

## 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: September 29, 2020**

**Issue of 1750 (One Thousand Seven Hundred and Fifty) Secured, Senior, Rated, Listed, Fully Paid-up, Redeemable, Taxable, Transferable Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 175,00,00,000/- (Rupees One Hundred and Seventy Five 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 September 25, 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 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 August 27, 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 August 27, 2020 from the Rating Agency assigning the credit rating abovementioned.

### Issue Schedule

Issue Opens on: September 29, 2020  
Issue Closing on: September 29, 2020  
Deemed Date of Allotment: September 30, 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	Arranger
 <b>Catalyst Trusteeship Limited</b> Office No. 83 – 87, 8th floor, ‘Mittal Tower’, ‘B’ Wing, Nariman Point, Mumbai – 400021 Contact Person: Ms. Aayushi Sanghavi Tel.:022- 49220507 Fax: : 022-49220505 Email: aayushi.sanghavi@ctltrustee.com Website: www.catalysttrustee.com	 <b>KFin Technologies Private Limited</b> Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad-500 032. Contact Person: Mr S P Venugopal Tel: (040) 6716 2222 Fax: 040-23420814 Email: venu.sp@kfintech.com; <a href="mailto:vinwar.ris@kfintech.com">vinwar.ris@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a>	 <b>Fortwise Capital Private Limited</b> A-704, Plot No. 26, Jay Balaji CHS Limited, Sector 6, Nerul, Thane – 400 706, Maharashtra +91-9930282482

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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.

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.
Arranger / Sole Arranger	Fortwise Capital Private Limited
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 any day on which money markets are functioning in Mumbai, India.
CA Certificate	shall mean the certificate provided by a chartered accountant on or about the date hereof in favour of the Debenture Trustee and the Debenture Holder(s) <i>inter alia</i> certifying the asset liability management (ALM) on a monthly basis from the date of Issue of the Debentures;
CDSL	Central Depository Services (India) Limited.
CERSAI	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> .
Client Loan	means each loan made by the Issuer as a lender and “ <b>Client Loans</b> ” shall refer to the aggregate of such loans.
Company/Issuer/ 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.
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	means the Applicants whose names and addresses are set out in the Application Form and for any subsequent Debenture Holders, each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders. 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.
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	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.
Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
Debentures/NCDs	1750 (One Thousand Seven Hundred and Fifty) 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 175,00,00,000/- (Indian Rupees One Hundred and Seventy Five Crore)
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 the Hypothecated Assets 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	September 30, 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 5.17(a) of this Information Memorandum
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments whether on maturity or otherwise prior to the scheduled Redemption Date / Maturity Date or upon acceleration.
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 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.
Eligible Investors	Has the meaning specified in Section 8.14 below.
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> <li>(l) which may result in funding or supporting any individual or organisation designated as: <ul style="list-style-type: none"> <li>(i) terrorists or terrorist organisations by the United Nations, the European Union and any other applicable country; and</li> <li>(ii) persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions.</li> </ul> </li> </ul>
Final Settlement Date	the date on which the entire outstanding amounts of the Issuer in relation to the Debentures including the principal amounts, the Coupon

	accrued thereon, the Default Interest, additional interest, costs, fees, charges, etc. and all obligations of the Issuer under the Transaction Documents have been irrevocably and unconditionally discharged in full, to the satisfaction of the Debenture Trustee.
Financial Indebtedness	Means any indebtedness for or in respect of: <ul style="list-style-type: none"> <li>(a) moneys borrowed;</li> <li>(b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;</li> <li>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument;</li> <li>(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;</li> <li>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);</li> <li>(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</li> <li>(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);</li> <li>(h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee;</li> <li>(i) any obligation under any put option in respect of any securities;</li> <li>(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;</li> <li>(k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and</li> <li>(l) 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.</li> </ul>
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	shall mean the 'Partial Credit Guarantee Scheme' offered by the Government of India to public sector banks as originally issued on August 10, 2019 and as replaced vide the scheme issued on December 11, 2019 and as extended by the 'Extended Partial Credit Guarantee Scheme' issued by the Department of Financial Services, Ministry of Finance of the Government of India vide circular dated May 20, 2020, in each case as amended, replaced or modified from time to time, the frequently asked questions (FAQs) issued in respect of partial credit guarantee scheme from time to time including the FAQs issued by the Department of Financial Services, Ministry of Finance of the Government of India dated August 30, 2019 and May 20, 2020 and all other circulars, notifications, rules, regulations and guidelines as issued by the RBI from time to time in relation to the partial credit guarantee schemes offered by the Government of India including in relation to corporate bonds purchased / subscribed by public sector bank(s).

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	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
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.
Ind AS	shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time, and applied on a consistent basis.
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 September 29, 2020 by the Issuer in respect of the issuance of the Debentures.
Issue	means this issue of Debentures by the Issuer on a private placement basis
Issue Closing Date	September 29, 2020
Issue Opening Date	September 29, 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	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Company to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents including the ability of any party to enforce any of its remedies thereunder.
Maturity Date	March 30, 2022, being 18 (Eighteen) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal amount of the Debentures becomes due and payable provided by the Debenture Holders, whether at such stated maturity date, by declaration of acceleration, or otherwise.
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</i>

	<i>Timelines under the Prudential Framework on Resolution of Stressed Assets" (each as amended, modified or restated from time to time).</i>
MSME	Micro Small and Medium Enterprises as defined under the Micro, Small, and Medium Enterprises Development (MSMED) Act in 2006
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.
PPOAL / Private Placement Offer cum Application 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.
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 15 (Fifteen) calendar days prior to any Due Date.
Register of Debenture Holders	The register maintained by the Company containing the name(s) of Debenture Holder(s) in the form and manner as prescribed under the Companies (Management and Administration Rules), 2014, which shall be maintained at the registered office of the Company.
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	shall have the meaning assigned to such term in the Debenture Trust Deed.
Secured Parties	means collectively, the Debenture Holders and the Debenture Trustee, and "Secured Party" shall be construed accordingly.
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 Debenture Trust Deed.
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.
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	<p>shall mean the documents executed in relation to the issue of the Debentures and shall include:</p> <ul style="list-style-type: none"> <li>(a) the Debenture Trust Deed;</li> <li>(b) the Debenture Trustee Agreement;</li> <li>(c) the Deed of Hypothecation;</li> <li>(d) the Information Memorandum;</li> <li>(e) the Private Placement Offer cum Application Letter;</li> <li>(f) the GOI Guarantee;</li> <li>(g) each tripartite agreement between the Issuer, the Registrar and any Depository;</li> <li>(h) the letters issued by, and each memorandum of understanding entered into with, the Debenture Trustee, the Rating Agency and the Registrar</li> <li>(i) a certified true copy of the resolution of the Board of Directors / committee of the board of directors of the Company authorizing the issuance of Debentures under Section 179 (3)(c) of the Act;</li> <li>(j) a certified true copy of the resolution of the shareholders of the Company under Section 42, Section 180(1)(a) and Section 180 (1)(c) of the Act;</li> <li>(k) the in-principal approval of BSE;</li> <li>(l) the audited financials of the Company as on March 31, 2020;</li> <li>(m) the Undertakings;</li> <li>(n) the CA Certificate, and</li> <li>(o) any other declaration or document as mandated under the GOI Guidelines and any other document that may be designated as a Transaction Document by any of the Secured Parties.</li> </ul> <p>and "<b>Transaction Document</b>" means any of them.</p>
Undertakings	shall mean the following undertakings to be issued by the Company in favour of the Debenture Trustee and the Debenture Holder(s) <i>inter alia</i> recording the undertaking of the Company:

	<p>(a) to re-work the asset liability structure within 3 (Three) months to have a positive asset liability management (ALM) in each bucket for the first 3 (Three) months and on cumulative basis for the remaining period; and</p> <p>(b) that it shall not raise funds for more than 1.25 (One Decimal Point Two Five) times of the Company's total maturing liability over a period of 6 (Six) months from the date of Issue of the Debentures.</p>
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.

The Issuer has mandated Fortwise Capital Private Limited to act as an arranger for the Debentures and to distribute either itself and/or through its affiliates this Information Memorandum to identified potential investors.

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.

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 DISCLAIMER CLAUSE OF THE SOLE ARRANGER**

The Issuer hereby declares that it has exercised due-diligence to ensure complete compliance with prescribed disclosure norms in this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). The only role of the Sole Arranger with respect to the Debentures is confined to arranging placement of the Debentures on the basis of this Information Memorandum as prepared by the Issuer. Without limiting the foregoing, the Sole Arranger is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to the Debentures. The Issuer is solely responsible for the truth,

accuracy and completeness of all the information provided in this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). Neither is the Sole Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Information Memorandum and/or the Private Placement Offer cum Application Letter(s), nor is the Sole Arranger responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). The Sole Arranger shall be entitled to rely on the truth, correctness and completeness of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). It is to be distinctly understood that the aforesaid use of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) by the Sole Arranger should not in any way be deemed or construed to mean that the Information Memorandum and/or the Private Placement Offer cum Application Letter(s) has been prepared, cleared, approved, scrutinized or vetted by the Sole Arranger. Nor should the contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) in any manner be deemed to have been warranted, certified or endorsed by the Sole Arranger as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Information Memorandum and/or the Private Placement Offer cum Application Letter(s).

The Sole Arranger has not conducted any due diligence review on behalf or for the benefit of the Debenture Trustee or any of the Debenture Holders. Each of the Debenture Holders should conduct such due diligence on the Issuer and the Debentures as it deems appropriate and make its own independent assessment thereof.

Distribution of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) does not constitute a representation or warranty, express or implied by the Sole Arranger that the information and opinions herein will be updated at any time after the date of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). The Sole Arranger does not undertake to notify any recipient of any information coming to the attention of the Sole Arranger after the date of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). No responsibility or liability or duty of care is or will be accepted by the Sole Arranger for updating or supplementing this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) nor for providing access to any additional information as further information becomes available.

Neither the Sole Arranger nor any of their respective directors, employees, officers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Information Memorandum or in any other information or communications made in connection with the Debentures.

The Sole Arranger is acting for the Company in relation to the Issue of the Debentures and not on behalf of the recipients of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). The receipt of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) by any recipient is not to be constituted as the giving of investment advice by the Sole Arranger to that recipient, nor to constitute such a recipient a customer of the Sole Arranger. The Sole Arranger is not responsible to any other person for providing the protection afforded to the customers of the Sole Arranger nor for providing advice in relation to the Debentures.

Each recipient of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) acknowledges that:

- i. each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and

- ii. such recipient has not relied on the Sole Arranger in connection with its investigation of the accuracy of such information or its investment decision.

## **2.8 ISSUE OF DEBENTURES IN DEMATERIALISED 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 depositary 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: AUTHORISATION LETTER

Date: September 29, 2020

To: **Fortwise Capital Private Limited** (the “Arranger”)

Dear Sir,

**Issuance of Secured Rated Listed Redeemable Taxable Non-Convertible Debentures on a private placement basis**  
(the “Debentures”)

Satin Creditcare Network Limited (the “Company” or the “Issuer”), refers to the information memorandum dated September 29, 2020 (the “Information Memorandum”) in connection with the Debentures proposed to be issued by the Issuer.

The Issuer confirms that, as at the date of this letter, the factual information contained in the Information Memorandum is true and accurate and no factual information has been omitted that renders such information contained in the Information Memorandum untrue or inaccurate in any material respect and any financial forecasts and projections contained in any part of the Information Memorandum have been prepared on the basis of recent historical information and assumptions believed by the Issuer to be fair and reasonable. All expressions of opinion, statements and estimates set forth and reflected in the Information Memorandum have been made by the Issuer after due and proper consideration. In addition, the Issuer is not aware of any information not contained in the Information Memorandum, the omission of which would lead to the Information Memorandum being inaccurate, untrue or misleading in any material respect. The Issuer further confirms that it is in compliance and shall comply with all applicable laws and regulations in relation to the proposed issue of the Debentures.

The Issuer authorises the Arranger and/or its affiliates to deliver copies of the Information Memorandum to those specified persons identified by the Issuer /Arranger from whom the Arranger proposes to seek participation in the Debentures. The Issuer agrees to indemnify and hold the Arranger, its affiliates and each of its and their officers, employees, representatives, and agents harmless from and against any and all losses, liabilities, damages, claims, costs or expenses which may be imposed on or incurred by the Arranger or its affiliates, officers, employees, representatives, and agents as a result of any inaccurate, untrue or misleading statement contained in the Information Memorandum or caused by an omission of any material fact which is necessary to make any of the statements contained in the Information Memorandum not misleading.

This letter and all claims arising in connection with it are governed by and are to be construed in accordance with Indian law. The Issuer submits to the exclusive jurisdiction of the courts and tribunals at New Delhi for the resolution of any dispute arising in connection with this letter.

Yours faithfully,

For and on behalf of

**Satin Creditcare Network Limited**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **SECTION 4: 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.

### **4.1 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.

### **4.2 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.

### **4.3 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.

### **4.4 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.

### **4.5 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.

### **4.6 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.

#### **4.7 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.

#### **4.8 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.

#### **4.9 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.

#### **4.10 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.

#### **4.11 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 June 30, 2020, the gross NPA was Rs.173.54 Crore on a gross portfolio of Rs.7,180.55 Crores (including managed / securitized portfolio of Rs.2,527.99 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 smoothened 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 5: 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 6: 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.

