,193.29                    | 1,016.28                    |
| <b>Total</b>   | <b>12,918.05</b>            | <b>11,322.27</b>            | <b>9,153.81</b>             |
|  |                             |                             |                             |
| Corporate Social Responsibility Expense  | 2.80                        | 8.58                        | 11.43                       |
| Profit before tax  | 2,116.27                    | 3,158.09                    | 1,158.61                    |
| Tax expense:   | (566.54)                    | -1,143.13                   | -410.57                     |
| <b>Profit after tax</b>  | <b>1,549.73</b>             | <b>2,014.96</b>             | <b>748.04</b>               |
|  |                             |                             |                             |
| <b>ASSETS</b>  |                             |                             |                             |
| <b>Financial Assets</b>  |                             |                             |                             |
| Cash and cash equivalents incl. Lien/un-Lien FD's & Liquid Investments           | 21,268.93                   | 20,227.09                   | 12,055.69                   |
| Derivative financial instruments   | 67.36                       | 18.7                        | -                           |
| Trade receivables  | 123.30                      | 123.76                      | 117.72                      |
| Loans  | 49,411.12                   | 45,486.25                   | 48,472.79                   |
| Investments  | -                           | -                           | 0.33                        |
| Other financial assets   | 252.19                      | 200.4                       | 328.79                      |
| <b>Total</b>   | <b>71,122.90</b>            | <b>66,056.20</b>            | <b>60,975.32</b>            |
| Current tax assets (net)   | 377.86                      | 83.43                       | 78.7                        |
| Deferred tax assets (net)  | -                           | 340.99                      | 926.06                      |
| Net Fixed Assets   | 1,280.87                    | 632.66                      | 574.95                      |
| Other non-financial assets   | 214.55                      | 414.16                      | 435.25                      |
| <b>Total</b>   | <b>1,873.28</b>             | <b>1,471.25</b>             | <b>2,014.96</b>             |
| <b>TOTAL ASSETS</b>  | <b>72,996.18</b>            | <b>67,527.44</b>            | <b>62,990.28</b>            |
|  |                             |                             |                             |

| <b>LIABILITIES AND EQUITY</b>           |                  |                  |                  |
|---|------------------|------------------|------------------|
| <b>LIABILITIES</b>                      |                  |                  |                  |
| Derivative financial instruments        | -                | -                | 11.76            |
| Trade payables                          | 96.60            | 18.81            | 168.1            |
| Other payables                          | 152.64           | 115.48           | 82.83            |
| Borrowings (other than debt securities) | 55,415.13        | 52,706.04        | 51,608.85        |
| Other financial liabilities             | 2,553.23         | 2,826.62         | 1,951.84         |
| <b>Total</b>                            | <b>58,217.60</b> | <b>55,666.96</b> | <b>53,823.37</b> |
| Deferred/Current tax liabilities (net)  | 72.79            | 117.86           | 91.44            |
| Provisions                              | 128.57           | 151.55           | 113.16           |
| Other non-financial liabilities         | 90.32            | 96.62            | 93.84            |
| <b>Total</b>                            | <b>291.68</b>    | <b>366.02</b>    | <b>298.43</b>    |
|   |                  |                  |                  |
| <b>EQUITY</b>                           |                  |                  |                  |
| Equity share capital                    | 517.13           | 485.31           | 472.69           |
| Other equity                            | 13,969.77        | 11,009.16        | 8,395.78         |
| <b>Total</b>                            | <b>14,486.89</b> | <b>11,494.46</b> | <b>8,868.47</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>     | <b>72,996.18</b> | <b>67,527.44</b> | <b>62,990.28</b> |

# ANNEXURE V: LAST 3 YEARS AUDITED FINANCIAL STATEMENTS

Safin Creditcare Network Limited  
 Standalone Balance Sheet as at March 31, 2018  
 (All amount in ₹ unless otherwise stated)

| Particulars   | Notes | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------|-------------------------|-------------------------|
| <b>Equity and liabilities</b>   |       |                         |                         |
| <b>(I) Shareholders' funds</b>  |       |                         |                         |
| (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             | -                       |
| <b>Total (I)</b>  |       | <b>10,950,615,703</b>   | <b>6,622,191,227</b>    |
| <b>(II) Non-current liabilities</b>   |       |                         |                         |
| (a) Long-term borrowings  | 6     | 21,571,105,950          | 20,201,207,181          |
| (b) Long-term provisions  | 7     | 277,577,821             | 263,256,169             |
| <b>Total (II)</b>   |       | <b>21,848,683,771</b>   | <b>20,464,463,350</b>   |
| <b>(III) Current liabilities</b>  |       |                         |                         |
| (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             |
| <b>Total (III)</b>  |       | <b>25,274,087,035</b>   | <b>20,401,874,061</b>   |
| <b>Total equity and liabilities (I+II+III)</b>  |       | <b>58,073,386,509</b>   | <b>47,488,528,638</b>   |
| <b>Assets</b>   |       |                         |                         |
| <b>(I) Non-current assets</b>   |       |                         |                         |
| (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           |
| (h) Other non-current assets  | 19    | 1,331,129,210           | 1,547,611,519           |
| <b>Total (I)</b>  |       | <b>19,277,879,596</b>   | <b>11,089,720,270</b>   |
| <b>(II) Current assets</b>  |       |                         |                         |
| (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             |
| <b>Total (II)</b>   |       | <b>38,795,506,913</b>   | <b>36,398,808,368</b>   |
| <b>Total assets (I+II)</b>  |       | <b>58,073,386,509</b>   | <b>47,488,528,638</b>   |

**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.

*Walker Chandniok & Co LLP*  
 For Walker Chandniok & Co LLP  
 Chartered Accountants

*Lalit Kumar*  
 Per Lalit Kumar  
 Partner



Place: Noida  
 Date: 30 May, 2018

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

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

*Satvinder Singh*  
 Satvinder Singh  
 (Director)  
 DIN-00332521

*Choudhary Runveer Krishnan*  
 Choudhary Runveer Krishnan  
 (Company Secretary and Compliance Officer)  
 FCS-7437

*Jugal Kataria*  
 Jugal Kataria  
 (Chief Financial Officer)

Place: Delhi  
 Date: May 30, 2018

Satin Creditcare Network Limited  
 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<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|-----------|--------------------------------------|--------------------------------------|
| <b>(I) Revenue</b>                              |           |                                      |                                      |
| Revenue from operations                         | 25        | 9,766,376,286                        | 7,766,665,358                        |
| <b>Total revenue (I)</b>                        |           | <b>9,766,376,286</b>                 | <b>7,766,665,358</b>                 |
| <b>(II) Expenses</b>                            |           |                                      |                                      |
| 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                        |
| <b>Total expenses (II)</b>                      |           | <b>9,730,401,982</b>                 | <b>7,394,651,909</b>                 |
| <b>Profit before tax</b>                        |           | <b>35,974,304</b>                    | <b>372,013,449</b>                   |
| <b>Tax expense:</b>                             |           |                                      |                                      |
| Current tax                                     |           | 147,895,010                          | 266,390,690                          |
| Deferred tax charge/ (credit)                   |           | (152,184,470)                        | (139,369,291)                        |
| <b>Total tax expenses</b>                       |           | <b>(4,289,460)</b>                   | <b>127,021,399</b>                   |
| <b>Profit for the year</b>                      |           | <b>40,263,764</b>                    | <b>244,992,050</b>                   |
| <b>Earning per share (Face value ₹ 10 each)</b> | 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.

*Walker Chandniok & Co LLP*  
 For Walker Chandniok & Co LLP  
 Chartered Accountants

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

*Lalit Kumar*

Per Lalit Kumar  
 Partner

*HP Singh*

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

*Satvinder Singh*

Satvinder Singh  
 (Director)  
 DIN: 00332521

*Choudhary Runveer Krishanan*

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

*Jugal Kataria*

Jugal Kataria  
 (Chief Financial Officer)

Place: Noida  
 Date: 30 May, 2018



Place: Delhi  
 Date: May 30, 2018

Satin Creditcare Network Limited  
**Cash Flow Statement for the year ended March 31, 2018**  
 (All amount in ₹ unless otherwise stated)

| Particulars   | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash flow from operating activities</b>   |                                      |                                      |
| Profit before tax   | 35,974,304                           | 372,013,449                          |
| <b>Adjustment for :</b>   |                                      |                                      |
| 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                            |
| <b>Operating profit before working capital changes</b>  | <b>2,375,303,252</b>                 | <b>940,917,474</b>                   |
| (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)                        |
| <b>Cash used for operations</b>   | <b>(12,708,407,604)</b>              | <b>(9,263,542,552)</b>               |
| Income tax paid (net of refunds)  | (51,889,409)                         | (266,390,690)                        |
| <b>Net cash used in operating activities</b>  | <b>(12,760,297,013)</b>              | <b>(9,529,933,242)</b>               |
| <b>B. Cash flow from investing activities</b>   |                                      |                                      |
| 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)                        |
| <b>Net cash used in investing activities</b>  | <b>(465,300,286)</b>                 | <b>(842,979,251)</b>                 |
| <b>C. Cash flow from financing activities</b>   |                                      |                                      |
| 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                       | 27,162,444,099                       |
| 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)                         | -                                    |
| <b>Net cash generated from financing activities</b>   | <b>9,685,643,996</b>                 | <b>14,202,308,237</b>                |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>  | <b>(3,539,953,303)</b>               | <b>3,829,395,744</b>                 |
| <b>Cash and cash equivalents as at April 01, 2017</b>   | <b>6,513,018,777</b>                 | <b>2,683,623,033</b>                 |
| <b>Cash and cash equivalents as at March 31, 2018</b>   | <b>2,973,065,474</b>                 | <b>6,513,018,777</b>                 |
| <b>Cash and cash equivalents comprises off</b>  |                                      |                                      |
| 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                        |
|   | <b>2,973,065,474</b>                 | <b>6,513,018,777</b>                 |

**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.

*Walker Chandni & Co*

For Walker Chandniok & Co LLP  
 Chartered Accountants

*Chaitanya*

Per Lalit Kumar  
 Partner

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

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

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

*Satvinder Singh*

Satvinder Singh  
 (Director)  
 DIN: 00332521

*Jugal Kataria*

Jugal Kataria  
 (Chief Financial Officer)

Place : Noida  
 Date : 30 May, 2018



Place : Delhi  
 Date : May 30, 2018

**Satin Creditcare Network Limited**  
**Consolidated Balance Sheet as at March 31, 2018**  
 (All amount in ₹ unless otherwise stated)

| Particulars   | Notes | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------|-------------------------|-------------------------|
| <b>Equity and liabilities</b>   |       |                         |                         |
| <b>(I) Shareholders' funds</b>  |       |                         |                         |
| (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             | -                       |
| <b>Total (I)</b>  |       | <b>10,887,199,778</b>   | <b>6,625,934,422</b>    |
| <b>(II) Minority interest</b>   |       | <b>21,317,856</b>       | <b>22,801,654</b>       |
| <b>(III) Non-current liabilities</b>  |       |                         |                         |
| (a) Long-term borrowings  | 6     | 21,616,707,710          | 20,233,296,843          |
| (b) Long-term provisions  | 7     | 287,749,637             | 272,861,320             |
| <b>Total (III)</b>  |       | <b>21,904,457,347</b>   | <b>20,506,158,163</b>   |
| <b>(IV) Current liabilities</b>   |       |                         |                         |
| (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             |
| <b>Total (IV)</b>   |       | <b>25,626,188,714</b>   | <b>20,622,004,389</b>   |
| <b>Total equity and liabilities (I+II+III+IV)</b>   |       | <b>58,439,163,695</b>   | <b>47,776,898,628</b>   |
| <b>Assets</b>   |       |                         |                         |
| <b>(I) Non-current assets</b>   |       |                         |                         |
| (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           |
| <b>Total (I)</b>  |       | <b>19,094,156,622</b>   | <b>11,031,522,109</b>   |
| <b>(II) Current assets</b>  |       |                         |                         |
| (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             |
| <b>Total (II)</b>   |       | <b>39,345,007,073</b>   | <b>36,745,376,519</b>   |
| <b>Total assets (I+II)</b>  |       | <b>58,439,163,695</b>   | <b>47,776,898,628</b>   |

**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.

*Walker Chandniok & Co*  
 For Walker Chandniok & Co LLP

Chartered Accountants

Per Lalit Kumar  
 Partner



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

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

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

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

*Satvinder Singh*  
 Satvinder Singh  
 (Director)  
 DIN: 00332521

*Jugal Kataria*  
 Jugal Kataria  
 (Chief Financial Officer)

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

**Satin Creditcare Network Limited**  
**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<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|-----------|--------------------------------------|--------------------------------------|
| <b>(I) Revenue</b>                              |           |                                      |                                      |
| Revenue from operations                         | 25        | 10,309,002,267                       | 8,010,485,016                        |
| Other income                                    | 26        | 5,221,565                            | 4,183,327                            |
| <b>Total revenue (I)</b>                        |           | <b>10,314,223,832</b>                | <b>8,014,668,343</b>                 |
| <b>(II) Expenses</b>                            |           |                                      |                                      |
| 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                        |
| <b>Total expenses</b>                           |           | <b>10,385,985,088</b>                | <b>7,636,548,165</b>                 |
| <b>(Loss)/ profit before tax</b>                |           | <b>(71,761,256)</b>                  | <b>378,120,178</b>                   |
| <b>Tax expenses:</b>                            |           |                                      |                                      |
| 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)                        |
| <b>Total tax expenses</b>                       |           | <b>(37,447,782)</b>                  | <b>128,866,198</b>                   |
| <b>(Loss)/ profit after tax</b>                 |           | <b>(34,313,474)</b>                  | <b>249,253,980</b>                   |
| Less: share of minority interest                |           | (7,418,118)                          | 518,735                              |
| <b>Net (loss)/ profit for the year</b>          |           | <b>(26,895,356)</b>                  | <b>248,735,245</b>                   |
| <b>Earning per share (Face value ₹ 10 each)</b> | 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.

*Walker Chandniok & Co LLP*  
 For Walker Chandniok & Co LLP  
 Chartered Accountants

*Lalit Kumar*

Per Lalit Kumar  
 Partner

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

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

*Satvinder Singh*  
 Satvinder Singh  
 (Director)  
 DIN: 00332521

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

*Jugal Kataria*  
 Jugal Kataria  
 (Chief Financial Officer)

Place: Noida  
 Date: 30 May, 2018



Place: Delhi  
 Date: 30 May, 2018

Satin Creditcare Network Limited  
 Consolidated Cash Flow Statement for the year ended March 31, 2018  
 (All amount in ₹ unless otherwise stated)

| Particulars   | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash flow from operating activities</b>   |                                      |                                      |
| (Loss)/ profit before tax   | (717,61,256)                         | 3781,20,178                          |
| <b>Adjustment for :</b>   |                                      |                                      |
| Depreciation and amortisation expenses  | 1474,27,599                          | 605,18,946                           |
| Provision for non-performing assets/ standard assets and contingent provision against standard assets | 3544,33,722                          | 3804,37,685                          |
| Portfolio loans and other write offs  | 17982,01,427                         | 1318,80,929                          |
| Loss on sale of property, plant and equipment   | 12,95,081                            | 23,56,544                            |
| Unrealised exchange loss  | 272,66,991                           | -                                    |
| Employee compensation expense   | 196,04,428                           | 52,03,662                            |
| <b>Operating profit before working capital changes</b>  | <b>22764,67,992</b>                  | <b>9585,17,944</b>                   |
| (Increase) in loans and advances  | (133853,95,481)                      | (93680,96,920)                       |
| (Increase) in trade receivables   | (577,71,081)                         | (550,22,327)                         |
| Purchase of current investment (net)  | (19967,34,063)                       | (2045,21,112)                        |
| (Increase) in fixed deposits (including interest accrued)   | (1938,82,903)                        | (5154,40,244)                        |
| Decrease in other assets  | 273,41,612                           | 161,31,525                           |
| Increase in provisions  | 228,83,670                           | 717,88,708                           |
| Increase in trade payables  | 1179,19,055                          | 735,21,109                           |
| Increase/ (decrease) in other liabilities   | 3710,96,583                          | (3548,89,498)                        |
| <b>Cash used for operations</b>   | <b>(128180,74,616)</b>               | <b>(93780,10,815)</b>                |
| Income tax paid (net of refunds)  | (777,23,645)                         | (2864,41,355)                        |
| <b>Net cash used in operating activities</b>  | <b>(128957,98,261)</b>               | <b>(96644,52,170)</b>                |
| <b>B. Cash flow from investing activities</b>   |                                      |                                      |
| Purchase of property, plant and equipment   | (2118,89,799)                        | (3621,47,122)                        |
| Sale of property, plant and equipment   | 3,80,057                             | 3,950                                |
| <b>Net cash used in investing activities</b>  | <b>(2115,09,742)</b>                 | <b>(3621,43,172)</b>                 |
| <b>C. Cash flow from financing activities</b>   |                                      |                                      |
| Proceeds from issue of share capital and share warrants (including premium)                           | 43934,20,827                         | 29337,67,227                         |
| Share/debenture issue expenses  | (1093,21,164)                        | (1320,15,058)                        |
| Proceeds from long-term borrowings  | 243653,17,664                        | 272801,79,709                        |
| Repayment of long-term borrowings   | (186347,55,044)                      | (163588,81,223)                      |
| (Repayment)/ proceeds from short-term borrowings (net)  | (2869,85,442)                        | 2521,32,091                          |
| Dividend paid on preference shares and including dividend distribution tax                            | (294,25,796)                         | -                                    |
| <b>Net cash generated from financing activities</b>   | <b>96982,51,045</b>                  | <b>139751,82,746</b>                 |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>  | <b>(34090,56,958)</b>                | <b>39485,87,404</b>                  |
| <b>Cash and cash equivalents as at April 01, 2017</b>   | <b>66322,10,437</b>                  | <b>26836,23,033</b>                  |
| <b>Cash and cash equivalents as at March 31, 2018</b>   | <b>32231,53,479</b>                  | <b>66322,10,437</b>                  |
| <b>Cash and cash equivalents comprises of</b>   |                                      |                                      |
| Cash on hand  | 2974,16,336                          | 1817,81,305                          |
| Balance with banks in current accounts  | 22482,79,940                         | 34894,71,929                         |
| Deposit with original maturity less than three months   | 6774,57,203                          | 29609,57,203                         |
|   | <b>32231,53,479</b>                  | <b>66322,10,437</b>                  |

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.

*Walker Chandniok & Co LLP*  
 For Walker Chandniok & Co LLP  
 Chartered Accountants

*Lalit Kumar*  
 Per Lalit Kumar  
 Partner



Place: Noide  
 Date: 30 May, 2018

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

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

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

Place: Delhi  
 Date: 30 May, 2018

*Satinder Singh*

Satinder Singh  
 (Director)  
 DIN: 00332521

*Jugal Kataria*

Jugal Kataria  
 (Chief Financial Officer)

**SATIN CREDITCARE NETWORK LIMITED**  
**Standalone Balance Sheet as at March 31, 2019**  
 (All amounts in Lakhs, unless otherwise stated)