### 6.1 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 passed by the shareholders of the Company at its Annual General Meeting held on August 05, 2020 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 15 (Fifteen) 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.

### 6.2 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.

#### **5.1 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, 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 Floor 1 & 3, Plot No.97, Sector-44, Gurugram-122003, Haryana
CFO of Issuer:	Mr Krishan Gopal 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 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 Chandio & Co. LLP L-41, Connaught Circus, New Delhi- 110001
Trustee to the Issue:	Catalyst Trusteeship Limited, GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038
Arranger:	Fortwise Capital Private Limited A-704, Plot No. 26, Jay Balaji CHS Limited, Sector 6, Nerul, Thane – 400 706, Maharashtra +91-9930282482
Registrar to the Issue:	Kfin Technologies Private Limited, Selenium, Tower B, Plot No- 31 & 32, Financial District Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032
Credit Rating Agency:	CARE Ratings Limited, 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

## **5.2 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:**

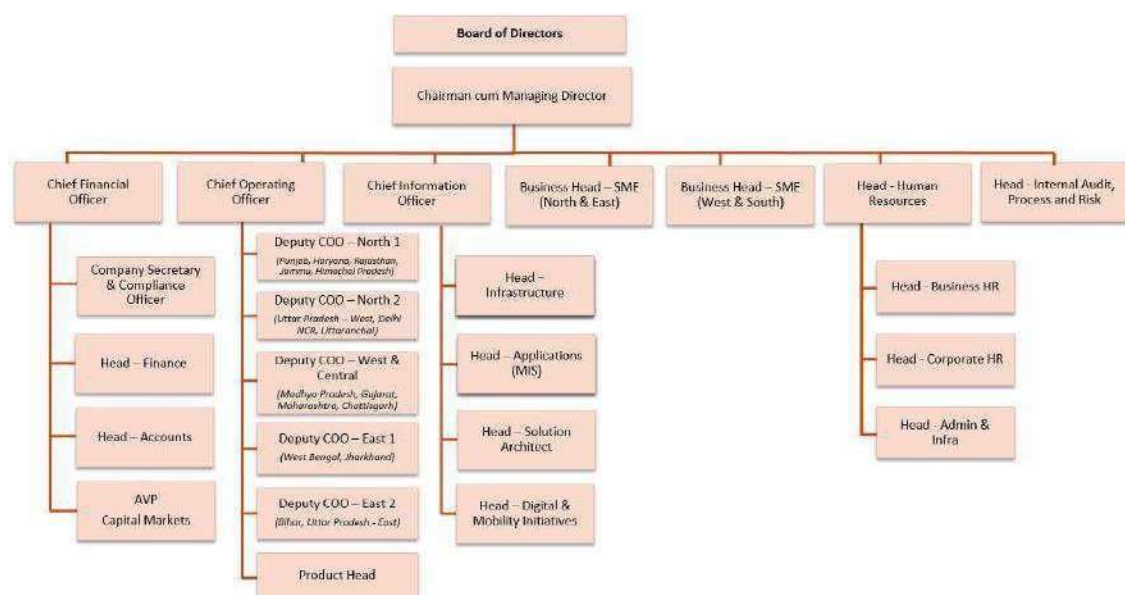
The Issuer's mission is: "Providing monetary access to financially excluded families to improve their economic and social capacity"

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> <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> <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> <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, controlling M/S Berger Paints (India) Ltd., Rajdoot Paints Ltd. and Malibu Estate Pvt. Ltd.</p>

<b>Mr. Sundeep Kumar Mehta</b>  <b>Independent Director</b>	<p>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.</p>
<b>Ms. Sangeeta Khorana</b>  <b>Independent Director</b>	<p>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.</p>
<b>Mr. Colin Goh</b>  <b>Independent Director</b>	<p>Mr. Colin Goh was trained in Economics &amp; 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 &amp; 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 &amp; 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</p>
<b>Mr. Sanjay K. Bhatia</b>  <b>Independent Director</b>	<p>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</p>

	– 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> <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**

<b>Management Details</b>		
<b>Name</b>	<b>Designation</b>	<b>Experience</b>
<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 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 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**

<b>Product</b>	<b>Income Generating Loan (IGL)</b>
Loan Term	<=INR 15,000/- loan for 12 months and above > INR 15,000/- loan for minimum of 24 months
Finance Amounts	<= INR 35,000/- in the first cycle (Maximum Indebtedness / borrower in 1st cycle) <= 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 alternatesource 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 7 days (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	5,326.08
After the issue of debt securities	5,376.08

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

Debt	5,376.08
Equity	1,470.22
Debt/Equity	3.62

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

Debt	5,551.08
Equity	1,470.22
Debt/Equity	3.78

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

NIL

**5.3 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 52084694 Equity Shares of Rs. 10/- each	52,08,46,940
Subscribed Equity Share Capital 52084694 Equity Shares of Rs. 10/- each	52,08,46,940
Paid up Equity Share Capital	<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 ments	Dat e of Allo tme nt	No . of Eq uit y Sh are s 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 V al ue (i n R s.)	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 belon ging 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	1470000	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	1400000	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 Trishashna 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 into 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.

**5.4 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
16	Dsp Equity & Bond Fund	4626691	8.89	4626691
17	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	2101896	4.04	2101896
18	Uti - Hybrid Equity Fund	600359	1.15	600359
19	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

**5.5 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)	Addresses	DIN	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 2. Satin Creditcare Foundation

				50, Gurgaon- 122001				3. Parinita Investments Private Limited 4. Parishek Finance Private Limited 5. Riwaaz Investments Private Limited 6. Satin (India) limited 7. Niryas Food Products Private Limited 8. UV Associates Private Limited 9. Satin Finserv Limited 10. Satin Media Solutions Limited 11. Taco Consultants Private Limited 12. Global Social (India) Foundation 13. Tomorrow's One Global Network Private Limited 14. Tomorrow's Knowledge Pte. Limited 15. Tomorrow's One Capital Pte. Limited 16. Prestellar Ventures Fund I Pte.Ltd.
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								17. Satin Housing Finance Limited 18. Trishashna Holdings & Investments Private Limited 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 2. Satin Neo Dimensions Private Limited 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 M6046 R	13/02/2013	1. Activa Certification Private Limited 2. Satin Finserv Limited 3. Satin Housing Finance Limited
5	Ms. Sangeeta Khorana	Director	01-11-1963, 56	59 Pottle Walk, Wimborne BH21 2FD	06674198	AAOP K3235 F	09/08/2013	-

				Dorset, United Kingdo m				
6	Mr. Goh Colin	Dire ctor	01- 07- 1967 , 52	173 Ceylon Road Singapo re- 429739 SG	069 631 78	-	12/11/20 14	1. The Rice Co. Ltd 2. Global Cultural Alliance Ltd 3. Millet Holdings Pte Ltd 4. Millet World Pte Ltd 5. Scape Ltd Singapore Arts School Ltd
7	Mr. Sanjay Kumar Bhatia	Dire ctor	Sept embe r 23, 1964 , 55	1414 DR. Mukherj ee Nagar Delhi- 110009	070 330 27	AAHP B8915 E	06/12/20 14	1. Antara Care Homes Limited 2. Taraashna Financial Services Limited
8	Mr. Anil Kumar Kalra	Dire ctor	May 22,1 955, 65	C-2 Flate No- 117B, Lawren ce Road, Keshav Puram, Onkar Nagar, Saraswa tiVihar North West Delhi- 110035	073 617 39	AEFPK 4646B	08/12/20 15	1. Satin Finserv Limited 2. Satin Housing Finance Limited
9	Mr. Christian B. Ramm	Dire ctor	Aug Ust 18, 1975 , 44	NOBEL S GATE 20A 0268 OSLO NA NO	080 966 55	NA	30/05/20 20	1. SUB-K Impact solution Limited (India) 2. AB Bank Rwanda

*\*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:**

<b>Name &amp; Designation</b>	<b>DIN</b>	<b>Date of Appointment / Resignation</b>	<b>Director of the Company since (in case of resignation)</b>	<b>Remarks</b>
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

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

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

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

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

<b>Name</b>	<b>Address</b>	<b>Date of appointment/resignation</b>	<b>Auditor of the Company since (in case of resignation)</b>	<b>Remarks</b>
N. A	N. A	N. A	N. A	N. A

**5.7 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)*

<b>Lenders Name/Banks Name</b>	<b>Type of Facility</b>	<b>Sanctioned Amount</b>	<b>Disbursed Amount</b>	<b>Principal Amount Outstanding</b>	<b>Tenor</b>	<b>Security</b>	<b>Cash Collateral</b>	<b>Repayment Schedule/ Date</b>
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
		-			24 Months			

KOTAK MAHINDRA BANK	TERM LOAN		90.00	56.25	s	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

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
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
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
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
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	70.00	35.00	17.50	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	35.00	17.50	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	70.00	35.00	17.50	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	35.00	17.50	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	70.00	35.00	17.50	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	35.00	17.50	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	70.00	35.00	17.50	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	35.00	17.50	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	75.00	37.50	23.44	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	37.50	23.44	24 Months	100%	5%	Monthly

MAS FINANCIAL SERVICES LIMITED	TERM LOAN	75.00	37.50	23.44	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	37.50	23.44	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	75.00	37.50	23.44	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	37.50	23.44	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	75.00	37.50	23.44	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	37.50	23.44	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	15.62	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	15.62	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	18.75	24 Months	100%	5%	Monthly

MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	50.00	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	-	25.00	18.75	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly

MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	35.00	35.00	30.63	24 Months	100%	5%	Monthly
MAS FINANCIAL SERVICES LIMITED	TERM LOAN	15.00	15.00	13.13	24 Months	100%	5%	Monthly
MICRO UNITS DEVELOPMENT & REFINANCE AGENCY LIMITED	TERM LOAN	1,000.00	500.00	399.50	36 Months	100%	5%	Monthly



MICRO UNITS DEVELOPMENT & REFINANCE AGENCY LIMITED	TERM LOAN	-	500.00	399.50	36 Month s	100%	5%	Monthly
NABARD	TERM LOAN	1,450.00	1,450.00	116.00	60 Month s	112%	NIL	Half Yearly
NABARD	TERM LOAN	500.00	500.00	40.00	60 Month s	112%	NIL	Half Yearly
NABARD	TERM LOAN	3,000.00	500.00	50.00	60 Month s	112%	NIL	Half Yearly
NABARD	TERM LOAN	-	2,500.00	250.00	60 Month s	112%	NIL	Half Yearly
NABARD	TERM LOAN	2,500.00	2,500.00	625.00	60 Month s	112%	NIL	Half Yearly
NABARD	TERM LOAN	5,000.00	5,000.00	2,000.00	60 Month s	111%	NIL	Half Yearly
NABARD	TERM LOAN	2,000.00	2,000.00	1,100.00	60 Month s	111%	NIL	Half Yearly
NABARD	TERM LOAN	500.00	500.00	350.00	60 Month s	111.20 %	NIL	Half Yearly
NABARD	TERM LOAN	2,500.00	2,500.00	1,750.00	60 Month s	111.20 %	NIL	Half Yearly
NABARD	TERM LOAN	2,500.00	2,500.00	2,500.00	36 Month s	112%	NIL	Half Yearly
NABARD	TERM LOAN	1,500.00	1,500.00	1,500.00	22 Month s	112%	10%	Half Yearly
NABARD FINANCIAL SERVICES LIMITED	TERM LOAN	100.00	100.00	46.15	26 Month s	105%	NIL	Monthly
NABKISAN FINANCE LIMITED	TERM LOAN	150.00	150.00	12.45	36 Month s	110%	NIL	Monthly
NABKISAN FINANCE LIMITED	TERM LOAN	62.00	62.00	46.50	48 Month s	110%	NIL	Quarterly
ORIENTAL BANK OF COMMERCE	TERM LOAN	500.00	500.00	500.00	42 Month s	110%	10%	Quarterly
QATAR NATIONAL BANK	TERM LOAN	-	200.00	200.00	3 Month s	105%	0%	Bullet
RBL BANK LIMITED	TERM LOAN	600.00	600.00	75.00	27 Month s	110%	5%	Quarterly
RBL BANK LIMITED	TERM LOAN	1,150.00	1,150.00	143.75	24 Month s	105%	5%	Quarterly