|   | Notes | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------|-------------------------|-------------------------|------------------------|
| <b>ASSETS</b>   |       |                         |                         |                        |
| <b>Financial assets</b>   |       |                         |                         |                        |
| Cash and cash equivalents   | 4     | 100,387.51              | 44,581.98               | 65,300.75              |
| Bank balances other than cash and cash equivalents  | 5     | 69,396.52               | 63,738.23               | 62,290.94              |
| Derivative financial instruments  | 6     | 186.99                  | -                       | -                      |
| Trade receivables   | 7     | 651.56                  | 18.71                   | 88.35                  |
| Loans   | 8     | 446,008.58              | 484,521.95              | 318,356.90             |
| Investments   | 9     | 42,189.09               | 14,856.31               | 7,027.82               |
| Other financial assets  | 10    | 1,996.89                | 3,240.63                | 2,074.09               |
|   |       | <b>660,817.14</b>       | <b>610,957.81</b>       | <b>455,138.85</b>      |
| <b>Non-financial assets</b>   |       |                         |                         |                        |
| Current tax assets (net)  | 11    | -                       | -                       | 45.69                  |
| Deferred tax assets (net)   | 12    | 3,115.88                | 8,870.78                | 11,973.08              |
| Property, plant and equipment   | 13    | 4,301.77                | 3,597.52                | 3,429.94               |
| Capital work-in-progress  | 13    | 1,614.29                | 1,609.31                | 977.70                 |
| Intangible assets under development   | 14    | 19.60                   | 13.75                   | 240.56                 |
| Other intangible assets   | 15    | 235.11                  | 324.18                  | 345.59                 |
| Other non-financial assets  | 16    | 630.07                  | 882.31                  | 717.29                 |
|   |       | <b>9,916.72</b>         | <b>15,297.85</b>        | <b>17,729.85</b>       |
| <b>TOTAL ASSETS</b>   |       | <b>670,733.86</b>       | <b>626,255.66</b>       | <b>472,868.70</b>      |
| <b>LIABILITIES AND EQUITY</b>   |       |                         |                         |                        |
| <b>LIABILITIES</b>  |       |                         |                         |                        |
| <b>Financial liabilities</b>  |       |                         |                         |                        |
| Derivative financial instruments  | 17    | -                       | 117.58                  | -                      |
| Payables  |       |                         |                         |                        |
| Trade payables  | 18    |                         |                         |                        |
| (i) total outstanding dues of micro enterprises and small enterprises                       |       | 6.01                    | 21.00                   | -                      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 123.57                  | 16.37                   | 40.81                  |
| Other payables  | 19    |                         |                         |                        |
| (i) total outstanding dues of micro enterprises and small enterprises                       |       | -                       | -                       | -                      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 1,069.94                | 644.19                  | 537.66                 |
| Debt securities   | 20    | 97,586.85               | 91,929.66               | 58,808.91              |
| Borrowings (other than debt securities)   | 21    | 371,999.21              | 386,241.19              | 322,329.00             |
| Subordinated liabilities  | 22    | 53,919.68               | 36,918.92               | 29,304.77              |
| Other financial liabilities   | 23    | 27,593.31               | 18,472.55               | 15,309.22              |
|   |       | <b>552,298.57</b>       | <b>534,361.46</b>       | <b>426,330.37</b>      |
| <b>Non-financial liabilities</b>  |       |                         |                         |                        |
| Current tax liabilities (net)   | 24    | 1,178.58                | 914.36                  | -                      |
| Provisions  | 25    | 1,354.44                | 1,016.44                | 920.38                 |
| Other non-financial liabilities   | 26    | 760.58                  | 773.86                  | 528.62                 |
|   |       | <b>3,293.60</b>         | <b>2,704.66</b>         | <b>1,449.00</b>        |
| <b>EQUITY</b>   |       |                         |                         |                        |
| Equity share capital  | 27    | 4,853.07                | 4,726.91                | 3,714.30               |
| Other equity  | 28    | 110,288.62              | 84,462.63               | 41,375.03              |
|   |       | <b>115,141.69</b>       | <b>89,189.54</b>        | <b>45,089.33</b>       |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |       | <b>670,733.86</b>       | <b>626,255.66</b>       | <b>472,868.70</b>      |

Statement of significant accounting policies and other explanatory notes.  
 This balance sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**  
 Chartered Accountants  
 Firm's Registration No. 1011076N/N500013

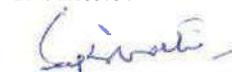
  
 Ashish Kumar  
 Partner  
 Membership Number: 095256



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

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

  
 Satvinder Singh  
 (Director)  
 DIN: 00332521

  
 Sanjay Kumar Bhatia  
 (Chairman Audit Committee cum Director)  
 DIN: 07033027

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

  
 Jugal Kataria  
 (Chief Financial Officer)

Place : Noida  
 Date : May 8, 2019

Place : New Delhi  
 Date : May 8, 2019

**SATIN CREDITCARE NETWORK LIMITED**

**Standalone Statement of Profit and Loss for the year ended March 31, 2019**

(All amounts in Lakhs, unless otherwise stated)

|  | Notes | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--|-------|--------------------------------------|--------------------------------------|
| <b>I. Income</b>   |       |                                      |                                      |
| <b>Revenue from operations</b>   |       |                                      |                                      |
| Interest income  | 29    | 117,950.47                           | 95,731.20                            |
| Fees and commission income   | 30    | 2,793.85                             | 226.41                               |
| Net gain on fair value changes   | 31    | 2,986.72                             | 1,592.23                             |
| Net gain on derecognition of financial instruments under amortised cost category | 32    | 13,345.54                            | -                                    |
| Other operating income   | 33    | 199.12                               | 118.03                               |
| <b>Total revenue from operations</b>   |       | <b>137,275.70</b>                    | <b>97,667.87</b>                     |
| <b>Other income</b>  | 34    | 28.62                                | 6.71                                 |
| <b>Total income</b>  |       | <b>137,304.32</b>                    | <b>97,674.58</b>                     |
| <b>II. Expenses</b>  |       |                                      |                                      |
| Finance costs  | 35    | 63,903.26                            | 53,169.97                            |
| Impairment on financial instruments  | 36    | 5,206.70                             | 4,446.27                             |
| Employee benefits expenses   | 37    | 26,481.64                            | 18,915.32                            |
| Depreciation and amortisation  | 38    | 1,131.89                             | 1,406.00                             |
| Other expenses   | 39    | 10,019.13                            | 7,075.18                             |
| <b>Total expenses</b>  |       | <b>106,742.62</b>                    | <b>85,012.74</b>                     |
| <b>Profit before tax</b>   |       | <b>30,561.70</b>                     | <b>12,661.84</b>                     |
| Tax expense:   | 40    |                                      |                                      |
| Current tax  |       | 6,662.45                             | 1,478.95                             |
| Deferred tax charge  |       | 4,404.97                             | 2,968.14                             |
| <b>Total</b>   |       | <b>11,067.42</b>                     | <b>4,447.09</b>                      |
| <b>Profit for the year</b>   |       | <b>19,494.28</b>                     | <b>8,214.75</b>                      |
| <b>Other comprehensive income</b>  |       |                                      |                                      |
| <b>Items that will not be reclassified to profit and loss</b>                    |       |                                      |                                      |
| Re-measurements of the defined benefit plans                                     |       | (57.09)                              | 1.76                                 |
| Equity instruments through other comprehensive income                            |       | (3.32)                               | (0.19)                               |
| Income tax relating to above items   |       | 19.95                                | (0.61)                               |
| <b>Items that will be reclassified to profit and loss</b>                        |       |                                      |                                      |
| Changes in fair value of loan assets   |       | 3,920.21                             | -                                    |
| Income tax relating to above item  |       | (1,369.88)                           | -                                    |
| <b>Other comprehensive income</b>  |       | <b>2,509.87</b>                      | <b>0.96</b>                          |
| <b>Total comprehensive income for the year</b>                                   |       | <b>22,004.15</b>                     | <b>8,215.71</b>                      |
| <b>Earnings per equity share</b>   |       |                                      |                                      |
| Basic (₹)  | 41    | 40.37                                | 19.48                                |
| Diluted (₹)  |       | 40.09                                | 19.10                                |

Statement of significant accounting policies and other explanatory notes.  
This statement of profit and loss referred to in our report of even date.

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

Lalit Kumar  
Partner  
Membership Number: 095256



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

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

Satvinder Singh  
(Director)  
DIN: 00332521

Sanjay Kumar Bhatia  
(Chairman Audit Committee cum Director)  
DIN: 07033027

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

Jugal Kataria

Place : Noida  
Date : May 8, 2019

Place : New Delhi  
Date : May 8, 2019

**SATIN CREDITCARE NETWORK LIMITED**
**Standalone cash flow statement for the year ended March 31, 2019**

(All amounts in Lakhs, unless otherwise stated)

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>A Cash flow from operating activities</b>  |                                      |                                      |
| Profit before tax   | 30,561.70                            | 12,661.84                            |
| <b>Adjustments for:</b>   |                                      |                                      |
| Depreciation and amortisation   | 1,131.89                             | 1,406.00                             |
| Net (gain)/loss on derecognition of property, plant and equipment                         | (2.77)                               | 0.03                                 |
| Gain on sale of mutual funds  | (2,688.93)                           | (1,701.26)                           |
| Unrealised (gain)/loss on fair value changes of derivatives and investments               | (306.34)                             | 109.03                               |
| Property, plant and equipment written off   | 48.64                                | -                                    |
| Impairment on financial instruments   | 5,206.70                             | 4,446.27                             |
| Gain on sale of loan portfolio through assignment   | (13,345.54)                          | -                                    |
| First loss default guarantee expenses   | 321.42                               | 1.92                                 |
| Share based payment to employees  | 317.86                               | 189.08                               |
| Effective interest rate adjustment for financial instruments                              | 1,251.05                             | 248.26                               |
| Unrealised exchange fluctuation loss (net)  | 230.38                               | 130.95                               |
| <b>Operating profit before working capital changes</b>                                    | <b>22,726.06</b>                     | <b>17,492.12</b>                     |
| <b>Movement in working capital</b>  |                                      |                                      |
| (Increase)/decrease in trade receivables  | (632.85)                             | 69.64                                |
| Decrease/(increase) in loans  | 50,588.11                            | (170,488.84)                         |
| Increase in deposits  | (5,658.29)                           | (1,447.29)                           |
| Decrease/(increase) in other financial assets   | 1,335.53                             | (1,282.06)                           |
| Decrease/(increase) in other non-financial assets   | 233.84                               | (212.03)                             |
| Increase in trade and other payables  | 517.96                               | 103.09                               |
| Increase in other financial liabilities   | 8,799.34                             | 3,161.41                             |
| Increase in provisions  | 280.91                               | 97.82                                |
| (Decrease)/increase in other non-financial liabilities                                    | (13.27)                              | 245.23                               |
| <b>Cash flows from/(used in) operating activities post working capital changes</b>        | <b>78,177.34</b>                     | <b>(152,260.91)</b>                  |
| Income tax paid (net)   | (6,398.23)                           | (518.91)                             |
| <b>Net cash flows from/ (used in) operating activities (A)</b>                            | <b>71,779.11</b>                     | <b>(152,779.82)</b>                  |
| <b>B Cash flows from investing activities</b>   |                                      |                                      |
| Purchase of property, plant and equipment, capital work-in-progress and intangible assets | (1,796.77)                           | (1,912.79)                           |
| Proceeds from sale of property, plant and equipment and intangible assets                 | 11.40                                | 2.80                                 |
| Investment made in subsidiaries   | (8,085.65)                           | (2,696.00)                           |
| Purchase of other investments (net)   | (16,559.75)                          | (3,422.87)                           |
| <b>Net cash used in investing activities (B)</b>  | <b>(26,430.77)</b>                   | <b>(8,028.86)</b>                    |
| <b>C Cash flows from financing activities*</b>  |                                      |                                      |
| Proceeds from issue of share capital and share warrants (including premium)               | 22.65                                | 35,683.20                            |
| Proceeds from debt securities   | 40,370.00                            | 42,300.00                            |
| Repayment of debt securities  | (34,702.86)                          | (9,074.48)                           |
| Proceeds from borrowings other than debt securities                                       | 325,358.64                           | 351,404.44                           |
| Repayment of borrowings other than debt securities  | (344,401.21)                         | (288,930.93)                         |
| Proceeds from subordinated liabilities  | 20,000.00                            | 8,000.00                             |
| Repayment of subordinated liabilities   | (369.81)                             | (369.74)                             |
| <b>Net cash flows from financing activities (C)</b>                                       | <b>6,277.41</b>                      | <b>139,012.49</b>                    |
| Net increase/(decrease) in cash and cash equivalents (A+B+C)                              | 51,625.75                            | (21,796.19)                          |
| Cash and cash equivalents at the beginning of the year#                                   | 42,846.78                            | 64,642.97                            |
| <b>Cash and cash equivalents at the end of the year</b>                                   | <b>94,472.53</b>                     | <b>42,846.78</b>                     |

\*Refer note 22 for reconciliation of liabilities arising from financing activities.

#Refer note 5 for restricted cash and cash equivalents and other bank balances.



**SATIN CREDITCARE NETWORK LIMITED**

**Standalone cash flow statement for the year ended March 31, 2019**

(All amounts in Lakhs, unless otherwise stated)

**Notes:**

Cash and cash equivalents (as per note 4 to the financial statements)

100,387.51

44,581.98

Less: Overdraft facility against term deposits (as per note 21 to the financial statements)

(5,914.98)

(1,735.20)

**94,472.53**

**42,846.78**

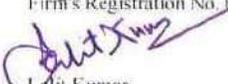
Statement of significant accounting policies and other explanatory notes.

This statement of cash flow referred to in our report of even date.

For **Walker Chandok & Co LLP**

Chartered Accountants

Firm's Registration No. 001176N/N500013

  
Lalit Kumar

Partner

M. No. 095256

For and on behalf of the Board of Directors

**Satin Creditcare Network Limited**

  
H P Singh

(Chairman cum Managing Director)

DIN: 00333754

  
Satvinder Singh

(Director)

DIN: 00332521

  
Sanjay Kumar Bhatia

(Chairman Audit Committee cum Director)

DIN: 07033027

  
Choudhary Runveer Krishanan

(Company Secretary and Compliance Officer)

FCS: 7437

  
Jugal Kataria

(Chief Financial Officer)



Place : Noida

Date : May 8, 2019

Place : New Delhi

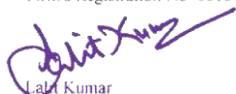
Date : May 8, 2019

**SATIN CREDITCARE NETWORK LIMITED**  
**Consolidated Balance Sheet as at March 31, 2019**  
(All amounts in lakhs, unless otherwise stated)

| Notes   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |                   |
|---|-------------------------|-------------------------|------------------------|-------------------|
| <b>ASSETS</b>   |                         |                         |                        |                   |
| <b>Financial assets</b>   |                         |                         |                        |                   |
| Cash and cash equivalents   | 4                       | 102,496.82              | 47,087.53              | 66,492.68         |
| Bank balances other than cash and cash equivalents  | 5                       | 73,345.19               | 66,290.94              | 64,166.70         |
| Derivative financial instruments  | 6                       | 186.99                  | -                      | -                 |
| Trade receivables   | 7                       | 1,237.63                | 1,177.17               | 678.20            |
| Loans   | 8                       | 454,862.48              | 484,727.92             | 318,356.90        |
| Investments   | 9                       | 26,428.85               | 7,181.72               | 2,049.23          |
| Other financial assets  | 10                      | 2,003.99                | 3,287.87               | 2,123.53          |
|   |                         | <b>660,561.95</b>       | <b>609,753.15</b>      | <b>453,867.24</b> |
| <b>Non-financial assets</b>   |                         |                         |                        |                   |
| Current tax assets (net)  | 11                      | 834.28                  | 786.98                 | 570.45            |
| Deferred tax assets (net)   | 12                      | 3,409.94                | 9,260.63               | 12,029.41         |
| Property, plant and equipment   | 13                      | 4,456.26                | 3,797.80               | 3,545.62          |
| Capital work-in-progress  | 13                      | 1,614.29                | 1,609.31               | 977.70            |
| Intangible assets under development   | 14                      | 19.60                   | 13.75                  | 240.56            |
| Goodwill  |                         | 3,370.66                | 3,370.66               | 3,370.66          |
| Other intangible assets   | 15                      | 236.46                  | 328.67                 | 357.79            |
| Other non-financial assets  | 16                      | 770.98                  | 981.81                 | 789.75            |
|   |                         | <b>14,712.47</b>        | <b>20,149.61</b>       | <b>21,881.94</b>  |
| <b>TOTAL ASSETS</b>   |                         | <b>675,274.42</b>       | <b>629,902.76</b>      | <b>475,749.18</b> |
| <b>LIABILITIES AND EQUITY</b>   |                         |                         |                        |                   |
| <b>LIABILITIES</b>  |                         |                         |                        |                   |
| <b>Financial liabilities</b>  |                         |                         |                        |                   |
| Derivative financial instruments  | 17                      | -                       | 117.58                 | -                 |
| <b>Payables</b>   |                         |                         |                        |                   |
| Trade payables  | 18                      | -                       | -                      | -                 |
| (i) total outstanding dues of micro enterprises and small enterprises                       |                         | 6.01                    | 21.00                  | -                 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |                         | 182.10                  | 1,659.96               | 1,244.61          |
| Other payables  | 19                      | -                       | -                      | -                 |
| (i) total outstanding dues of micro enterprises and small enterprises                       |                         | -                       | -                      | -                 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |                         | 1,154.83                | 828.27                 | 603.24            |
| Debt securities   | 20                      | 97,586.85               | 91,929.66              | 58,808.91         |
| Borrowings (other than debt securities)   | 21                      | 375,553.88              | 387,239.88             | 323,199.58        |
| Subordinated liabilities  | 22                      | 53,919.68               | 36,918.92              | 29,304.77         |
| Other financial liabilities   | 23                      | 28,266.20               | 19,518.43              | 15,677.76         |
|   |                         | <b>556,669.55</b>       | <b>538,233.70</b>      | <b>428,838.87</b> |
| <b>Non-financial liabilities</b>  |                         |                         |                        |                   |
| Current tax liabilities (net)   | 24                      | 1,178.58                | 914.36                 | -                 |
| Provisions  | 25                      | 1,515.48                | 1,131.60               | 1,019.34          |
| Other non-financial liabilities   | 26                      | 966.17                  | 938.38                 | 581.85            |
|   |                         | <b>3,660.23</b>         | <b>2,984.34</b>        | <b>1,601.19</b>   |
| <b>EQUITY</b>   |                         |                         |                        |                   |
| Equity share capital  | 27                      | 4,853.07                | 4,726.91               | 3,714.30          |
| Other equity  | 28                      | 110,091.57              | 83,749.65              | 41,372.33         |
| <b>Equity attributable to equity holders of the holding company</b>                         |                         | <b>114,944.64</b>       | <b>88,476.56</b>       | <b>45,086.63</b>  |
| Non-controlling interest  |                         | -                       | 208.16                 | 222.49            |
| <b>Total equity</b>   |                         | <b>114,944.64</b>       | <b>88,684.72</b>       | <b>45,309.12</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |                         | <b>675,274.42</b>       | <b>629,902.76</b>      | <b>475,749.18</b> |

Statement of significant accounting policies and other explanatory notes  
This balance sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No 001076N/N500013

  
Jain Kumar  
Partner

Membership Number: 095256



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

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

  
**Satvinder Singh**  
(Director)  
DIN: 00332521

  
**Sanjay Kumar Bhatia**  
(Chairman Audit Committee cum Director)  
DIN: 07033027

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

  
**Jugal Kataria**  
(Chief Financial Officer)

Place : Noida  
Date: May 8, 2019

Place : New Delhi  
Date: May 8, 2019

**SATIN CREDITCARE NETWORK LIMITED**

**Consolidated Statement of Profit and Loss for the year ended March 31, 2019**

(All amounts in lakhs, unless otherwise stated)

|  | Notes | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--|-------|--------------------------------------|--------------------------------------|
| <b>I. Income</b>   |       |                                      |                                      |
| <b>Revenue from operations</b>   |       |                                      |                                      |
| Interest income  | 29    | 118,606.93                           | 95,950.47                            |
| Fees and commission income   | 30    | 9,090.27                             | 5,406.46                             |
| Net gain on fair value changes   | 31    | 3,049.79                             | 1,592.23                             |
| Net gain on derecognition of financial instruments under amortised cost category | 32    | 13,345.54                            | -                                    |
| Other operating income   | 33    | 168.47                               | 120.97                               |
| <b>Total revenue from operations</b>   |       | <b>144,261.00</b>                    | <b>103,070.13</b>                    |
| Other income   | 34    | 542.66                               | 54.10                                |
| <b>Total income</b>  |       | <b>144,803.66</b>                    | <b>103,124.23</b>                    |
| <b>II. Expenses</b>  |       |                                      |                                      |
| Finance costs  | 35    | 64,248.74                            | 53,405.70                            |
| Impairment on financial instruments  | 36    | 5,242.11                             | 4,447.11                             |
| Employee benefits expenses   | 37    | 30,547.81                            | 22,048.19                            |
| Depreciation and amortisation  | 38    | 1,251.12                             | 1,474.27                             |
| Other expenses   | 39    | 11,932.94                            | 10,162.84                            |
| <b>Total expenses</b>  |       | <b>113,222.72</b>                    | <b>91,538.11</b>                     |
| <b>Profit before tax</b>   |       | <b>31,580.94</b>                     | <b>11,586.12</b>                     |
| Tax expense:   | 40    |                                      |                                      |
| Current tax  |       | 6,933.12                             | 1,475.07                             |
| Deferred tax charge  |       | 4,498.18                             | 2,630.62                             |
| <b>Total</b>   |       | <b>11,431.30</b>                     | <b>4,105.69</b>                      |
| <b>Profit for the year</b>   |       | <b>20,149.64</b>                     | <b>7,480.43</b>                      |
| <b>Other comprehensive income</b>  |       |                                      |                                      |
| <b>Items that will not be reclassified to profit and loss</b>                    |       |                                      |                                      |
| Re-measurements of the defined benefit plans                                     |       | (48.18)                              | 15.46                                |
| Equity instruments through other comprehensive income                            |       | (3.32)                               | (0.19)                               |
| Income tax relating to above items   |       | 17.36                                | (4.60)                               |
| <b>Items that will be reclassified to profit and loss</b>                        |       |                                      |                                      |
| Changes in fair value of loan assets   |       | 3,920.21                             | -                                    |
| Income tax relating to above item  |       | (1,369.88)                           | -                                    |
| <b>Other comprehensive income</b>  |       | <b>2,516.19</b>                      | <b>10.67</b>                         |
| <b>Total comprehensive income for the year</b>                                   |       | <b>22,665.83</b>                     | <b>7,491.10</b>                      |

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**SATIN CREDITCARE NETWORK LIMITED**

**Consolidated Statement of Profit and Loss for the year ended March 31, 2019**

(All amounts in lakhs, unless otherwise stated)

**Net profit after tax attributable to:**

|                               |           |          |
|-------------------------------|-----------|----------|
| Owners of the holding company | 20,119.45 | 7,541.22 |
| Non-controlling interests     | 30.19     | (60.79)  |

**Other comprehensive income attributable to:**

|                               |          |      |
|-------------------------------|----------|------|
| Owners of the holding company | 2,516.19 | 9.81 |
| Non-controlling interests     | -        | 0.86 |

**Total comprehensive income attributable to:**

|                               |           |          |
|-------------------------------|-----------|----------|
| Owners of the holding company | 22,635.64 | 7,551.03 |
| Non-controlling interests     | 30.19     | (59.93)  |

**Earnings per equity share**

|             |       |       |
|-------------|-------|-------|
|             | 41    |       |
| Basic (₹)   | 41.67 | 17.88 |
| Diluted (₹) | 41.37 | 17.53 |

Statement of significant accounting policies and other explanatory notes.