SBM BANK (MAURITIUS) LIMITED	TERM LOAN	170.00	170.00	145.71	24 Month s	100%	5%	Quarterly
SHRIRAM CITY UNION FINANCE	TERM LOAN	200.00	200.00	44.32	36 Month s	110%	Nil	Monthly
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	TERM LOAN	2,000.00	2,000.00	1,333.33	36 Month s	100%	5%	Monthly
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	TERM LOAN	1,500.00	1,500.00	1,500.00	36 Month s	100%	5%	Monthly
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	TERM LOAN	1,250.00	1,250.00	1,250.00	11 Month s	110%	NIL	Monthly
STANDARD CHARTERED BANK	TERM LOAN	-	500.00	500.00	14 Month s	100%	5%	Quarterly
STANDARD CHARTERED BANK	TERM LOAN	530.00	420.00	420.00	13 Month s	100%	5%	Quarterly
STANDARD CHARTERED BANK	TERM LOAN	-	110.00	110.00	13 Month s	100%	5%	Quarterly
STANDARD CHARTERED BANK	TERM LOAN	30,000.00	1,000.00	750.00	12 Month s	100%	5%	Quarterly
STANDARD CHARTERED BANK	TERM LOAN	-	250.00	250.00	12 Month s	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 Payme nt
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 Repayme nt
DEVELOPING WORLD MARKET	NCD	250.00	250.00	250.00	48 Months And 28 Days	100%	NIL	Bullet Paymen t
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%	NI L	Annually
IFMR FIMPACT INVESTMENT FUND	NCD	20.00	20.00	20.00	68 Months	110%	NI L	Bullet Payment
RESPONSABILITY (NCD)	NCD	500.00	500.00	500.00	36 Months	110%	Nil	Bullet Payment
RESPONSIBILITY (NCD 28)	NCD	680.00	680.00	680.00	36 Months	100%	NI L	Bullet Payment
SYMBIOTICS (NCD)	NCD	450.00	450.00	450.00	36 Months	100%	NI L	Bullet Payment
SYMBIOTICS (NCD)	NCD	330.00	330.00	330.00	36 Months	100%	NI L	Bullet Payment
UNION BANK OF INDIA	NCD	250.00	250.00	250.00	36 Months	110%	NI L	Bullet
WATER CREDIT INVESTMENT FUND	NCD	387.00	387.00	387.00	36 Months	100%	NI L	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	Sanc ti oned Amo unt	Disb ur se Amo unt	Prin ci pal Amo unt Outs tandi ng	Tenor	S e c u ri t y	C a s h C o ll a te r al	Repayme nt Schedule/ Date
ASN-Novib Mikrokreditfonds	NCD_Unse cu red	26.28	26.28	26.28	48 MONTH S	NI L	NI L	Bullet Payment
DEVELOPING WORLD MARKET	NCD_Unse cu red	25.00	25.00	25.00	48 months and 27 days	NI L	NI L	Bullet Payment
IDFC FIRST BANK	SUB DEBT	30.00	30.00	30.00	84 MONTH S	NI L	NI L	Bullet Payment
IDFC FIRST BANK	SUB DEBT	25.00	25.00	25.00	84 MONTH S	NI L	NI L	Bullet Payment

IDFC FIRST BANK	SUB DEBT	200.00	200.00	200.00	84 MONTHS	N I L	N I L	Bullet Payment
AAV S.A.R.L (MASALA INVESTMENT NCD - Sub Debt)	SUB DEBT(N CD)	50.05	50.05	50.05	85 MONTHS	N A	N I L	99.99% Payment
Caspian Impact Investments Private Limited	SUB DEBT(N CD)	10.00	10.00	10.00	75 MONTHS	N A	N I L	Bullet Payment
IDFC FIRST BANK	SUB DEBT(N CD)	25.00	25.00	25.00	72 MONTHS	N A	N I L	Bullet Payment
IFMR CAPITAL FINANCE LIMITED	SUB DEBT(N CD)	35.00	35.00	35.00	74 MONTHS	N A	N I L	Bullet Payment
IFMR FIMPACT	SUB DEBT(N CD)	25.00	25.00	25.00	75 MONTHS	N A	N I L	Bullet Payment
IFMR Fim投资 Fund	SUB DEBT(N CD)	13.00	13.00	13.00	69 MONTHS	N A	0 %	Bullet Payment
IFU	SUB DEBT(N CD)	30.00	30.00	30.00	63 MONTHS	N A	Nil	HALF YEARLY
Indostar Capital Finance Limited(Sub-Debt)	SUB DEBT(N CD)	40.00	40.00	40.00	84 MONTHS	N A	N I L	Bullet Payment
SAMENA INDIA CREDIT(SINGAPORE) PVT. LTD	SUB DEBT(N CD)	15.00	15.00	15.00	66 MONTHS	N A	0 %	Bullet Payment

TOTAL		549.3 3	549.3 3	549.3 3				
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(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	Securitized
Aditya Birla Finance Limited	36 MONTHS	10.11 %	300	117	29-Aug-18	25-Aug-22	CARE A-Stable	Secured	100 %
ASN-Novib Mikrokreditfonds	48 MONTHS	12.00 %	263	263	16-Sep-19	15-Sep-22	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-22	CARE A-Stable	Secured	100 %
BlueOrchard Microfinance Fund	48 Months	12.11 %	1,200	1,200	27-Sep-19	27-Sep-22	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-22	CARE A-Stable	Secured	100 %
IFMR CAPITAL FINANCE LIMITED	36 MONTHS	11.95 %	600	200	08-Feb-18	08-Feb-22	CARE A-Stable	Secured	100 %
IFMR Fimpact 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 %
WATERCREDITINVESTMENT FUND	36 MONTHS	11.00 %	387	387	25-Oct-18	26-Oct-22	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

- (g) **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	Amount Sanctioned / Issued	Principal Amount Outstanding	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security	Date of issue/allotment	No. of Preference Shares	Face Value	Issue Price	Consideration in Cash/other than Cash	Cumulative Issued Preference Share capital
As per the BE NP OS Provided by RTA	Preference Shares	250,00,000	250,00,000	-	CARE BB (RPS)	NA	NA	June 10, 2016	25,000,000	10	10	Cash	250,00,000

- (h) **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

- (i) **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

**5.8 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

**5.9 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)]*

Profit and Loss Statement (in INR Mn)	For the period ended	For the period ended	For the period ended
Standalone Financials	31.03.2020	31.03.2019	31.03.2018
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>

**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**

Profit before tax	
Adjustments for:	
Depreciation and amortisation	
Depreciation of right-of-use assets	
Net (gain)/loss on derecognition of property, plant and equipment	
Gain on sale of mutual funds	
Unrealised (gain)/loss on fair value changes of derivatives and investments	
Property, plant and equipment written off	
Impairment on financial instruments	
Dividend income	
Gain on sale of loan portfolio through assignment	
First loss default guarantee expenses	
Share based payment to employees	
Effective interest rate adjustment for financial instruments	
Interest expense for leasing arrangements	
Net gain on termination of leases	
Corporate guarantee premium income	
Unrealised exchange fluctuation loss (net)	

**Operating profit before working capital changes**

**Movement in working capital**

Decrease/(increase) in trade receivables	
(Increase)/decrease in loans	
Decrease/(increase) in deposits	
(Increase)/decrease in other financial assets	
(Increase)/decrease in other non-financial assets	
Increase in trade and other payables	
(Decrease)/increase in other financial liabilities	
(Decrease)/increase in provisions	
Increase/(decrease) in other non-financial liabilities	

**Cash flows from operating activities post working capital changes**

Income taxes paid (net)	
<b>Net cash (used in)/flows from operating activities (A)</b>	

**B Cash flows from investing activities**

Purchase of property, plant and equipment, capital work-in-progress and intangible assets	
Proceeds from sale of property, plant and equipment and intangible assets	
Investment made in subsidiaries	
Proceeds from purchase of other investments (net)	
<b>Net cash used in investing activities (B)</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)	
Proceeds from debt securities	
Repayment of debt securities	
Proceeds from borrowings other than debt securities	
Repayment of borrowings other than debt securities	
Lease payments	
Proceeds from subordinated liabilities	
Repayment of subordinated liabilities	
<b>Net cash flows from financing activities (C)</b>	

Net increase in cash and cash equivalents (A+B+C)	
Cash and cash equivalents at the beginning of the year (refer to note ii below)	
<b>Cash and cash equivalents at the end of the year</b>	

For the year ended March 31, 2020	For the year ended March 31, 2019
21,316.76	30,561.70
1,032.71	1,131.89
487.13	-
(2.90)	(2.77)
(1,368.20)	(2,688.93)
130.76	(306.34)
-	48.64
18,862.89	5,206.70
(2.21)	-
(23,608.14)	(13,345.54)
1,278.78	321.42
147.97	317.86
2,087.29	1,251.05
161.98	-
(45.32)	-
(0.38)	-
188.49	230.38
<b>20,687.61</b>	<b>22,726.06</b>
38.42	(632.85)
(13,987.33)	50,588.11
3,962.37	(5,658.29)
(157.49)	1,335.53
(1,048.32)	233.84
630.64	517.96
(4,470.80)	8,799.34
(180.24)	280.91
83.76	(13.27)
<b>5,558.62</b>	<b>78,177.34</b>
(7,261.85)	(6,398.23)
<b>(1,703.23)</b>	<b>71,779.11</b>
(3,134.69)	(1,796.77)
15.50	11.40
(11,000.00)	(8,085.65)
3,234.99	(16,559.75)
<b>(10,884.20)</b>	<b>(26,430.77)</b>
4,547.26	22.65
21,413.18	40,370.00
(12,852.45)	(34,702.86)
298,029.30	325,358.64
(280,954.11)	(344,401.21)
(553.20)	-
7,893.53	20,000.00
(2,469.76)	(369.81)
<b>15,053.75</b>	<b>6,277.41</b>
2,466.32	51,625.75
<b>94,472.53</b>	<b>42,846.78</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)

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)

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

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. 001076N/N500011

*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

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

*Adish Swaroop*  
 Adish 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

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

**5.10 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>

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Cash flow from operating activities</b>		
Profit before tax	21,162.64	31,580.94
<b>Adjustments for:</b>		
Depreciation and amortisation	1,147.51	
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>		
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*
*(This space has been intentionally left blank)*



- 5.11 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.

- 5.12 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.

- 5.13 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.

**5.14 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 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.

**5.15 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

**5.16 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.

**5.17 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 **Section 8** of this Information Memorandum.

**5.18 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 September 25, 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 August 27, 2020

6	Letter from Catalyst Trusteeship Limited dated September 22, 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 the Company and Debenture Trustee.
12	Debenture Trust Deed to be entered into between the Company and the Debenture Trustee.
13	Deed of Hypothecation to be entered into between the Company and Debenture Trustee.

#### **5.19 Details of Debt Securities Sought to be Issued**

The Issuer intends to raise an amount of up to Rs. 175,00,00,000/- (Indian Rupees One Hundred and Seventy Five Crores only) by way of the issue of 1,750 (One Thousand Seven Hundred and Fifty) 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 Section 5.22 of this Information Memorandum.

#### **5.20 Issue Size**

The aggregate issue size for the Debentures is Rs. 175,00,00,000/- (Indian Rupees One Hundred and Seventy Five Crores only).

#### **5.21 Utilization of the Issue Proceeds**

The Issuer shall utilise the monies received from the subscription of the Debentures, after meeting the costs and expenses in respect of the Issue, solely for the following purposes (the “Purpose”):

- (i) for the financing activities and business of the Issuer (including for on-ward lending);
- (ii) general corporate purposes of the Issuer; and
- (iii) re-payment of the existing Financial Indebtedness of the Issuer;

The Issuer undertakes that no part of the monies received from the subscription of the Debentures shall be utilized by the Issuer directly or indirectly towards (A) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities; or (B) any speculative purposes; or (C) investment in the real estate sector; or (D) in contravention of the Applicable Law(including without limitation, any guidelines, rules or regulations of the Supervisory Authorities); or (E) any usages that are restricted for bank financing.

The Issuer undertakes that no part of the proceeds of the Debentures shall be utilised for any purpose, which may be in contravention of the government / RBI / SEBI / other regulatory guidelines applicable to the Company being an NBFC-MFI.

The proceeds shall be parked in such accounts/ places as may be permitted under Applicable Law, from time to time, and utilized by the Issuer towards financing economically weaker section of women for income generation purpose for Agriculture

and Agri Allied Products and MSME as per applicable RBI guidelines and for such other purposes, including towards general business purposes of the Issuer, in compliance with relevant regulatory guidelines, and in such a manner that may be permitted by the RBI or under Applicable Law from time to time. The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company /associates.

The Issue shall not be utilised towards acquisition financing: viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan.

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.6/21.04.172/2015-16 dated July 1, 2015:

- (i) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- (ii) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in- trade.
- (iii) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- (iv) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- (v) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

## 5.22 Issue Details

DESCRIPTION	PARTICULARS
<b>Security Name</b>	10.40 % SCNL30092020
<b>Issuer</b>	Satin Creditcare Network Limited
<b>Type of Instrument</b>	Non-Convertible Debentures
<b>Nature of Instrument</b>	Secured, Senior, Fully Paid-up, Rated, Listed, Redeemable, Taxable
<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>	<p>The Issuer shall take all steps for making an application to the Wholesale Debt Market (“WDM”) segment of the BSE and all steps necessary to get the Debentures listed within 15 (Fifteen Days) calendar days from the Deemed Date of Allotment.</p> <p>In the event of any delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer shall make payment to the Debenture Holders of additional interest calculated on the face value of the Debentures at the rate of at least 2% (Two Percent) p.a. over and above the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures.</p> <p>In the event the Issuer is not able to list the Debentures on the WDM</p>

	segment of the BSE, within 30 (thirty) calendar days from the Deemed Date of Allotment, the Debenture Holder(s) shall have the right to recall and accelerate the outstanding amounts in relation to the Debentures along with accrued interest thereto.
<b>Rating of the Instrument</b>	“CARE A-” (pronounced as “CARE A Minus”) with “stable” outlook.
<b>Issue Size</b>	Up to INR 175,00,00,000/- (Indian Rupees One Hundred and Seventy Five Crore).
<b>Option to retain oversubscription amount</b>	N.A.
<b>Objects of the Issue</b>	<p>To raise senior secured debt to the extent up to Rs. 175,00,00,000/- (Rupees One Hundred and Seventy Five Crores only) for the Purpose (as defined below).</p> <p>Issue will be complied with the PCGS 2.0 guidelines.</p>
<b>Details of the utilization of the proceeds</b>	<p>The Issuer shall utilise the monies received from the subscription of the Debentures, after meeting the costs and expenses in respect of the Issue, solely for the following purposes (the “<b>Purpose</b>”):</p> <ul style="list-style-type: none"> <li>(i) financing activities and business operations of the Issuer (including for on-ward lending);</li> <li>(ii) general corporate purposes of the Issuer; and</li> <li>(iii) re-payment of the existing Financial Indebtedness of the Issuer.</li> <li>(iv) the proceeds from the issue shall be utilized to meet funding requirement to economically weaker section of women for income generation purpose for agriculture and Agri Allied products and MSME as per the RBI guidelines</li> </ul> <p>The Issuer undertakes that no part of the monies received from the subscription of the Debentures shall be utilized by the Issuer directly or indirectly towards (A) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities; or (B) any speculative purposes; or (C) investment in the real estate sector; or (D) in contravention of the Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities); or (E) any usages that are restricted for bank financing.</p> <p>The Issuer undertakes that no part of the proceeds of the Debentures shall be utilised for any purpose, which may be in contravention of the government / RBI / SEBI / other regulatory guidelines applicable to the Company being an NBFC-MFI.</p> <p>The proceeds shall be parked in such accounts/ places as may be permitted under Applicable Law, from time to time, and utilized by the Issuer towards financing economically weaker section of women for income generation purpose for Agriculture and Agri Allied Products and MSME as per applicable RBI guidelines and for such other purposes, including towards general business purposes of the Issuer, in compliance with relevant regulatory guidelines, and in such a manner that may be permitted by the RBI or under Applicable Law from time to time.</p>
<b>Coupon Rate</b>	10.40 % (Ten Decimal Point Four Zero Percent) per annum, payable on an Annual basis on the Coupon Payment Dates). The Coupon Rate shall be subject to change as set out in detail in the Section ( <i>Step Up/Step Down Coupon Rate</i> ) below.

<b>Step Up/Step Down Coupon Rate</b>	In the event the credit rating assigned to the Issuer is downgraded by the Rating Agency or any other external credit rating agency to “BBB+” (pronounced as “Triple B Plus”) from the current rating of “A-” (pronounced as “A Minus”), the Coupon Rate shall, without any act, deed or thing, automatically increase by 0.25% (Zero Decimal Point Two Five Percent) per annum. The increase in the step-up Coupon Rate shall be applicable on and from the date of the downgrade of credit rating of the Issuer by such credit rating agency and until the credit rating of the Issuer is restored to A- or higher by the credit rating agencies. Provided that, the decrease in the rate of interest payable upon the downgrade of credit rating of the Issuer being restored to A- or higher, cannot be lower than the Coupon Rate. For the purpose of this clause, if the Issuer is rated by more than one rating agency, then the lowest of the ratings shall be considered. As on the date of this Information Memorandum, the credit rating of the Issuer is CARE A- (Stable)” (pronounced as “CARE A Minus”) with “stable” outlook.
<b>Early Redemption</b>	<p>(a) In the event that the credit rating assigned to the Debentures, by the Rating Agency or any other external credit rating agency, is downgraded by two notches from the current credit rating of the Issuer being CARE A- (Stable)” (pronounced as “CARE A Minus”) or below (“<b>Early Redemption Event</b>”), the Debenture Trustee (acting on the instructions of the Majority Debenture Holder(s)) shall have the option, without being obligated, to require the redemption of the Debentures from the Company (in full or in part) prior to its Maturity Date.</p> <p>(b) Upon the occurrence of an Early Redemption Event, the Company shall forthwith promptly issue a notice to the Debenture Holders and Debenture Trustee, informing such Debenture Holders and Debenture Trustee about the occurrence of such Early Redemption Event (“<b>Early Redemption Notice</b>”). In the event that any Debenture Holder is desirous of exercising the Early Redemption Event, the said Debenture Holder shall issue a notice to the Company (with a copy marked to the Debenture Trustee), in writing, within a maximum period of 30 (Thirty) calendar days from the receipt of Early Redemption Notice (“<b>Early Redemption Option Exercise Notice</b>”).</p> <p>(c) Within 30 (Thirty) calendar days of receipt of the Early Redemption Option Exercise Notice (the “<b>Early Redemption Date</b>”), the Company shall compulsorily redeem the Debentures identified in the Early Redemption Option Exercise Notice by crediting to the beneficiary account of each Debenture Holder on the relevant Record Date available funds an amount that is equal to the Redemption Amount under the Debentures.</p>
<b>Coupon Payment Frequency</b>	Annually until the Maturity Date with the first Coupon Payment Date commencing from September 30, 2021 (subject to adjustments for Business Day Convention).
<b>Coupon Payment Dates</b>	September 30, 2021 and March 30, 2022 (subject to adjustments for Business Day Convention)
<b>Coupon Type</b>	Fixed
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and</b>	N.A.

floor etc).	
<b>Day count basis</b>	Actual/Actual.
<b>Interest on application money</b>	<p>NIL</p> <p>In the event the Issuer fails to allot the Debentures to the Applicants within 2 (two) calendar days from the date of receipt of the Application Money ("<b>Allotment Period</b>"), it shall repay the Application Money to the Applicants within 15 (Fifteen) calendar days from the expiry of the Allotment Period ("<b>Repayment Period</b>"). If the Issuer fails to repay the Application Money within the Repayment Period, the Issuer shall be liable to repay the Application Money along with interest which shall be payable on the Application Money received at the rate of 12% (Twelve Percent) per annum, gross of Taxes, from the expiry of the Allotment Period.</p>
<b>Default Interest Rate</b>	<p>(a) In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.</p> <p>(b) In the event the Company fails to maintain the Security Cover, it shall pay penal interest of 2% (Two Percent) p.a. over the Coupon rate for the period of non-compliance by the Issuer.</p> <p>(the default interest rate set out in paragraph (a) and paragraph (b) above shall be collectively referred to as the "<b>Default Interest</b>").</p> <p>Penal interest would also be charged as per the Debenture Holder's guidelines for any breach of financial discipline or non-compliance of the terms of sanction.</p>
<b>Delay Penalty</b>	<p>(a) In case the Issuer fails to create the charge over the Hypothecated Assets and perfect the Security so created over the Hypothecated Assets within and no later than 90 (Ninety) days from the Deemed Date of Allotment or as applicable under relevant regulation and Applicable Law, whichever is earlier, the Issuer shall pay an additional interest of 2% (Two Percent) per annum over and above the Coupon Rate to the Debenture Holder(s) until the charge over the Hypothecated Assets is created and perfected in the manner and on the terms set out under the Debenture Trust Deed and other Transaction Documents.</p> <p>(b) In case of any delay in execution of the Debenture Trust Deed by the Issuer within 3 (Three) months from the Deemed Date of Allotment, the Issuer will either (i) refund the subscription monies with agreed rate of interest and such other monies due and payable to the Debenture Holder(s); or (ii) shall pay additional interest of 2% (Two percent) per annum over and above the Coupon Rate to the Debenture Holder(s), till these conditions are complied with, at the option of the Investor.</p>
<b>Tenor</b>	18 (Eighteen) Months from the Deemed Date of Allotment



<b>Redemption Date / Maturity Date</b>	At the end of 18 (Eighteen) months from the Deemed Date of Allotment i.e. March 30, 2022 (subject to adjustments for Business Day convention).	
<b>Redemption Amount</b>	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture on the Redemption Date plus accrued Coupon in the manner set out in <b>Annexure VIII</b> ( <i>Illustration of Bond Cash Flows</i> ) hereto.  Further, the aforesaid amount would be payable with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.	
<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 only) per Debenture.	
<b>Minimum application and in multiples of 1 securities thereof</b>	The minimum application size for the Issue shall be 10 (Ten) Debentures (being INR 1,00,00,000 (Indian Rupees One Crore)) and in multiples of 1 (One) Debenture thereafter.	
<b>Issue Opening Date</b>	September 29, 2020	
<b>Issue Closing Date</b>	September 29, 2020	
<b>Pay-in Date</b>	September 30, 2020	
<b>Deemed Date of Allotment</b>	September 30, 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>	The pay-in of subscription monies 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:	
	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
	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.	
<b>Depositories</b>	NSDL and/or CDSL	
<b>Business Day Convention</b>	<p>If the date of payment of Coupon/redemption of principal amount of the Debentures does not fall on a Business Day, the payment of Coupon / principal amount of the Debentures shall be made in accordance with SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016.</p> <p>If any of the Coupon Payment Date(s), other than the last Coupon Payment Date falling on the Redemption Date, or the due date for the performance of any event, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Coupon Payment Date for that coupon, provided that the Coupon shall be calculated till the last day of the relevant Coupon period.</p> <p>If the Maturity Date (also being the payment date of Coupon) of the Debentures falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Company on the immediately preceding Business Day, which day shall become the new Maturity Date, along with Coupon accrued on the Debentures until but excluding the date of such payment, provided that the Coupon shall be calculated till but excluding such effective date.</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 15 (Fifteen) calendar days prior to any Due Date.	
<b>Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, 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>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being an exclusive first ranking and continuing charge by way of hypothecation over specific identified receivables, present and future (as set out more particularly in the Deed of Hypothecation), representing amounts due from the various borrowers of the Issuer at all times to the extent equal to an amount aggregating to the total outstanding in relation to the Issue (“<b>Hypothecated Assets</b>”) such that the value of security shall be equal to 1.10x (One Decimal Point One Zero) times or 110% (One Hundred and Ten Percent) of the Outstanding Amounts on the Debentures (“<b>Security Cover</b>”).</p> <p>The Issuer undertakes:</p> <ol style="list-style-type: none"> <li>Upon the execution of the Deed of Hypothecation, to maintain the value of the Security Cover at all times till the Final Settlement Date.</li> <li>to create, register and perfect the security over the Hypothecated Assets by executing a duly stamped deed of hypothecation (“<b>Deed of Hypothecation</b>”) by filing the relevant Form CHG-9 with the relevant Registrar of Companies, within 90 (Ninety) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, or as per the guidelines of SEBI, whichever is earlier.</li> </ol>	

	<p>(iii) Upon the execution of the Deed of Hypothecation, in the event of any fall in the Security Cover, additional Hypothecated Assets shall be taken in the manner as provided for in the Deed of Hypothecation.</p> <p>(iv) to replace any Hypothecated Assets that become non-performing assets and overdue for more than 90 (Ninety) calendar days, with standard receivables. Such replacement shall be affected within 15 (Fifteen) Business Days of the receivables becoming non-performing assets.</p> <p>(v) 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> <p>(vi) Eligibility Criteria for Hypothecated Assets:</p> <p>(a) the Receivables (as defined in the Deed of Hypothecation) constituting Hypothecated Assets are 'standard assets' as defined under the applicable Reserve Bank of India regulations in the books of the Company and the amounts under such Receivables, at any point of time, are not overdue on the day of selection of such Receivables;</p> <p>(b) it should not be overdue and be existing at the time of selection and should have not been repaid or extinguished or terminated or pre-paid;</p> <p>(c) the Receivables constituting Hypothecated Assets have not been restructured or rescheduled;</p> <p>(d) the Receivables constituting the Hypothecated Assets shall comprise various classes of loan products of the Issuer including micro loans, term loans to other MFIs, MSME loans and various other classes of loan products;</p> <p>(e) the Receivables constituting the Hypothecated Assets comply with / shall comply with the applicable guidelines and norms issued by the Reserve Bank of India; and</p> <p>(f) the Receivables constituting Hypothecated Assets have originated while complying with all the applicable "know your customer" requirements prescribed by the Reserve Bank of India.</p>
<b>Transaction Documents</b>	As defined in Section 1 as " <b>Transaction Documents</b> ". (a)
<b>Conditions Precedent to Disbursement</b>	<p>The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <p>(a) All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed;</p> <p>(b) The Company shall execute the Information Memorandum, the</p>

	<p>Private Placement Offer cum Application Letter and Debenture Trustee Agreement in a form and manner satisfactory to the Debenture Trustee.</p> <p>(c) The Company shall submit to the Debenture Trustee and the Debenture Holders, a copy of the rating letter and the rating rationale issued by the Rating Agency in relation to the Debentures;</p> <p>(d) The Company shall submit to the Debenture Trustee and the Debenture Holders, a copy of the consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures;</p> <p>(e) The Company shall have submitted to the Debenture Holders and the Debenture Trustee, all required documents for the purpose of satisfying its respective know your customer requirements;</p> <p>(f) The Company shall have submitted to the Debenture Holders and the Debenture Trustee, a certified true copy of the constitutional documents of the Company (being the Memorandum of Association and the Articles of Association) and the certificate of incorporation of the Company, as amended up-to-date;</p> <p>(g) The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year.</p>
<b>Conditions subsequent to the Disbursement</b>	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed:</p> <p>(a) The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines;</p> <p>(b) to create the charge over the Hypothecated Assets and perfect the Security so created over the Hypothecated Assets within and no later than 90 (Ninety) days from the Deemed Date of Allotment or as applicable under relevant regulation and Applicable Law, whichever is earlier.</p> <p>(c) Receive final listing approval from the BSE within 20 (Twenty) calendar days from the Deemed Date of Allotment</p> <p>(d) The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of Debentures allotted within 5 (Five) Business Days of the Deemed Date of Allotment</p> <p>(e) Execution of the Debenture Trust Deed in a form and manner satisfactory to the Debenture Trustee shall have taken place within 3 (three) months from the Deemed Date of Allotment;</p> <p>(f) The Issuer shall test the Security on a quarterly basis for any deterioration in the Security and shall provide a certificate to that effect to the Debenture Trustee;</p> <p>(g) the Issuer shall comply with all RBI, SEBI circulars and guidelines and 2013 Act (as applicable) for issuance of</p>