This statement of profit and loss referred to in our report of even date.

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013



Harit Kumar

Partner

Membership Number: 095256

For and on behalf of the Board of Directors

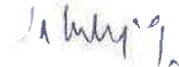
**Satin Creditcare Network Limited**



H P Singh

(Chairman cum Managing Director)

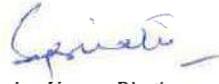
DIN: 00333754



Satvinder Singh

(Director)

DIN: 00332521



Sanjay Kumar Bhatia

(Chairman Audit Committee cum Director)

DIN: 07033027



Choudhary Runveer Krishanan

(Company Secretary and Compliance Officer) (Chief Financial Officer)

FCS: 7437



Jugal Kataria



Place : Noida

Date: May 8, 2019

Place : New Delhi

Date: May 8, 2019

**SATIN CREDITCARE NETWORK LIMITED**

**Consolidated cash flow statement for the year ended March 31, 2019**

(All amounts in Lakhs, unless otherwise stated)

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>A Cash flow from operating activities</b>  |                                      |                                      |
| Profit before tax   | 31,580.94                            | 11,586.12                            |
| <b>Adjustments for:</b>   |                                      |                                      |
| Depreciation and amortisation   | 1,251.12                             | 1,474.27                             |
| Net (gain)/loss on derecognition of property, plant and equipment                             | (1.98)                               | 12.95                                |
| Gain on sale of liquid funds  | (2,752.00)                           | (1,701.26)                           |
| Unrealised (gain)/loss on fair value changes of derivatives and investments                   | (306.34)                             | 109.03                               |
| Property, plant and equipment written off   | 48.64                                | -                                    |
| Impairment on financial instruments   | 5,242.11                             | 4,447.11                             |
| Gain on sale of loan portfolio through assignment   | (13,345.54)                          | -                                    |
| First loss default guarantee expenses   | 894.90                               | 2,100.74                             |
| Share based payment to employees  | 425.34                               | 196.04                               |
| Effective interest rate adjustment for financial instruments                                  | 1,258.73                             | 243.32                               |
| Unrealised exchange fluctuation loss (net)  | 230.38                               | 130.95                               |
| <b>Operating profit before working capital changes</b>  | <b>24,526.30</b>                     | <b>18,599.27</b>                     |
| <b>Movement in working capital</b>  |                                      |                                      |
| Increase in trade receivables   | (60.46)                              | (498.97)                             |
| Decrease/(increase) in loans  | 41,904.78                            | (170,695.65)                         |
| Increase in deposits  | (7,054.25)                           | (2,124.24)                           |
| Decrease/(increase) in other financial assets   | 1,268.19                             | (1,286.82)                           |
| Decrease/(increase) in other non-financial assets   | 192.43                               | (239.07)                             |
| (Decrease)/increase in trade and other payables   | (1,166.29)                           | 661.38                               |
| Increase in other financial liabilities   | 7,841.73                             | 1,739.93                             |
| Increase in provisions  | 335.70                               | 127.72                               |
| Increase in other non-financial liabilities   | 27.79                                | 356.51                               |
| <b>Cash flows from/(used in) operating activities post working capital changes</b>            | <b>67,815.92</b>                     | <b>(153,359.94)</b>                  |
| Income tax paid (net)   | (6,716.21)                           | (777.23)                             |
| <b>Net cash flows from/(used in) operating activities (A)</b>                                 | <b>61,099.71</b>                     | <b>(154,137.17)</b>                  |
| <b>B Cash flows from investing activities</b>   |                                      |                                      |
| Payments for property, plant and equipment and capital work-in-progress and intangible assets | (1,869.01)                           | (2,077.44)                           |
| Proceeds from sale of property, plant and equipment and intangible assets                     | 12.55                                | 9.37                                 |
| Payment for acquisition of subsidiary, net of cash acquired                                   | (331.63)                             | -                                    |
| Purchase of other investments (net)   | (16,496.68)                          | (3,422.87)                           |
| <b>Net cash used in investing activities (B)</b>  | <b>(18,684.77)</b>                   | <b>(5,490.94)</b>                    |
| <b>C Cash flows from financing activities*</b>  |                                      |                                      |
| Proceeds from issue of share capital and share warrants (including premium)                   | 11.51                                | 35,683.20                            |
| Proceeds from debt securities   | 40,370.00                            | 42,300.00                            |
| Repayment of debt securities  | (34,702.86)                          | (9,074.48)                           |
| Proceeds from borrowings other than debt securities   | 329,267.50                           | 352,092.11                           |
| Repayment of borrowings other than debt securities  | (345,753.07)                         | (289,257.84)                         |
| Proceeds from subordinated liabilities  | 20,000.00                            | 8,000.00                             |
| Repayment of subordinated liabilities   | (369.81)                             | (369.74)                             |
| <b>Net cash flows from financing activities (C)</b>   | <b>8,823.27</b>                      | <b>139,373.25</b>                    |
| Net increase/(decrease) in cash and cash equivalents (A+B+C)                                  | 51,238.21                            | (20,254.86)                          |
| Cash and cash equivalents at the beginning of the year#                                       | 45,343.46                            | 65,598.32                            |
| <b>Cash and cash equivalents at the end of the year</b>                                       | <b>96,581.67</b>                     | <b>45,343.46</b>                     |

\*Refer note 22 for reconciliation of liabilities arising from financing activities.

#Refer note 5 for restricted cash and cash equivalents and other bank balances.

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**SATIN CREDITCARE NETWORK LIMITED**

**Consolidated cash flow statement for the year ended March 31, 2019**

(All amounts in Lakhs, unless otherwise stated)

**Notes:**

Cash and cash equivalents (as per note 4 to the financial statements)

Less: Overdraft facility against term deposits (as per note 21 to the financial statements)

|                  |                  |
|------------------|------------------|
| 102,496.82       | 47,087.53        |
| (5,915.15)       | (1,744.07)       |
| <u>96,581.67</u> | <u>45,343.46</u> |

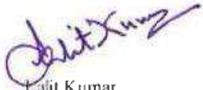
Statement of significant accounting policies and other explanatory notes.

This statement of cash flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013



Rajit Kumar

Partner

Membership Number: 095256

For and on behalf of the Board of Directors

**Satin Creditcare Network Limited**



H P Singh

(Chairman cum Managing Director)

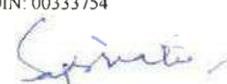
DIN: 00333754



Satvinder Singh

(Director)

DIN: 00332521



Sanjay Kumar Bhatia

(Chairman Audit Committee cum Director)

DIN: 07033027



Choudhary Runveer Krishanan

(Company Secretary and Compliance Officer) (Chief Financial Officer)

FCS: 7437



Jugal Kataria



Place : Noida

Date: May 8, 2019

Place : New Delhi

Date: May 8, 2019

**SATIN CREDITCARE NETWORK LIMITED**  
**Standalone Balance Sheet as at March 31, 2020**  
(All amounts in ₹ Lakhs, unless otherwise stated)

|   | Notes | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------|-------------------------|-------------------------|
| <b>ASSETS</b>   |       |                         |                         |
| <b>Financial assets</b>   |       |                         |                         |
| Cash and cash equivalents   | 4     | 110,732.02              | 100,387.51              |
| Bank balances other than cash and cash equivalents  | 5     | 65,434.15               | 69,396.52               |
| Derivative financial instruments  | 6     | 673.63                  | 186.99                  |
| Trade receivables   | 7     | 613.14                  | 651.56                  |
| Loans   | 8     | 470,939.10              | 446,008.58              |
| Investments   | 9     | 51,333.45               | 42,189.09               |
| Other financial assets  | 10    | 1,758.77                | 1,999.59                |
|   |       | <b>701,484.26</b>       | <b>669,819.84</b>       |
| <b>Non-financial assets</b>   |       |                         |                         |
| Current tax assets (net)  | 11    | 3,152.99                | 1,366.12                |
| Deferred tax assets (net)   | 12    | -                       | 571.18                  |
| Property, plant and equipment   | 13    | 5,241.24                | 4,301.77                |
| Capital work-in-progress  | 13    | 3,413.64                | 1,614.29                |
| Intangible assets under development   | 14    | -                       | 19.60                   |
| Other intangible assets   | 15    | 378.17                  | 235.11                  |
| Other non-financial assets  | 16    | 1,752.61                | 627.37                  |
|   |       | <b>13,938.65</b>        | <b>8,735.44</b>         |
|   |       | <b>715,422.91</b>       | <b>669,555.28</b>       |
| <b>TOTAL ASSETS</b>   |       |                         |                         |
| <b>LIABILITIES AND EQUITY</b>   |       |                         |                         |
| <b>LIABILITIES</b>  |       |                         |                         |
| <b>Financial liabilities</b>  |       |                         |                         |
| <b>Payables</b>   |       |                         |                         |
| Trade payables  |       |                         |                         |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 17    | 115.32                  | 6.01                    |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 300.99                  | 123.57                  |
| Other payables  | 18    |                         | -                       |
| (i) total outstanding dues of micro enterprises and small enterprises                       |       | 193.77                  | -                       |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 1,220.08                | 1,069.94                |
| Debt securities   | 19    | 86,386.14               | 97,586.85               |
| Borrowings (other than debt securities)   | 20    | 400,213.72              | 371,999.21              |
| Sub-ordinated liabilities   | 21    | 54,308.13               | 53,919.68               |
| Other financial liabilities   | 22    | 24,400.91               | 27,593.31               |
|   |       | <b>567,139.06</b>       | <b>552,298.57</b>       |
| <b>Non-financial liabilities</b>  |       |                         |                         |
| Deferred tax liabilities (net)  | 12    | 1,142.04                | -                       |
| Provisions  | 23    | 1,086.40                | 1,354.44                |
| Other non-financial liabilities   | 24    | 778.45                  | 760.58                  |
|   |       | <b>3,006.89</b>         | <b>2,115.02</b>         |
| <b>EQUITY</b>   |       |                         |                         |
| Equity share capital  | 25    | 5,171.27                | 4,853.07                |
| Other equity  | 26    | 140,165.69              | 110,288.62              |
|   |       | <b>145,276.96</b>       | <b>115,141.69</b>       |
|   |       | <b>715,422.91</b>       | <b>669,555.28</b>       |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |       |                         |                         |

Statement of significant accounting policies and other explanatory notes  
This Balance Sheet referred to in our report of even date.

For Walker Chandniok & Co LLP  
Chartered Accountants  
Firm's Registration No. 001076N/MS00013

*Chait Kumar*  
Chait Kumar  
Partner  
Membership Number: 095256  
Place: Noida  
Date: June 15, 2020



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

*H P Singh*  
H P Singh  
(Chairman cum Managing Director)  
DIN: 00333754  
Place: Gurugram  
Date: June 15, 2020

*Sanjay Kumar Bhatia*  
Sanjay Kumar Bhatia  
(Chairman Audit Committee cum Director)  
DIN: 07033027  
Place: Noida  
Date: June 15, 2020

*Abhishek Swarup*  
Abhishek Swarup  
(Company Secretary & Compliance Officer)  
ACS 16034  
Place: Delhi  
Date: June 15, 2020

*Satvinder Singh*  
Satvinder Singh  
(Director)  
DIN: 00332521  
Place: Gurugram  
Date: June 15, 2020

*Krishan Gopal*  
Krishan Gopal  
(Chief Financial Officer)  
Place: Gurugram  
Date: June 15, 2020

**SATIN CREDITCARE NETWORK LIMITED**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2020**  
 (All amounts in ₹ Lakhs, unless otherwise stated)

|  | Notes      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|------------|--------------------------------------|--------------------------------------|
| <b>I. Income</b>   |            |                                      |                                      |
| Revenue from operations  |            |                                      |                                      |
| Interest income  | 27         | 107,844.38                           | 117,950.47                           |
| Dividend income  | 28         | 2.21                                 | -                                    |
| Fees and commission income   | 29         | 7,078.65                             | 2,793.85                             |
| Net gain on fair value changes   | 30         | 1,237.44                             | 2,986.72                             |
| Net gain on derecognition of financial instruments                     | 31         | 23,608.14                            | 13,345.54                            |
| Other operating income   | 32         | 186.29                               | 199.12                               |
| <b>Total revenue from operations</b>                                   |            | <b>139,957.11</b>                    | <b>137,275.70</b>                    |
| Other income   | 33         | 133.30                               | 28.62                                |
| <b>Total income</b>  |            | <b>140,090.41</b>                    | <b>137,304.32</b>                    |
| <b>II. Expenses</b>  |            |                                      |                                      |
| Finance costs  | 34         | 57,368.06                            | 63,903.26                            |
| Impairment on financial instruments                                    | 35         | 18,882.89                            | 5,206.70                             |
| Employee benefits expenses   | 36         | 29,666.79                            | 26,481.64                            |
| Depreciation and amortisation  | 37         | 1,519.84                             | 1,131.89                             |
| Other expenses   | 38         | 11,359.07                            | 10,019.13                            |
| <b>Total expenses</b>  |            | <b>118,773.65</b>                    | <b>106,742.62</b>                    |
| <b>Profit before tax</b>   |            | <b>21,316.76</b>                     | <b>30,561.70</b>                     |
| Tax expense  | 39         |                                      |                                      |
| Current tax  |            | 5,474.97                             | 4,117.75                             |
| Deferred tax charge  |            | 215.08                               | 6,949.67                             |
| <b>Total</b>   |            | <b>5,690.05</b>                      | <b>11,067.42</b>                     |
| <b>Profit for the year</b>   |            | <b>15,626.71</b>                     | <b>19,494.28</b>                     |
| <b>Other comprehensive income</b>                                      |            |                                      |                                      |
| <b>Items that will not be reclassified to profit or loss</b>           |            |                                      |                                      |
| Re-measurements of the defined benefit plans                           |            | 87.80                                | (57.09)                              |
| Equity instruments through other comprehensive income                  |            | -                                    | (3.32)                               |
| Income tax relating to above items                                     |            | (22.10)                              | 19.95                                |
|  | <b>A</b>   | <b>65.70</b>                         | <b>(40.46)</b>                       |
| <b>Items that will be reclassified to profit or loss</b>               |            |                                      |                                      |
| Changes in fair value of loan assets                                   |            | 5,771.41                             | 3,920.21                             |
| Income tax relating to above item                                      |            | (1,452.53)                           | (1,269.88)                           |
| Cash flow hedge reserve  |            | 93.37                                | -                                    |
| Income tax relating to above item                                      |            | (23.50)                              | -                                    |
|  | <b>B</b>   | <b>4,388.73</b>                      | <b>2,550.33</b>                      |
| <b>Other comprehensive income</b>                                      | <b>A+B</b> | <b>4,454.43</b>                      | <b>2,509.87</b>                      |
| <b>Total comprehensive income for the period</b>                       |            | <b>20,081.14</b>                     | <b>22,004.15</b>                     |
| <b>Earnings per equity share (face value of ₹ 10 per equity share)</b> |            |                                      |                                      |
| Basic (₹)  | 40         | 30.69                                | 40.37                                |
| Diluted (₹)  |            | 30.52                                | 40.09                                |

Statement of significant accounting policies and other explanatory notes  
 This Statement of Profit and Loss referred to in our report of even date.

For Walker Chandniok & Co LLP  
 Chartered Accountants  
 Firm's Registration No. 001076N/NSA00113

*Chaitanya*  
 Chaitanya Kumar  
 Partner  
 Membership Number: 095256  
 Place: Noida  
 Date: June 15, 2020



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

*H P Singh*  
 H P Singh  
 (Chairman cum Managing Director)  
 DIN: 00333754  
 Place: Gurugram  
 Date: June 15, 2020

*Sanjay Kumar Bhatia*  
 Sanjay Kumar Bhatia  
 (Chairman Audit Committee cum Director)  
 DIN: 07033027  
 Place: Noida  
 Date: June 15, 2020

*Adhish Swaroop*  
 Adhish Swaroop  
 (Company Secretary & Compliance Officer)  
 ACS: 16034  
 Place: Delhi  
 Date: June 15, 2020

*Satvinder Singh*  
 Satvinder Singh  
 (Director)  
 DIN: 00332521  
 Place: Gurugram  
 Date: June 15, 2020

*Prakash Gopal*  
 Prakash Gopal  
 (Chief Financial Officer)  
 Place: Gurugram  
 Date: June 15, 2020

**SATIN CREDITCARE NETWORK LIMITED**  
**Standalone cash flow statement for the year ended March 31, 2020**  
 (All amounts in ₹ Lakhs, unless otherwise stated)

**A Cash flow from operating activities**

|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Profit before tax   | 21,316.76                            | 30,561.70                            |
| <b>Adjustments for:</b>   |                                      |                                      |
| Depreciation and amortisation   | 1,032.71                             | 1,131.89                             |
| Depreciation of right-of-use assets   | 487.13                               | -                                    |
| Net (gain)/loss on derecognition of property, plant and equipment           | (2.90)                               | (2.77)                               |
| Gain on sale of mutual funds  | (1,368.20)                           | (2,688.93)                           |
| Unrealised (gain)/loss on fair value changes of derivatives and investments | 130.76                               | (306.34)                             |
| Property, plant and equipment written off                                   | -                                    | 48.64                                |
| Impairment on financial instruments   | 18,882.89                            | 5,206.70                             |
| Dividend income   | (2.21)                               | -                                    |
| Gain on sale of loan portfolio through assignment                           | (23,608.14)                          | (13,345.54)                          |
| First loss default guarantee expenses                                       | 1,278.78                             | 321.42                               |
| Share based payment to employees  | 147.97                               | 317.86                               |
| Effective interest rate adjustment for financial instruments                | 2,087.29                             | 1,251.05                             |
| Interest expense for lessing arrangements                                   | 161.98                               | -                                    |
| Net gain on termination of leases   | (45.32)                              | -                                    |
| Corporate guarantee premium income  | (0.38)                               | -                                    |
| Unrealised exchange fluctuation loss (net)                                  | 188.49                               | 230.38                               |
| <b>Operating profit before working capital changes</b>                      | <b>20,687.61</b>                     | <b>21,726.06</b>                     |
| <b>Movement in working capital</b>  |                                      |                                      |
| Decrease/(increase) in trade receivables                                    | 38.42                                | (632.85)                             |
| (Increase)/decrease in loans  | (13,987.33)                          | 50,588.11                            |
| Decrease/(increase) in deposits   | 3,962.37                             | (5,658.29)                           |
| (Increase)/decrease in other financial assets                               | (157.49)                             | 1,335.53                             |
| (Increase)/decrease in other non-financial assets                           | (1,048.32)                           | 233.84                               |
| Increase in trade and other payables  | 630.64                               | 517.96                               |
| (Decrease)/increase in other financial liabilities                          | (4,470.80)                           | 8,799.34                             |
| (Decrease)/increase in provisions   | (180.24)                             | 280.91                               |
| Increase/(decrease) in other non-financial liabilities                      | 83.76                                | (13.27)                              |
| <b>Cash flows from operating activities post working capital changes</b>    | <b>5,558.62</b>                      | <b>78,177.34</b>                     |
| Income taxes paid (net)   | (7,261.85)                           | (6,398.23)                           |
| <b>Net cash (used in)/flows from operating activities (A)</b>               | <b>(1,703.23)</b>                    | <b>71,779.11</b>                     |

**B Cash flows from investing activities**

|   |                    |                    |
|---|--------------------|--------------------|
| Purchase of property, plant and equipment, capital work-in-progress and intangible assets | (3,134.69)         | (1,796.77)         |
| Proceeds from sale of property, plant and equipment and intangible assets                 | 15.50              | 11.40              |
| Investment made in subsidiaries   | (11,000.00)        | (8,085.65)         |
| Proceeds from purchase of other investments (net)   | 3,234.99           | (16,559.75)        |
| <b>Net cash used in investing activities (B)</b>  | <b>(10,884.20)</b> | <b>(26,430.77)</b> |

**C Cash flows from financing activities (refer to note i below)**

|   |                  |                  |
|---|------------------|------------------|
| Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses) | 4,547.26         | 22.65            |
| Proceeds from debt securities   | 21,413.18        | 40,370.00        |
| Repayment of debt securities  | (32,852.45)      | (34,702.86)      |
| Proceeds from borrowings other than debt securities   | 298,029.30       | 325,358.64       |
| Repayment of borrowings other than debt securities  | (280,954.11)     | (344,401.21)     |
| Lease payments  | (553.20)         | -                |
| Proceeds from subordinated liabilities  | 7,893.53         | 20,000.00        |
| Repayment of subordinated liabilities   | (2,469.76)       | (369.81)         |
| <b>Net cash flows from financing activities (C)</b>   | <b>15,053.75</b> | <b>6,277.41</b>  |
| Net increase in cash and cash equivalents (A+B+C)   | 2,466.32         | 51,625.75        |
| Cash and cash equivalents at the beginning of the year (refer to note ii below)                             | 94,472.53        | 42,846.78        |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>96,938.85</b> | <b>94,472.53</b> |

- i) Refer to note 21 for reconciliation of liabilities arising from financing activities.  
 ii) Refer to note 3 for restricted cash and cash equivalent.