	<p>Debentures.</p> <p>(h) the Issuer shall file copies of the Information Memorandum with SEBI within the prescribed timelines;</p> <p>(i) the Issuer shall obtain listing of the Debentures within 20 (twenty) calendar days of Deemed Date of Allotment, and deliver evidence in a form and manner satisfactory to the Debenture Holders of the final listing of Debentures within 20 (twenty) days of the Deemed Date of Allotment;</p> <p>(a) the Issuer shall assist the Debenture Trustee in filing Form I with CERSAI within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation;</p> <p>(b) the Issuer shall within 15 (fifteen) days (or such other time period prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders)) of the filing of charges, share receipt of certified true copy of the certificate of registration of charge issued by the ROC;</p> <p>(c) within 75 (seventy-five) calendar days from the date of execution of the Deed of Hypothecation, provide such other documents/comply with such other requirement as may be prescribed by Debenture Trustee for the perfection of the security created under the Deed of Hypothecation; and</p> <p>(d) provide such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Debenture Holders may request in connection with the transactions contemplated under the Debenture Trust Deed and the other Transaction Documents.</p> <p>(e) The Issuer shall have submitted to the Debenture Trustee its the audited financial results for the financial year ending March 31, 2020.</p> <p>(f) The Issuer shall submit to Debenture Trustee, at the end of each quarter, a certificate from a chartered accountant certifying, <i>inter-alia</i>, that the criteria on (i) qualifying assets, (ii) the aggregate amount of loan, extended for income generation activity, and (iii) pricing guidelines are followed.</p>
<b>Events of Default</b>	<p><b>Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to:</b></p> <p>(a) Non-payment of any of the dues under this Issuance,</p> <p>(b) Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Issuer;</p> <p>(c) Insolvency, winding up, liquidation</p>

	<ul style="list-style-type: none"> <li>(d) Creditors' processes initiated against the company, if initiated by a creditor that is not a lender / debt investor, cure period of 90 (Ninety) days.</li> <li>(e) Repudiation of any Transaction Documents by the Issuer</li> <li>(f) Cessation of business</li> <li>(g) All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;</li> <li>(h) Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders including any material fraud, misappropriation, misstatement, embezzlement;</li> <li>(i) Failure to maintain security cover by the Issuer under the terms of the Deed of Hypothecation;</li> <li>(j) Misrepresentation by the Issuer;</li> <li>(k) Unlawfulness;</li> <li>(l) Nationalization, Moratorium, Expropriation;</li> <li>(m) Material litigation;</li> <li>(n) Willful defaulter;</li> <li>(o) Application of insolvency petition under bankruptcy code/NCLT by the Issuer.</li> <li>(a) Breach of any covenants under any of the Transaction Documents.</li> <li>(p) Cross default of any financial indebtedness of the Issuer or its subsidiaries.</li> <li>(b) Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following: <ul style="list-style-type: none"> <li>(i) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Debenture Trust Deed and other Transaction Documents;</li> <li>(ii) declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable.</li> </ul> </li> </ul>
<b>Provisions related to Cross Default</b>	<p>The Issuer or any of its subsidiaries:</p> <ul 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> </ul>

	<p>(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</p> <p>(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.</p>
<b>Role and Responsibilities of Debenture Trustee</b>	<p>As more particularly set out in the Transaction Documents, and to oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s), including:</p> <p>(a) the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise and shall not be responsible for any loss occasioned by so acting. PROVIDED THAT, the Debenture Trustee shall at all times act with due care and diligence before relying upon any advice, opinion, information and communication received by it from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert its attorney, representative or receiver;</p> <p>(b) subject to the approval of the Majority Debenture Holders passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p> <p>(c) with a view to facilitating any dealing under any provisions of these presents, subject to the Debenture Trustee</p>

	<p>obtaining the prior written consent of the Majority Debenture Holders, the Debenture Trustee shall have the power (i) to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions), (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the Debenture Trust Deed, and (iii) to take any action on behalf of the Debenture Holders;</p> <p>(d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;</p> <p>(e) the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; and</p> <p>(f) the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Issuer pursuant to the Debenture Trust Deed within 2 (two) Business Days of receiving any of the foregoing from the Issuer.</p> <p>(g) Debenture trustee shall obtain from the Issuer, at the end of each quarter, a certificate from a chartered accountant certifying, <i>inter-alia</i>, that the criteria on (i) qualifying assets, (ii) the aggregate amount of loan, extended for income generation activity, and (iii) pricing guidelines are followed.</p> <p>(h) Debenture Trustee shall ensure that the Issuer is in compliance with Guidelines on MFI/NBFC-MFI issued by RBI and any other statutory body (issued from time to time)</p> <p>PROVIDED THAT nothing contained in this Clause shall exempt the Debenture Trustee, its representatives or any receiver appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder</p>
<b>Covenants</b>	As mentioned in Clause 7.3 below.
<b>Representation and warranties</b>	As mentioned in Clause 7.2 below.
<b>Illustration of Bond Cash-flows</b>	Kindly refer to <b>Annexure VIII</b> of this Information Memorandum.
<b>Governing Law and Jurisdiction</b>	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 New Delhi and as more particularly provided for in the Debenture Trust Deed.

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**

#### **(i) 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.

#### **(ii) BINDING OBLIGATIONS**

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

#### **(iii) 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 Debenture Trust Deed and the other Transaction Documents.

#### **(iv) NON-CONFLICT WITH OTHER OBLIGATIONS**

The entry into, and performance by it of, and the transactions contemplated by the Transaction Documents does not constitute a default, acceleration or termination of any other agreement to which the Company is a party or breach of any judgment, decree, order or award and does not and will not conflict with, or cause a breach in relation to:

- a. any Applicable Law;
- b. its Constitutional Documents;
- c. any agreement or instrument binding upon it or any of its Assets; or

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

**(v) 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.

**(vi) 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,
- d. have been obtained or effected and are in full force and effect.

**(vii) 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.

**(viii) 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.

**(ix) 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.

**(x) 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.

**(xi) 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.

**(xii) 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.

**(xiii) 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 Form CHG 9 with the ROC within 30 (thirty) days of execution of the

Deed of Hypothecation; and

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

**(xiv) 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.

**(xv) 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 Debenture Trust Deed 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").

**(xvi) SECURITY**

- a. The receivables of the Company over which security is created pursuant to the Deed of Hypothecation ("**Hypothecated Assets**") 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.

**(xvii) GOI GUARANTEE AND THE GOI GUIDELINES**

- a. The Issuer is a member of Microfinance Institutions Network, India (MFNI), 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.

**(xviii) 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.

**(xix) EXECUTION OF TRANSACTION DOCUMENTS**

The Debenture Trust Deed 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.

**7.3 COVENANTS**

The covenants of the Issuer shall be in accordance with [Clause 9.1, Clause 9.2, Clause 9.3 and Clause 9.4 of the Debenture Trust Deed].

**7.4 EVENTS OF DEFAULT**

The Events of Default shall be in accordance with Clause 11 of the Debenture Trust Deed.

**7.5 CONSEQUENCES OF EVENTS OF DEFAULT**

Upon the happening of an Event of Default, the Debenture Trustee shall be entitled to exercise any and all remedies in accordance with the terms contained in the Transaction Documents.



## **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	1,750 (One Thousand Seven Hundred and Fifty) 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. 175,00,00,000/- (Rupees One Hundred and Seventy Five Crore)  Green shoe option: N.A.
Bid opening and closing date	Bid opening date: September 29, 2020; and Bid closing date: September 29, 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.  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, where T refers to the date of bid opening date / issue opening date  Settlement of the Issue will be on September 30, 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 5 (Five) 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 September 30, 2020 by which date the Investors would be intimated of allotment.

### **8.28 Record Date**

The Record Date will be 15 (Fifteen) calendar 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 5.22 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 September 25, 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.

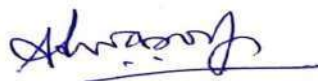
Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Information Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to 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: September 29, 2020



## **ANNEXURE I: TERM SHEET**

Please refer to Section 5.22 (*Issue Details*) above.



**CARE/DRO/RR/2020-21/1361**

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

August 27, 2020

Dear Sir,

**Credit rating for Non-Convertible Debentures**

Please refer to our letters dated **August 13, 2020** on the above subject.

2. The rationale for the ratings is attached as an **Annexure-I**.
3. We request you to peruse the annexed document and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by August 28, 2020, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

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.**

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](mailto:care@careratings.com) • [www.careratings.com](http://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



**Annexure  
Rating Rationale  
Satin Creditcare Network Limited**

**Ratings**

Instruments	Amount (Rs. Crore)	Rating <sup>1</sup>	Rating Action
Non-Convertible Debentures	300 (Rupees Three hundred crore only)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Assigned
Non-Convertible Debentures	372.90 (reduced from 397.90) (Rupees Three Hundred Seventy Two Crore Ninety Lakhs only)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed

*Details of instruments in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

The ratings assigned to the instruments of Satin Creditcare Network Limited (SCNL) continues to draw comfort from the long-standing experience of the promoter, demonstrated ability to raise capital, company's stated intent to maintain adequate capitalization levels well above the regulatory requirement, diversified resource base and comfortable liquidity position. The ratings also take into consideration the established track record of operations, risk management systems in place which allow real time monitoring of operations. The ratings also factor in the profitable operations in FY20, restoration of asset quality post demonetization to a large extent and reducing geographical concentration risk with expansion into new territories/regions.

The ratings are however constrained by relatively weak asset quality with GNPA / Stage 3 assets to AUM of 2.93% as on March-20 and reduction in ECL provisioning against the same from 62% as on Mar-18 to 31% as on March-20, increase in delinquencies in Q2FY20 following floods / excessive rainfall in few states, impact on repayments of MFIs including SCNL in few districts of Assam since Sept-19 following protests by the local unions, increase in first cycle loans in the overall loan book following expansion into new territories as against the traditional Hindi speaking belt where SCNL has long standing experience of operations. Also, concentration in Uttar Pradesh (single largest state and region most impacted post demonetization) was 25.36% as on March-20. The ratings of SCNL also continue to account for the inherent risk involved in the microfinance industry including unsecured lending; cash based operations and socio- political intervention risk. Additionally, CARE takes note unprecedented situation of COVID-19 outbreak that has led to elevated risk aversion in general and particularly with respect to microfinance sector owing to uncertainty arising from unsecured lending to customers with weaker credit profiles.

The ability of the company to improve its asset quality and limit the credit losses while maintaining comfortable capital structure and gearing levels, grow its portfolio while continuing to diversity its presence and maintaining consistent profitability are key rating sensitivities.

**Rating Sensitivities**

*Positive factors - Factors that could lead to positive rating action/upgrade:*

- Growth in loan book with geographical diversification of operations
- Improvement in profitability indicators with Adj. ROTA being 2.5% on sustained basis
- Maintain adequate capitalization levels well above the regulatory requirement of 15% while maintaining net adjusted gearing at less than 4 times on a sustained basis

*Negative factors - Factors that could lead to negative rating action/downgrade:*

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

**CARE Ratings Ltd.**

- Deterioration in asset quality leading to substantial increase in credit losses thereby impacting the profitability and capitalization levels
- Increase in adjusted net gearing levels beyond 5 times
- Decline in cash surplus and liquidity buffers beyond a threshold which could impact the risk absorption ability

#### **Detailed description of the key rating drivers**

##### **Key Rating Strengths**

##### ***Long track record of the company, strong investor base and experienced promoter and management***

Based out of Delhi, SCNL is the leading microfinance institution (NBFC-MFIs) that has been carrying out individual lending activities since 1990. The company entered into microfinance lending in 2008 and has gained reasonable experience in the group lending business emerging as the 2nd largest NBFC-MFI in the country in terms of Assets under Management (AUM). As on March 31, 2020, SCNL's standalone AUM stood at Rs 7220 crore, up 13% Y-o-Y while the consolidated AUM (including that of its subsidiaries) stood at Rs 8174 crore, up 16% Y-o-Y.

SCNL has an eleven-member Board of Directors comprising of two promoter directors, three directors nominated by investors and six independent directors. The operations of the company are headed by the promoter, Mr H P Singh, the Chairman and Managing Director of the company who is supported by a management team having rich experience in the financial services and microfinance sector. End fiscal 2020, the promoter shareholding stood at 30.19%, of which the 11.8% was pledged (down from 26.5% in June 2019 and 52.8% in Dec-18). Additionally, SCNL has a diversified investor base consisting of banks, mutual funds and Foreign Portfolio Investors/Financial Institutions viz. Asian Development Bank, Kora Investments, NMI Fund, SBI FMO Emerging Asia Financial Sector Fund Pte Ltd, Morgan Stanley Mauritius Company Ltd, Morgan Stanley (Investments) Mauritius Ltd, IndusInd Bank and IDFC First Bank.

##### ***Demonstrated ability to raise equity capital and comfortable regulatory capital levels***

There has been improvement in capital structure of SCNL with the company having raised capital in seven rounds of equity infusion from marquee investors. The company raised Rs 250 crore from QIP in October 2016 and Rs 150 crore from large domestic mutual funds in October 2017. This along with positive internal accruals led to networth base of SCNL increasing by 30% Y-o-Y from Rs.1,118 crore as on Mar-19 to Rs.1449 crore as on March-20. The capitalization profile of SCNL is comfortable with CAR and Tier-I CAR of 30.49% and 22.10% as on March-20 as against 28.49% and 19.94% respectively as on Mar-19. On August 12, 2020, SCNL launched its maiden rights issue of Rs 119.89 crore that will further augment company's capital base and provide more headroom to support loan growth

Also, with company reducing its on-book debt (down Rs.560 crore) owing to significant assignment of loans and buildup of BC book during the year (36% of the AUM as on Dec-19 as against 30% as on March-19), the adjusted overall gearing (*i.e. ratio of debt including securitized portfolio and preference share capital and credit enhancement for its subsidiaries to net worth reduced by DTA, Intangible assets, investments in subsidiaries and 7.5% FLDG on the BC portfolio*) has reduced from 6.95x as on Sept-18 to 4.67x as on March 31, 2020. The net adjusted gearing (adjusted for the cash and bank balance and liquid investments and accounting for assigned book as debt similar to BC portfolio) stands at 3.41x as on March-20 as against 4.10x as on Mar-19. Management has stated its intent to maintain capitalization levels well above the regulatory requirement. Going forward, the ability of SCNL to maintain healthy capital adequacy to provide headroom for growth while maintain its gearing levels would be one of the key monitorables.

##### ***Diversified resource base supporting liquidity***

SCNL has a diversified resource base with association with over 80 lenders as on June 30, 2020. SCNL has demonstrated its ability to raise funding from diverse sources viz. Banks, Domestic Financial Institutions, NBFCs, Overseas and Domestic Funds etc. As on June 30, 2020, SCNL had total borrowings of Rs.7269.5 crore. The major source of funding for SCNL has been term loan from banks/FIs/NBFCs (~51% of the borrowings as on June-20). SCNL has also raised substantial borrowings in the form of NCDs and Sub-debt (largely from overseas funds and NBFCs) accounting for nearly ~19% of the overall borrowings along with a share of external commercial borrowings (ECBs) at 3% of the overall

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borrowings as on June-20. SCNL has also accessed assignment/securitization route to raise funds. The company has also received moratorium on principal repayments from about 63% of its lenders and expects to receive funding support from NABARD, SIDBI and from various lenders under TLTRO 2.0 funds of RBI relief package.

#### ***Profitable operations of SCNL during FY20***

End FY 2020, SCNL reported net profit of Rs. 156 crore on total income of Rs. 1401 crore as against net profit of Rs 195 crore on total income of Rs. 1373 crore previous year. While the total income increased by a marginal 2% Y-o-Y, the bottom line was impacted by margin contraction and elevated provisioning costs. End fiscal 2020, the CARE adjusted net interest margin (NIM on average total assets) of company stood at 8.43% as against 9.4% a year ago due to reduction in gross yields. The company's opex costs have remained steady during the year however the management has stated that it has undertaken several cost reduction mechanisms such as branch/office rationalization to further bring down costs. The overall profitability was also impacted by sharp rise in CARE adjusted credit costs (loan loss provisions and write offs as a percentage of average total assets) that stood at 2.8% as against 0.92% a year ago. The company provided an additional Rs. 83 crore on account of covid impact thereby taking the total provisioning expenses to about Rs. 200 crore as against Rs 55 crore a year ago. Adj. ROTA of SCNL was 1.70% during FY20 (as against 2.64% during FY19).

#### ***Management information and IT systems in place***

SCNL has established an efficient monitoring structure for overseeing its operations at various levels, including area level, regional level and state level. It has put in place risk management systems, viz, defined credit appraisal, collection and monitoring systems including profile of the clients and outer limit of loan size. Specialized software and user-level restrictions are in place to ensure a speedy access to the information with data security. The company has also implemented systems wherein the field staff operate through TABs connected to the internet. SCNL has put in place systems for real time monitoring of on-field data such as collections, meeting details, geo tagging of field agents etc. thereby allowing monitoring of the operations by the management across various levels of hierarchy on real time basis. It has also resulted in reduction in operational expenses by bringing down the disbursement TATs. SCNL has already moved to cashless disbursements (100% branches being cashless enabled as on Mar-20 with over 95% incremental disbursements and 37% collections (up from 27% in Dec-19) being cashless. During the times of covid, the company has also launched a customer service application to connect with their clients and allow them to pay through digital platforms.

Incrementally, SCNL in FY19, has improved its credit risk management and data quality maintenance systems by shifting to Centralized Credit Management System (Loan Application, KYC and Bank Account verification and Loan Sanctions), thus putting in an additional level of independent check as against a branch / field driven system earlier. SCNL has also implemented a credit scoring model for individual borrowers and groups and psychometric analysis tool which are being testing to improve the client identification process. SCNL is also testing pilots for cashless collections going forward.

#### ***Geographically diversified operations***

SCNL has spread its operations and grown its portfolio in new states and currently has a presence in 23 States / UTs and 383 districts across the country with a borrower base of 30.82 Lakh active borrowers (Individual & JLG) and standalone AUM of Rs.7,220 crore as on March 31, 2020. In the last quarter of FY20, the company has also set its footprints in a new state, i.e. Sikkim. SCNL has been traditionally a North Indian Player with presence mostly in the Hindi speaking states where it has long standing experience of operating. However, post demonetization, i.e. during FY18 and FY19 the company has expanded its footprint and grown in Eastern, North Eastern and Southern States viz. Assam, Orissa, West Bengal, Meghalaya, Tripura, Tamil Nadu, Pondicherry and Karnataka which together constituted 21.98% of the portfolio of SCNL as on March 31, 2020 as against just 13.61% at the end of Mar-18 and 1% as on Mar-17. Consequently, the regional concentration risk of SCNL has reduced as reflected by reduction in the top 5 states portfolio from 75% as on March 31, 2018 (Top 5 states being UP, Bihar, Punjab, Assam and West Bengal) to 65.67% as on March 31, 2020 (viz.

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Uttar Pradesh, Bihar, Punjab, MP and West Bengal) albeit increased from 59.42% as on Mar-19. Uttar Pradesh remains the largest state constituting 25.5% of gross loans, followed by Bihar constituting another 16.5%. The Top State (Uttar Pradesh) concentration and top state concentration as a % of Net Worth stood at 25.36% and 126% respectively as on March 31, 2020.

#### **Key Rating Weaknesses**

***Increase in delinquencies following to floods in few states and unrest in Assam; albeit sufficient cushion available to absorb the risk***

SCNL reported Stage 3 assets (PAR 90) and Net PAR 90 of 2.93% (PY: 2.89%) and 2.02% (PY: 1.77%) respectively as on March-20. Although, SCNL has been able to largely restore its asset quality following demonetization, its NPA levels of SCNL still remain higher than industry. This is due to predominant presence of SCNL in Uttar Pradesh, which was the area most impacted post demonetization and disbursements undertaken in the affected pockets to bring back the borrowers into the system, a lower provision cover of 31% being maintained against the PAR 90 as on March-20.

The asset quality of SCNL was however impacted to some extent in Q2FY20 following flooding in few states viz. MP, Assam, Bihar and Orissa as also reflected by increase in PAR 1 from 3.88% as on June-19 to 5.02% as on March-20. Also, the delinquencies have increased in Assam (which contributed to 5.3% of AUM of SCNL as on March-20), following unrest in certain North Eastern districts of Assam. The company has taken various measures along with SROs viz. MFIN and Sadhan to address the concern on the ground level and are encouraging the borrowers to repay.

Additionally, CARE takes note unprecedented situation of COVID-19 outbreak that has led to elevated risk aversion in general and particularly with respect to microfinance sector owing to uncertainty arising from unsecured lending to customers with weaker credit profiles. Satin has provided moratorium to about a third of its borrowers for the period starting from March 25, 2020 (initiation of lockdown period). Subsequently the company has also availed moratorium from 63% of its lenders for the principal payments while it continues to serve interest payment during the said period. While the company's liquidity profile remains adequate in the near term, the challenges with respect to lower than expected scheduled inflows coupled with scheduled liability related outflows, if prevailed over longer term due to prolonged challenging conditions, could lead to moderation in liquidity profile of the company

Going forward, however, the ability of the company to improve its asset quality and limit the net credit losses would be crucial for the credit profile of SCNL.

#### ***Majority of portfolio in UP and increase in first cycle loan borrowers***

Expansion and growth in loan book in the newer territories, has meant reduction in geographical concentration, however this has also resulted in increase in first time borrowers for SCNL in new territories wherein it has limited experience of operations. Even with expansion into newer territories, the first cycle loans have declined from 51.5% as on March-19 to 43.7% on March-20. Also, SCNL's exposure in the state of Uttar Pradesh (U.P.; single largest state exposure and area most impacted post demonetization) continues to be high at 25.36% as on March 31, 2020.

#### ***Inherent industry risks***

The microfinance sector continues to be impacted by the inherent risk involved viz. socio-political intervention risk and risks emanating from unsecured lending and marginal profile of borrowers who are vulnerable to economic downturns besides operational risks related to cash based transaction.

#### **Liquidity: Strong**

The company has a favorable liquidity position given shorter tenure of loans and advances (upto 2 years) as against long tenure of borrowings (2-7 years) and a large equity base as also reflected by a well matched ALM profile as on March 31, 2020. As on March 31, 2020, company's expected inflows in up to next one year bucket (including bank balance and liquid investments) were 1.5 times of its expected outflows. SCNL also has an established practice of maintaining

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adequate buffer in the form of free cash and bank balance/ liquid investments at all times to cushion its liquidity profile. As on June 26, 2020, SCNL was maintaining free cash and bank balance and liquid investments of about Rs 1540 crore.

SCNL has also accessed assignment route to raise funds (Rs.2056 crore constituting 28% of its AUM as on March-20). The liquidity position of SCNL is also supported by availability of on-tap funding for disbursements upon commencement of Business Correspondent (BC) operations for IndusInd Bank since Apr-18. The partnership with IndusInd Bank for undertaking BC activity (which can go upto 40% of the incremental disbursements per management) is expected to augment the resources profile and liquidity of the company. BC portfolio for IndusInd stood at Rs.543 crore as on March-20, constituting 7.5% of the overall AUM as on March-20. Additionally, SCNL also had sanctioned un-availed funding lines of Rs.981 crore as on June 26, 2020

**Analytical approach:** Standalone

#### **Applicable Criteria**

[Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology for Non-Banking Financial Companies](#)

[Financial Sector Ratios](#)

#### **About the Company**

SCNL is a leading microfinance company based out of Delhi. The company is registered with Reserve Bank of India (RBI) as a non-deposit accepting, systemically important non-banking financial company (NBFC) and had been granted NBFC-MFI status on November 6, 2013, by RBI. SCNL is also listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

Incorporated in 1990, the company was initially engaged in providing loans to individuals including shopkeepers etc. in the urban areas. In 2008, the company started group lending business with joint liability group (JLG) model which constituted 96% of the portfolio of SCNL as on March 31, 2020 with MSME loans constituting the balance 4% of AUM as on Mar-20.

MSME Loans include unsecured loans of ticket size of Rs.1-10 Lacs for a period of 1-10 years and corporate loans to other MFIs of Rs.3-10 crore. The operations of SCNL are spread across 23 states/ UTs i.e. Uttar Pradesh, Madhya Pradesh, Bihar, Punjab, Delhi/ NCR, Uttarakhand, Rajasthan, Haryana, Chandigarh, Jammu & Kashmir, Maharashtra, Chhattisgarh, Jharkhand, Himachal Pradesh, West Bengal, Gujarat, Orissa, Assam, Karnataka, Meghalaya, Tripura, Sikkim and Pondichery. As on March-20, SCNL was operating in 383 districts managed through 1140 branches with 30.82 Lakh active borrowers (Individual & JLG) with total assets under management (AUM) being Rs.7,220 crores (including BC book for IndusInd of Rs.543 crore and assigned portfolio of Rs.2,056 crore).

SCNL also has three subsidiaries viz. Taraashna Financial Services Limited (TSL), Satin Housing Finance Limited (SHFL) and Satin Finserv Ltd. TSL acts as a business correspondent for 4 Banks/FIs. The company has spread its presence in 8 states (Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Chattisgarh, Bihar, Punjab and UP) with 213 branches and AUM of Rs.704 crore as on March-20. SHFL is a HFC registered with NHB which undertakes extension of home loans and Loan Again property. Currently, SHFL sources its business in Delhi/NCR, Uttar Pradesh and Rajasthan region. It commenced lending operations in February 2018 and has built a loan portfolio of Rs.139 crores as on March-20. Satin Finserv Limited is the newest subsidiary of the group formed to foray into the MSME segment which commenced operations in March 2019. The AUM of SFL as on March 31, 2020 was Rs.111 crore.