**SATIN CREDITCARE NETWORK LIMITED**  
**Standalone cash flow statement for the year ended March 31, 2020**  
 (All amounts in ₹ Lakhs, unless otherwise stated)

|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
|  | 110,732.02                           | 100,387.51                           |
|  | (13,793.17)                          | (5,914.98)                           |
|  | <u>96,938.85</u>                     | <u>94,472.53</u>                     |

Notes:  
 Cash and cash equivalents (as per note 4 to the financial statements)  
 Less: Overdraft facility against term deposits (as per note 20 to the financial statements)

Statement of significant accounting policies and other explanatory notes  
 This Statement of Cash Flow referred to in our report of even date

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

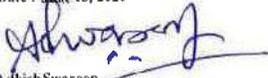
  
 Anshu Kumar  
 Partner  
 Membership Number: 095256  
 Place : Noida  
 Date : June 15, 2020



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

  
 H P Singh  
 (Chairman cum Managing Director)  
 DIN: 00333754  
 Place : Gurugram  
 Date : June 15, 2020

  
 Sanjay Kumar Bhatia  
 (Chairman Audit Committee cum Director)  
 DIN: 07033027  
 Place : Noida  
 Date : June 15, 2020

  
 Adish Swaroop  
 (Company Secretary & Compliance Officer)  
 ACS: 16034  
 Place : Delhi  
 Date : June 15, 2020

  
 Satvinder Singh  
 (Director)  
 DIN: 00332521  
 Place : Gurugram  
 Date : June 15, 2020

  
 Krishan Gopal  
 (Chief Financial Officer)  
 Place : Gurugram  
 Date : June 15, 2020

**SATIN CREDITCARE NETWORK LIMITED**  
**Consolidated Balance Sheet as at March 31, 2020**  
*(All amounts in ₹ lakhs, unless otherwise stated)*

|   | Notes | As at<br>March 31, 2020   | As at<br>March 31, 2019   |
|---|-------|---------------------------|---------------------------|
| <b>ASSETS</b>   |       |                           |                           |
| <b>Financial Assets</b>   |       |                           |                           |
| Cash and cash equivalents   | 4     | 1,17,698.47               | 1,02,496.82               |
| Other bank balances   | 5     | 70,417.64                 | 73,345.19                 |
| Derivative financial instruments  | 6     | 673.63                    | 186.99                    |
| Trade receivables   | 7     | 1,232.97                  | 1,237.63                  |
| Loans   | 8     | 4,94,111.17               | 4,54,862.48               |
| Investments   | 9     | 24,573.21                 | 26,428.85                 |
| Other financial assets  | 10    | 2,521.89                  | 2,006.69                  |
|   |       | <u>7,11,228.98</u>        | <u>6,60,564.65</u>        |
| <b>Non-financial Assets</b>   |       |                           |                           |
| Current tax assets (net)  | 11    | 3,778.61                  | 2,200.40                  |
| Deferred tax assets (net)   | 12    | -                         | 865.24                    |
| Property, plant and equipment   | 13    | 5,618.82                  | 4,456.26                  |
| Capital work-in-progress  | 13    | 3,413.64                  | 1,614.29                  |
| Intangible assets under development   | 14    | -                         | 19.60                     |
| Goodwill  |       | 3,370.66                  | 3,370.66                  |
| Other intangible assets   | 15    | 405.61                    | 236.46                    |
| Other non-financial assets  | 16    | 2,145.45                  | 768.28                    |
|   |       | <u>18,732.79</u>          | <u>13,531.19</u>          |
| <b>TOTAL ASSETS</b>   |       | <u><u>7,29,961.77</u></u> | <u><u>6,74,095.84</u></u> |
| <b>LIABILITIES AND EQUITY</b>   |       |                           |                           |
| <b>LIABILITIES</b>  |       |                           |                           |
| <b>Financial Liabilities</b>  |       |                           |                           |
| Payables  |       |                           |                           |
| Trade payables  |       |                           |                           |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 17    | 117.56                    | 6.01                      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 848.47                    | 182.10                    |
| Other payables  |       |                           |                           |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 18    | 193.77                    | -                         |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 1,332.60                  | 1,154.83                  |
| Debt securities   | 19    | 86,386.14                 | 97,586.85                 |
| Borrowings (other than debt securities)   | 20    | 4,11,462.61               | 3,75,553.88               |
| Subordinated liabilities  | 21    | 56,302.54                 | 53,919.68                 |
| Other financial liabilities   | 22    | 25,532.33                 | 28,266.20                 |
|   |       | <u>5,82,176.02</u>        | <u>5,56,669.55</u>        |
| <b>Non-financial Liabilities</b>  |       |                           |                           |
| Deferred tax liabilities (net)  | 12    | 727.90                    | -                         |
| Provisions  | 23    | 1,285.71                  | 1,515.48                  |
| Other non-financial liabilities   | 24    | 903.23                    | 966.17                    |
|   |       | <u>2,916.84</u>           | <u>2,481.65</u>           |
| <b>EQUITY</b>   |       |                           |                           |
| Equity share capital  | 25    | 5,171.27                  | 4,853.07                  |
| Other equity  | 26    | 1,39,697.64               | 1,10,091.57               |
|   |       | <u>1,44,868.91</u>        | <u>1,14,944.64</u>        |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |       | <u><u>7,29,961.77</u></u> | <u><u>6,74,095.84</u></u> |

Statement of significant accounting policies and other explanatory notes.  
This consolidated Balance Sheet referred to in our report of even date.

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

*Chit Singh*  
Chit Singh  
Partner  
Membership Number: 095256  
Place : Noida  
Date : June 15, 2020

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

*HP Singh*  
H P Singh  
(Chairman cum Managing Director)  
DIN: 00333754  
Place : Gurugram  
Date : June 15, 2020

*Sanjay Kumar Bhatia*  
Sanjay Kumar Bhatia  
(Chairman Audit Committee cum Director)  
DIN: 07033027  
Place : Noida  
Date : June 15, 2020

*Adhish Swaroop*  
Adhish Swaroop  
(Company Secretary & Compliance Officer)  
ACS: 16034  
Place : Delhi  
Date : June 15, 2020

*Satvinder Singh*  
Satvinder Singh  
(Director)  
DIN: 00332521  
Place : Gurugram  
Date : June 15, 2020

*Krishan Gopal*  
Krishan Gopal  
(Chief Financial Officer)  
Place : Gurugram  
Date : June 15, 2020



**SATIN CREDITCARE NETWORK LIMITED**

**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**

*(All amounts in ₹ lakhs, unless otherwise stated)*

|  | Notes      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|------------|--------------------------------------|--------------------------------------|
| <b>I. Income</b>   |            |                                      |                                      |
| <b>Revenue from operations</b>   |            |                                      |                                      |
| Interest income  | 27         | 1,11,000.52                          | 1,18,606.59                          |
| Dividend income  | 28         | 2.21                                 | -                                    |
| Fees and commission income   | 29         | 13,778.42                            | 9,090.27                             |
| Net gain on fair value changes   | 30         | 1,437.83                             | 3,049.79                             |
| Net gain on derecognition of financial instruments under amortised cost category | 31         | 23,608.14                            | 13,345.54                            |
| Other operating income   | 32         | 124.42                               | 168.77                               |
| <b>Total Revenue from operations</b>   |            | <b>1,49,951.54</b>                   | <b>1,44,260.96</b>                   |
| Other income   | 33         | 391.65                               | 253.37                               |
| <b>Total Income</b>  |            | <b>1,50,343.19</b>                   | <b>1,44,514.33</b>                   |
| <b>II. Expenses</b>  |            |                                      |                                      |
| Finance costs  | 34         | 58,609.00                            | 64,248.74                            |
| Impairment on financial instruments  | 35         | 19,180.66                            | 5,242.11                             |
| Employee benefit expenses  | 36         | 35,134.58                            | 30,547.81                            |
| Depreciation and amortisation expense  | 37         | 1,753.72                             | 1,251.12                             |
| Other expenses   | 38         | 14,502.59                            | 11,643.61                            |
| <b>Total</b>   |            | <b>1,29,180.55</b>                   | <b>1,12,933.39</b>                   |
| <b>Profit before tax</b>   |            | <b>21,162.64</b>                     | <b>31,580.94</b>                     |
| <b>Tax expense:</b>  | 39         |                                      |                                      |
| Current tax  |            | 5,575.17                             | 4,388.42                             |
| Deferred tax   |            | 90.21                                | 7,042.88                             |
| <b>Total tax expenses</b>  |            | <b>5,665.38</b>                      | <b>11,431.30</b>                     |
| <b>Profit after tax</b>  |            | <b>15,497.26</b>                     | <b>20,149.64</b>                     |
| <b>Other comprehensive income</b>  |            |                                      |                                      |
| <b>Items that will not be reclassified to profit and loss</b>                    |            |                                      |                                      |
| Re-measurements of the defined benefit plans                                     |            | 126.65                               | (48.18)                              |
| Equity instruments through other comprehensive income                            |            | -                                    | (3.32)                               |
| Income tax relating to above items   |            | (32.91)                              | 17.36                                |
|  | <b>A</b>   | <b>93.74</b>                         | <b>(34.14)</b>                       |
| <b>Items that will be reclassified to profit and loss</b>                        |            |                                      |                                      |
| Changes in fair value of loan assets   |            | 5,771.41                             | 3,920.21                             |
| Income tax relating to above item  |            | (1,452.55)                           | (1,369.88)                           |
| Cash flow hedge reserve  |            | 93.37                                | -                                    |
| Income tax relating to above item  |            | (23.50)                              | -                                    |
|  | <b>B</b>   | <b>4,388.73</b>                      | <b>2,550.33</b>                      |
| <b>Other comprehensive income</b>  | <b>A+B</b> | <b>4,482.47</b>                      | <b>2,516.19</b>                      |
| <b>Total comprehensive income</b>  |            | <b>19,979.73</b>                     | <b>22,665.83</b>                     |



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**SATIN CREDITCARE NETWORK LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**  
*(All amounts in ₹ lakhs, unless otherwise stated)*

|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>Net profit/(loss) after tax attributable to</b>                     |                                      |                                      |
| Owners of the holding company  | 15,497.26                            | 20,119.45                            |
| Non-controlling interests  | -                                    | 30.19                                |
| <b>Other comprehensive income attributable to</b>                      |                                      |                                      |
| Owners of the holding company  | 4,482.47                             | 2,516.19                             |
| Non-controlling interests  | -                                    | -                                    |
| <b>Total comprehensive income attributable to</b>                      |                                      |                                      |
| Owners of the holding company  | 19,979.73                            | 22,635.64                            |
| Non-controlling interests  | -                                    | 30.19                                |
| <b>Earnings per equity share (face value of ₹ 10 per equity share)</b> | 40                                   |                                      |
| Basic (₹)  | 30.43                                | 41.67                                |
| Diluted (₹)  | 30.27                                | 41.37                                |

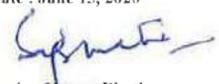
Statement of significant accounting policies and other explanatory notes.  
 This consolidated Statement of Profit and Loss referred to in our report of even date.

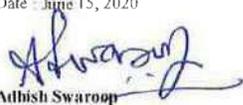
For Walker ChandioK & Co LLP  
 Chartered Accountants  
 Firm's Registration No. 001476N/N500013

  
**Lalit Kumar**  
 Partner  
 Membership Number: 095256  
 Place : Noida  
 Date : June 15, 2020

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

  
**H P Singh**  
 (Chairman cum Managing Director)  
 DIN: 00333754  
 Place : Gurugram  
 Date : June 15, 2020

  
**Sanjay Kumar Bhatia**  
 (Chairman Audit Committee cum Director)  
 DIN: 07033027  
 Place : Noida  
 Date : June 15, 2020

  
**Adhish Swaroop**  
 (Company Secretary & Compliance Officer)  
 ACS: 16034  
 Place : Delhi  
 Date : June 15, 2020

  
**Satvinder Singh**  
 (Director)  
 DIN: 00332521  
 Place : Gurugram  
 Date : June 15, 2020

  
**Krishan Gopal**  
 (Chief Financial Officer)  
 Place : Gurugram  
 Date : June 15, 2020



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**SATIN CREDITCARE NETWORK LIMITED**  
**Consolidated cash flow statement for the year ended March 31, 2020**  
*(All amounts in ₹ lakhs, unless otherwise stated)*

| A Cash flow from operating activities   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Profit before tax   | 21,162.64                            | 31,580.94                            |
| <b>Adjustments for:</b>   |                                      |                                      |
| Depreciation and amortisation   | 1,147.51                             | 1,251.12                             |
| Depreciation of right-of-use assets   | 606.21                               | -                                    |
| Net (gain)/loss on derecognition of property, plant and equipment   | (2.83)                               | (1.98)                               |
| Gain on sale of liquid funds  | (1,568.59)                           | (2,752.00)                           |
| Unrealised (gain)/loss on fair value changes of derivatives and investments                                 | 130.76                               | (306.34)                             |
| Property, plant and equipment written off   | -                                    | 48.64                                |
| Impairment on financial instruments   | 19,180.66                            | 5,242.11                             |
| Dividend income   | (2.21)                               | -                                    |
| Gain on sale of loan portfolio through assignment   | (23,608.14)                          | (13,345.54)                          |
| First loss default guarantee expenses   | 3,089.11                             | 894.90                               |
| Share based payment to employees  | 196.20                               | 425.34                               |
| Effective interest rate adjustment for financial instruments  | 2,104.43                             | 1,258.73                             |
| Interest expense for leasing arrangements   | 188.19                               | -                                    |
| Net gain on termination of leases   | (42.44)                              | -                                    |
| Unrealised exchange fluctuation loss (net)  | 188.49                               | 230.38                               |
| <b>Operating profit before working capital changes</b>  | <b>22,769.99</b>                     | <b>24,526.30</b>                     |
| <b>Movement in working capital</b>  |                                      |                                      |
| Decrease/(increase) in trade receivables  | 4.66                                 | (60.46)                              |
| (Increase)/decrease in loans  | (28,570.57)                          | 41,904.78                            |
| Decrease/(increase) in deposits   | 2,927.55                             | (7,054.25)                           |
| (Increase)/decrease in other financial assets   | (994.43)                             | 1,268.19                             |
| (Increase)/decrease in other non-financial assets   | (6,733.93)                           | 192.43                               |
| Increase/(decrease) in trade and other payables   | 1,149.46                             | (1,166.29)                           |
| (Decrease)/increase in other financial liabilities  | (5,822.98)                           | 7,841.73                             |
| (Decrease)/increase in provisions   | (103.12)                             | 335.70                               |
| Increase in other non-financial liabilities   | 2.95                                 | 27.79                                |
| <b>Cash (used in)/flows from operating activities post working capital changes</b>                          | <b>(15,370.42)</b>                   | <b>67,815.92</b>                     |
| Income taxes paid (net)   | (7,159.41)                           | (6,716.21)                           |
| <b>Net cash (used in)/flows from operating activities (A)</b>   | <b>(22,529.83)</b>                   | <b>61,099.71</b>                     |
| <b>B Cash flows from investing activities</b>   |                                      |                                      |
| Payments for property, plant and equipment and capital work-in-progress and intangible assets               | 2,116.53                             | (1,869.01)                           |
| Proceeds from sale of property, plant and equipment and intangible assets                                   | 16.47                                | 12.55                                |
| Payment for acquisition of subsidiary, net of cash acquired   | -                                    | (331.63)                             |
| Proceeds from purchase of other investments (net)   | 3,435.38                             | (16,496.68)                          |
| <b>Net cash flows/(used in) investing activities (B)</b>  | <b>5,568.38</b>                      | <b>(18,684.77)</b>                   |
| <b>C Cash flows from financing activities (refer to note i below)</b>                                       |                                      |                                      |
| Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses) | 4,437.67                             | 11.51                                |
| Proceeds from debt securities   | 21,413.18                            | 40,370.00                            |
| Repayment of debt securities  | (32,852.45)                          | (34,702.86)                          |
| Proceeds from borrowings other than debt securities   | 3,12,518.42                          | 3,29,267.50                          |
| Repayment of borrowings other than debt securities  | (2,87,956.35)                        | (3,45,753.07)                        |
| Lease payments  | (693.40)                             | -                                    |
| Proceeds from subordinated liabilities  | 9,887.77                             | 20,000.00                            |
| Repayment of subordinated liabilities   | (2,469.76)                           | (369.81)                             |
| <b>Net cash flows from financing activities (C)</b>   | <b>24,285.08</b>                     | <b>8,823.27</b>                      |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>  | <b>7,323.63</b>                      | <b>51,238.21</b>                     |
| Cash and cash equivalents at the beginning of the year (refer to note ii below)                             | 96,581.67                            | 45,343.46                            |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>1,03,905.30</b>                   | <b>96,581.67</b>                     |

i) Refer to note 21 for reconciliation of liabilities arising from financing activities.  
ii) Refer to note 5 for restricted cash and cash equivalent.



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**SATIN CREDITCARE NETWORK LIMITED**

Consolidated cash flow statement for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

**Notes:**

Cash and cash equivalents (as per note 4 to the financial statements)

Less: Overdraft facility against term deposits (as per note 20 to the financial statements)

|                    |                  |
|--------------------|------------------|
| 1,17,698.47        | 1,02,496.82      |
| (13,793.17)        | (5,915.15)       |
| <u>1,03,905.30</u> | <u>96,581.67</u> |

Statement of significant accounting policies and other explanatory notes.

This Statement of Cash Flow referred to in our report of even date.

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



Rajit Kumar

Partner

Membership Number: 095256

Place: Noida

Date: June 15, 2020

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

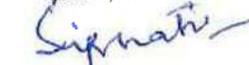


H P Singh  
(Chairman cum Managing Director)

DIN: 00333754

Place: Gurugram

Date: June 15, 2020

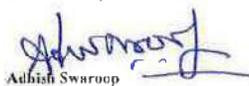


Sanjay Kumar Bhatia  
(Chairman Audit Committee cum Director)

DIN: 07033027

Place: Noida

Date: June 15, 2020



Adhish Swaroop  
(Company Secretary & Compliance Officer)

ACS: 16034

Place: Delhi

Date: June 15, 2020



Satvinder Singh

(Director)

DIN: 00332521

Place: Gurugram

Date: June 15, 2020



Krishan Gopal  
(Chief Financial Officer)

Place: Gurugram

Date: June 15, 2020



**ANNEXURE VIII: ILLUSTRATION OF BOND CASH FLOWS**

| <b>Illustration of Bond Cash Flows</b>               |  |
|--|--|
| Company  | Satin Creditcare Network Limited   |
| Face Value (per security)                            | Rs. 10,00,000/- (Indian Rupees Ten Lakh)   |
| Issue Date / Date of Allotment                       | Issue Opening Date: August 17, 2020<br>Deemed Date of Allotment: August 18, 2020 |
| Redemption Date / Maturity Date                      | Redemption Date / Maturity Date: February 18, 2022                               |
| Coupon Rate  | 10.25% (Ten Decimal Twenty Five Percent) p.a.                                    |
| Frequency of the Coupon Payment with specified dates | Coupon payable Annually and on redemption.                                       |
| Day Count Convention                                 | Actual/Actual  |

**CASH FLOW**

| Payment Dates | No of Days | Principal Amount | Coupon Amount | Total        |
|---------------|------------|------------------|---------------|--------------|
|               |            | (in Rupees)      | (in Rupees)   |              |
| 18-Aug-21     | 365        | -                | 5,12,50,000   | 5,12,50,000  |
| 18-Feb-22     | 184        | 50,00,00,000     | 2,58,35,616   | 52,58,35,616 |