## Financial Performance

(Rs. crore)

<i>As on / Year ended March 31</i>	<i>2018 (12M, A) INDAS</i>	<i>2019 (12M, A) INDAS</i>	<i>2020 (12M, A) INDAS</i>
<b><u>Working Results</u></b>			
Interest Income	956.89	1172.34	1034.29
Securitization Income	0.01	160.66	312.55
Other Operating Income	19.60	40.03	54.05
<b>Total Income</b>	<b>976.49</b>	<b>1373.03</b>	<b>1400.89</b>
Interest	531.70	639.03	573.68
Operating Expenses	258.48	358.01	405.53
Depreciation	14.06	11.32	15.20
Total Provision / Write offs	45.88	59.06	193.33
<b>PBT</b>	<b>126.37</b>	<b>305.61</b>	<b>213.15</b>
<b>PAT</b>	<b>81.90</b>	<b>194.94</b>	<b>156.25</b>
<b><u>Financial Position</u></b>			
Tangible Net worth	799.94	1117.91	1448.99
Total Borrowings	5194.96	5293.09	5466.59
Total Loan Portfolio	5075.80	4459.67	4621.00
Total Assets	6170.61	6673.83	7150.45
Assets Under Management (AUM)	5084.80	6374.07	7220.34
<b><u>Key Ratios (%)</u></b>			
<b><u>Solvency</u></b>			
Overall Gearing (times)	0.00	0.00	
Adj. Overall Gearing (times)	7.18	5.82	4.67
Interest coverage (times)	1.24	1.48	1.37
Capital Adequacy Ratio (CAR) (%)	0.00	28.49	30.49
Tier I CAR %	0.00	19.94	22.10
<b><u>Profitability (%)</u></b>			
Adj. Net Interest Margin	7.52	9.40	8.43
Adj. Operating Expenses/ Average Total Assets	4.82	5.00	4.59
Adj Return on Total Assets (ROTA)	1.45	2.64	1.70
<b><u>Asset Quality Ratios (%)</u></b>			
Gross NPA Ratio	4.44	2.90	2.90
Net NPA Ratio	1.69	1.77	2.02
PAR 90+ DPD	4.40	2.89	2.93
Net NPA to Net worth	10.73	10.08	10.08
Net PAR 90 to Net worth	10.73	10.08	10.08

*A: Audited*

*Note:*

- (i) Ratios have been computed based on average of annual opening and closing balances
- (ii) Adj. ratios computed based on incl. of securitized/assigned (off-book portfolio)

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**CARE Ratings Ltd.**

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rated Amt (Rs. Cr)	Current Rating assigned along with Rating Outlook
Non Convertible Debentures (Proposed)	-	-	-	-	300	300	CARE A-; Stable
Non Convertible Debentures	INE836B07386	29-Aug-18	10.11%	25-Aug-21	30	24.2*	CARE A-; Stable
Non Convertible Debentures	INE836B07394	25-Oct-18	11.00%	26-Oct-21	38.7	38.7	CARE A-; Stable
Non Convertible Debentures	INE836B07402	14-Dec-18	11.10%	14-Dec-23	213	213	CARE A-; Stable
Non Convertible Debentures	INE836B07378	31-Jul-18	11.67%	31-Jul-23	97.0	97.0	CARE A-; Stable

\*Amount reduced basis the request from the company and as per amount outstanding on March 31, 2020

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	2800.00	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18) 2)CARE BBB+; Stable (13-Apr-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (04-Apr-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
3.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (24-Apr-17)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (24-Mar-20) 2) CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
5.	Debentures-Non Convertible	LT	50.00	CARE A-; Stable	1)CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable	1)CARE BBB+; Stable

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Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
	Debentures				(07-Jul-20)		(26-Jun-18)	(20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
6.	Debt-Subordinate Debt	LT	-	-	-	1) Withdrawn (05-Mar-20) 2) CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB; Stable (20-Dec-17) 2)CARE BBB; Negative (13-Jul-17) 3)CARE BBB; Negative (24-Apr-17)
7.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
8.	Debentures-Non Convertible Debentures	LT	26.28	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
9.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (04-Apr-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
10.	Debentures-Non Convertible	LT	-	-	-	1)Withdrawn (04-Apr-19)	1)CARE A-; Stable	1)CARE BBB+; Stable

### CARE Ratings Ltd.

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
	Debentures						(26-Jun-18)	(20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
11.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
12.	Debentures-Non Convertible Debentures	LT	68.00	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
13.	Preference Shares-Non Convertible Redeemable Preference Share	LT	25.00	CARE BBB+ (RPS); Stable	1)CARE BBB+ (RPS); Stable (07-Jul-20)	1)CARE BBB+ (RPS); Stable (05-Jul-19)	1)CARE BBB+ (RPS); Stable (26-Jun-18)	1)CARE BBB (RPS); Stable (20-Dec-17) 2)CARE BBB (RPS); Negative (13-Jul-17) 3)CARE BBB (RPS); Negative (24-Apr-17)
14.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
15.	Commercial Paper	ST	200.00	CARE A1	1)CARE A1 (07-Jul-20)	1)CARE A1 (05-Jul-19)	1)CARE A1 (13-Mar-18)	1)CARE A2 (20-Dec-17)

### CARE Ratings Ltd.

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
							19) 2)CARE A2+ (26-Jun-18) 3)CARE A2 (13-Apr-18)	2)CARE A2 (18-Oct-17) 3)CARE A2 (13-Jul-17) 4)CARE A2 (26-May-17) 5)CARE A2 (24-Apr-17)
16.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (05-Mar-20) 2) CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (21-Sep-17) 3) CARE BBB+; Negative (13-Jul-17) 4) CARE BBB+; Negative (24-Apr-17)
17.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)
18.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (05-Mar-20) 2) CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (21-Sep-17)
19.	Debentures-Non Convertible Debentures	LT	65.00	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (28-Sep-17)
20.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (05-Mar-20) 2) CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17)

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Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
21.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17)
22.	Debentures-Non Convertible Debentures	LT	60.00	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (06-Feb-18)
23.	Debentures-Non Convertible Debentures	LT	334.20	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1) CARE A-; Stable (17-Sep-19) 2) CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18) 2)CARE BBB+; Stable (13-Apr-18)	-
24.	Debentures-Non Convertible Debentures	LT	38.70	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1) CARE A-; Stable (17-Sep-19) 2) CARE A-; Stable (05-Jul-19)	-	-
25.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Jul-19)	-	-
26.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Jul-19)	-	-
27.	Debentures-Non Convertible Debentures	LT	120.00	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (17-Sep-19)	-	-
28.	Debt-Subordinate Debt	LT	30.00	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (29-Nov-19)	-	-
29.	Debentures-Non Convertible Debentures	LT	50.05	CARE A-; Stable	1)CARE A-; Stable (07-Jul-20)	1)CARE A-; Stable (24-Mar-20)	-	-
30.	Debentures-Non Convertible Debentures	LT	200.00	CARE A-; Stable	1) CARE A-; Stable (07-Jul-20) 2) CARE A-; Stable (25-Jun-20)	-	-	-
31.	Debentures-Non Convertible	LT	300.00	CARE A-; Stable	-	-	-	-

### CARE Ratings Ltd.

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
	Debentures							

**Annexure 3: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

### Analyst Contact

Group Head Name – Ms. Shubha Bhanu

Group Head Contact no.- +91-11-45333242

Group Head Email ID- [shubha.bhanu@careratings.com](mailto:shubha.bhanu@careratings.com)

### Relationship Contact

Ms. Swati Agrawal

Contact no.: +91-11-45333200

Email ID: [swati.agrawal@careratings.com](mailto:swati.agrawal@careratings.com)

*This follows our press release for the entity published on August 14, 2020*

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### 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.**

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

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



1792/CL/MUM/20-21/DEB/372

22<sup>nd</sup> September, 2020

To,  
**Satin Creditcare Network Limited (Issuer)**  
**5th Floor, Kundan Bhawan Azadpur**  
**Commercial Complex, Azadpur Delhi DL 110033**

Dear Sir,

**Consent to act as Trustee for Secured, Rated, Listed, Redeemable Non-Convertible Debentures aggregating upto Rs. 175 Crores to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited (CTL) to act as Debenture Trustee for the, Secured, Rated, Listed, Redeemable Non-Convertible Debentures aggregating upto Rs. 175 Crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

**Acceptance fees** : Rs.1,40,000/- 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.

We accept the above terms.

For Catalyst Trusteeship Limited

For Satin Creditcare Network Limited



Authorized Signatory



Authorized Signatory

**NOTE:** As per GST guidelines, CTL would be required to pay the applicable GST 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 GDA TRUSTEESHIP LIMITED)

An ISO:9001 Company

Mumbai Office Windsor, 6<sup>th</sup> Floor, Office No. 604, C.S.T. Road, Kallina, Santacruz (East), Mumbai 400 098 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505  
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275  
Delhi Office Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel 11 430 29101/02.  
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com Website www.catalysttrustee.com  
Pune | Mumbai | Bengaluru | Delhi | Chennai





1792/CL/MUM/20-21/DEB/372

22<sup>nd</sup> September, 2020

To,  
**Satin Creditcare Network Limited (Issuer)**  
**5th Floor, Kundan Bhawan Azadpur**  
**Commercial Complex, Azadpur Delhi DL 110033**

Dear Sir,

**Consent to act as Trustee for Secured, Rated, Listed, Redeemable Non-Convertible Debentures aggregating upto Rs. 175 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 Secured, Rated, Listed, Redeemable Non-Convertible Debentures aggregating upto Rs. 175 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

We accept the above terms.

For Catalyst Trusteeship Limited

For Satin Creditcare Network Limited



**Authorized Signatory**



**Authorized Signatory**



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



**SATIN CREDITCARE NETWORK LTD.**  
*Reaching out!*

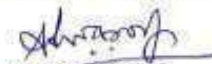
**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN SECOND MEETING OF BOARD OF DIRECTORS OF SATIN CREDITCARE NETWORK LIMITED FOR THE FINANCIAL YEAR 2020-21 HELD ON MONDAY, JUNE 15, 2020 THROUGH VIDEO CONFERENCING**

**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)**



**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)





**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. Urvasu Tyagi	Member
7.	Company Secretary & Compliance Officer	Mr. Adhash 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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**SATIN CREDITCARE NETWORK LTD.**

*Reaching out!*

**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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**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 FRIDAY, SEPTEMBER 25, 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, the guidelines issued by the Securities and Exchange Board of India 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 by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time ("**SEBI EBM Guidelines**") and the 'Partial Credit Guarantee Scheme' offered by the Government of India to public sector banks as originally issued on August 10, 2019 and as replaced vide the scheme issued on December 11, 2019 and as extended by the 'Extended Partial Credit Guarantee Scheme' issued by the Department of Financial Services, Ministry of Finance of the Government of India vide circular dated May 20, 2020, in each case as amended, replaced or modified from time to time, the frequently asked questions (FAQs) issued in respect of partial credit guarantee scheme from time to time including the FAQs issued by the Department of Financial Services, Ministry of Finance of the Government of India dated August 30, 2019 and May 20, 2020 and all other circulars, notifications, rules, regulations and guidelines as issued by the RBI from time to time in relation to the partial credit guarantee schemes offered by the Government of India including in relation to corporate bonds purchased / subscribed by public sector bank(s) ("**PCG Scheme**") 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 being the Bombay Stock Exchange/ the National Stock Exchange (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 hereby approves the terms and conditions in respect of the issuance of, and the Company be and is hereby authorised to:

- (a) issue upto 1750 (One Thousand Seven Hundred and Fifty) 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 175,00,00,000/- (Indian Rupees

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One Hundred and Seventy Five Crore) ("**Debentures**"), for cash, at par, in dematerialised form on a private placement basis, at an interest rate of 10.40% (Ten Decimal Four Zero 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 from the deemed date of allotment or such other period as may be agreed, on a private placement basis to Indian Bank (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 under the Transaction Documents (as defined below), including pursuant to the 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 with a cover of 1.10 (One Decimal Point One Zero) times to the value of the outstanding amounts of the Debentures, 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 (collectively referred to as the "**Security**").

**RESOLVED FURTHER THAT** pursuant to Section 42(2) of the Companies Act, 2013, the Committee hereby identifies Indian Bank ("**Identified Person**"), as an identified person to whom the Company can make private placement of the Debentures.

**RESOLVED FURTHER THAT** Mr. Harvinder Pal Singh, Chairman cum Managing Director, Mr. Adhish Swaroop, Company Secretary & Compliance Officer, Mrs. Urvashi Tyagi, Head – Finance, Mr. Manish Kumar Mittal, AVP - Finance, Mr. Sumit Kumar Chhabra, Sr. Manager, 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;
- (e) issuing the Debentures through the electronic book mechanism process pursuant to the SEBI EBM Guidelines, and taking all such action and steps as may be required for the purposes of complying

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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):

**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)





- (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
  - (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

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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 a credit rating agency 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 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.

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## SATIN CREDITCARE NETWORK LTD.

Reaching out!

**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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**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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## 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>	<p>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.</p> <p>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.</p>
<b>KINDS OF SECURITIES OFFERED AND THE PRICE AT WHICH THE SECURITY IS BEING OFFERED</b>	<p>Non-convertible debt instruments / NCDs.</p> <p>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.</p>



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Azadpur, New Delhi-110033, India

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**Website :** www.satincare.com



<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



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**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)



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**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 1750 (ONE THOUSAND SEVEN HUNDRED AND FIFTY) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000 EACH, AGGREGATING UP TO INR 175,00,00,000 ON A PRIVATE PLACEMENT BASIS (THE "ISSUE").**

**DEBENTURE SERIES APPLIED FOR:**

**[Number of Debentures [1750]**

**In words [One Thousand Seven**

**Amount INR [175,00,00,000]**

**Hundred and Fifty]**

**DETAILS OF PAYMENT:**

RTGS

No. \_\_\_\_\_ Drawn on \_\_\_\_\_

Funds transferred to **the account referred under the heading "Instructions" below**

Dated 30/09/2020

**Total Amount Enclosed**

**(In Figures) INR 175,00,00,000/- (In words) One Hundred and Seventy Five Crore Only**

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

<b>Indian Bank</b>	

**APPLICANT'S ADDRESS**

<b>ADDRESS</b>	
<b>STREET</b>	
<b>CITY</b>	

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

<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, the Arranger 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.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debenture and shall not look directly or indirectly to the Arranger (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage. We undertake that upon sale or transfer to subsequent investor or transferee (“**Transferee**”), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and the Arranger and also hold the Issuer and the Arranger each of such person harmless in respect of any claim by any Transferee.

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**

(To be filled in by Applicant) SERIAL NO.									
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Received from Indian Bank

Address	
.....	
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Cheque/Draft/UTR	#.....
..... Drawn on	
..... for INR 100,00,00,000/- on account of	
application of 1,750 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 to the account of ICCL as set out above, in accordance with the terms of the EBP Guidelines:
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>

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

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
<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	24,036,409
(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	6,245,227,968	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

*Chaitanya*  
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

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

Place: Delhi  
Date: May 30, 2018

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

*Jugal Kataria*  
Jugal Kataria  
(Chief Financial Officer)

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 March 31, 2018	For the year ended 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

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

*Jugal Kataria*  
 Jugal Kataria  
 (Chief Financial Officer)

Place : *Noide*  
 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 March 31, 2018	For the year ended March 31, 2017
<b>A. Cash flow from operating activities</b>		
Profit before tax	35,974,304	372,013,449
Adjustment for :		
Depreciation and amortisation expenses	140,600,362	56,283,139
Provision for non-performing assets/ standard assets and contingent provision against standard assets	354,349,316	380,437,685
Portfolio loans and other write offs	1,798,201,427	124,622,995
Loss on sale of property, plant and equipment	2,869	2,356,544
Unrealised exchange loss	27,266,991	-
Employee compensation expense	18,907,983	5,203,662
<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)	(137,015,058)
Proceeds from long-term borrowings	24,297,438,414	27,162,444,999
Repayment of long-term borrowings	(18,602,950,820)	(16,520,545,920)
(Repayments)/ 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 Chandni & Co LLP  
Chartered Accountants

*Per Lalit Kumar*  
Partner

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

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

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

*Satvinder Singh*  
(Director)  
DIN: 00332521

*Jugal Kataria*  
(Chief Financial Officer)

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



Place : *Noida*  
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 March 31, 2018	As at 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 Chandlok & Co LLP

For Walker Chandlok & Co LLP

Chartered Accountants

Per Lalit Kumar  
Partner



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

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

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

Satvinder Singh  
(Director)  
DIN: 00332521

Jugal Kataria  
(Chief Financial Officer)

Place: Noida  
Date: 30 May, 2018

Place: Noida  
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 March 31, 2018	For the year ended 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

Per Lalit Kumar  
 Partner

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

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

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 March 31, 2018	For the year ended 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 Chandni & Co LLP*  
**For Walker Chandni & 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 Krishnan*  
**Choudhary Runveer Krishnan**  
(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)

**ASSETS**

**Financial assets**

Cash and cash equivalents  
Bank balances other than cash and cash equivalents  
Derivative financial instruments  
Trade receivables  
Loans  
Investments  
Other financial assets

**Non-financial assets**

Current tax assets (net)  
Deferred tax assets (net)  
Property, plant and equipment  
Capital work-in-progress  
Intangible assets under development  
Other intangible assets  
Other non-financial assets

**TOTAL ASSETS**

**LIABILITIES AND EQUITY**

**LIABILITIES**

**Financial liabilities**

Derivative financial instruments  
Payables  
Trade payables  
(i) total outstanding dues of micro enterprises and small enterprises  
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises  
Other payables  
(i) total outstanding dues of micro enterprises and small enterprises  
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises

Debt securities  
Borrowings (other than debt securities)  
Subordinated liabilities  
Other financial liabilities

**Non-financial liabilities**

Current tax liabilities (net)  
Provisions  
Other non-financial liabilities

**EQUITY**

Equity share capital  
Other equity

**TOTAL LIABILITIES AND EQUITY**

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

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

**Chait Kumar**  
Partner  
Membership Number: 095256



Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
4	100,387.51	44,581.98	65,300.75
5	69,396.52	63,738.23	62,290.94
6	186.99	-	-
7	651.56	18.71	88.35
8	446,008.58	484,521.95	318,356.90
9	42,189.09	14,856.31	7,027.82
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>
11	-	-	45.69
12	3,115.88	8,870.78	11,973.08
13	4,301.77	3,597.52	3,429.94
13	1,614.29	1,609.31	977.70
14	19.60	13.75	240.56
15	235.11	324.18	345.59
16	630.07	882.31	717.29
	<b>9,916.72</b>	<b>15,297.85</b>	<b>17,729.85</b>
	<b>670,733.86</b>	<b>626,255.66</b>	<b>472,868.70</b>
17	-	117.58	-
18	-	-	-
	6.01	21.00	-
	123.57	16.37	40.81
19	-	-	-
	1,069.94	644.19	537.66
20	97,586.85	91,929.66	58,808.91
21	371,999.21	386,241.19	322,329.00
22	53,919.68	36,918.92	29,304.77
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>
24	1,178.58	914.36	-
25	1,354.44	1,016.44	920.38
26	760.58	773.86	528.62
	<b>3,293.60</b>	<b>2,704.66</b>	<b>1,449.00</b>
27	4,853.07	4,726.91	3,714.30
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>670,733.86</b>	<b>626,255.66</b>	<b>472,868.70</b>

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**
**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 March 31, 2019	For the year ended 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>	41		
Basic (₹)		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 Chandok & Co LLP  
Chartered Accountants  
Firm's Registration No. 001076N/N500013

Adit 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 March 31, 2019	For the year ended 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)	230.28	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>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>51,625.75</b>	<b>(21,796.19)</b>
<b>Cash and cash equivalents at the beginning of the year#</b>	<b>42,846.78</b>	<b>64,642.97</b>
<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)  
Less: Overdraft facility against term deposits (as per note 21 to the financial statements)

100,387.51	44,581.98
(5,914.98)	(1,735.20)
<b>94,472.53</b>	<b>42,846.78</b>

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 &amp; Co LLP

Chartered Accountants

Firm's Registration No. 001076N/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) (Chief Financial Officer)

FCS: 7437



Place : Noida

Date : May 8, 2019

Place : New Delhi

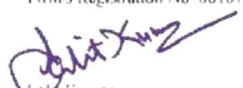
Date : May 8, 2019

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

	Notes	As at March 31, 2019	As at March 31, 2018	As at 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
Equity attributable to equity holders of the holding company		<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.

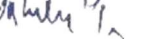
For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No. 001076N/N500013

  
Lalit Kumar  
Partner  
Membership Number: 095256

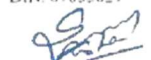


For and on behalf of the Board of Directors  
Satin Creditcare Network Limited

  
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 Krishnan  
(Company Secretary and Compliance Officer)  
FCS: 7437

  
Jugal Kataria  
(Chief Financial Officer)

**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 March 31, 2019	For the year ended March 31, 2018
<b>I. Income</b>			
Revenue from operations			
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 &amp; 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 Krishnan

(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 March 31, 2019	For the year ended 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>

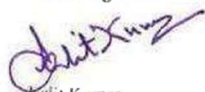
Statement of significant accounting policies and other explanatory notes.

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

For Walker Chandiok &amp; Co LLP

Chartered Accountants

Firm's Registration No. 001076N/NS00013



Lalit Kumar

Partner

Membership Number: 095256

For and on behalf of the Board of Directors

Satin Creditcare Network Limited

  
H P Singh

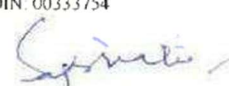
(Chairman cum Managing Director)

DIN: 00333754

  
Satvinder Singh

(Director)

DIN: 00332521

  
Sanjay Kumar Bhatia

(Chairman Audit Committee cum Director)

DIN: 07033027

  
Choudhary Runveer Krishnan

(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 March 31, 2020	As at 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	440,008.58
Investments	9	51,313.45	42,189.09
Other financial assets	10	1,758.77	1,990.59
		<b>701,484.26</b>	<b>666,819.84</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	2,413.64	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>TOTAL ASSETS</b>		<b>715,422.91</b>	<b>669,555.28</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		1,220.05	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	27,393.31
		<b>567,139.05</b>	<b>552,298.57</b>
<b>Non-financial liabilities</b>			
Deferred tax liabilities (net)	12	1,142.04	-
Provisions	23	1,086.40	1,154.44
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>TOTAL LIABILITIES AND EQUITY</b>		<b>715,422.91</b>	<b>669,555.28</b>

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

For Walker Chandok & Co LLP  
Chartered Accountants  
Firm's Registration No. 101076N/500013

*Chit Kumar*  
**Chit 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: 00133754  
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

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

*Satinder Singh*  
**Satinder 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 March 31, 2020	For the year ended March 31, 2019
<b>I. Income</b>			
Revenue from operations	27	107,844.38	117,950.47
Interest income	28	2.21	-
Dividend income	29	7,078.65	2,793.85
Fees and commission income	30	1,237.44	2,986.72
Net gain on fair value changes	31	23,608.14	13,345.54
Net gain on de-recognition of financial instruments	32	186.29	159.12
Other operating income			
Total revenue from operations		<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	11,358.07	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>20,561.70</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>			
Items that will not be reclassified to profit or loss			
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>
Items that will be reclassified to profit or loss			
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>4,454.43</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>	40		
Basic (₹)		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/S40013

 Chair 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 Saxena  
 (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**  
**Standalone cash flow statement for the year ended March 31, 2020**  
(All amounts in ₹ Lakhs, unless otherwise stated)

**A Cash flow from operating activities**

Profit before tax	
Adjustments for:	
Depreciation and amortisation	
Depreciation of right-of-use assets	
Net (gain)/loss on derecognition of property, plant and equipment	
Gain on sale of mutual funds	
Unrealised (gain)/loss on fair value changes of derivatives and investments	
Property, plant and equipment written off	
Impairment on financial instruments	
Dividend income	
Gain on sale of loan portfolio through assignment	
First loss default guarantee expenses	
Share based payment to employees	
Effective interest rate adjustment for financial instruments	
Interest expense for leasing arrangements	
Net gain on termination of leases	
Corporate guarantee premium income	
Unrealised exchange fluctuation loss (net)	

**Operating profit before working capital changes**

**Movement in working capital**

Decrease/(increase) in trade receivables	
(Increase)/decrease in loans	
Decrease/(increase) in deposits	
(Increase)/decrease in other financial assets	
(Increase)/decrease in other non-financial assets	
Increase in trade and other payables	
(Decrease)/increase in other financial liabilities	
(Decrease)/increase in provisions	
Increase/(decrease) in other non-financial liabilities	

**Cash flows from operating activities post working capital changes**

Income taxes paid (net)	
<b>Net cash (used in)/flows from operating activities (A)</b>	

**B Cash flows from investing activities**

Purchase of property, plant and equipment, capital work-in-progress and intangible assets	
Proceeds from sale of property, plant and equipment and intangible assets	
Investment made in subsidiaries	
Proceeds from purchase of other investments (net)	
<b>Net cash used in investing activities (B)</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)	
Proceeds from debt securities	
Repayment of debt securities	
Proceeds from borrowings other than debt securities	
Repayment of borrowings other than debt securities	
Lease payments	
Proceeds from subordinated liabilities	
Repayment of subordinated liabilities	
<b>Net cash flows from financing activities (C)</b>	

**Net increase in cash and cash equivalents (A+B+C)**

**Cash and cash equivalents at the beginning of the year (refer to note ii below)**

**Cash and cash equivalents at the end of the year**

For the year ended March 31, 2020	For the year ended March 31, 2019
21,316.76	30,561.70
1,032.71	1,131.89
487.13	-
(2.90)	(2.77)
(1,368.20)	(2,688.93)
130.76	(306.34)
-	48.64
18,882.89	5,206.70
(2.21)	-
(23,608.14)	(13,345.54)
1,278.78	321.42
147.97	317.86
2,087.29	1,251.05
161.98	-
(45.32)	-
(0.38)	-
188.49	230.38
<b>20,687.61</b>	<b>22,726.06</b>
38.42	(632.85)
(13,987.33)	50,588.11
3,962.37	(5,658.29)
(157.49)	1,335.53
(1,048.32)	233.84
630.64	517.96
(4,470.80)	8,799.34
(180.24)	280.91
83.76	(13.27)
<b>5,558.62</b>	<b>78,177.34</b>
(7,261.85)	(6,398.23)
<b>(1,703.23)</b>	<b>71,779.11</b>
(3,134.69)	(1,796.77)
15.50	11.40
(11,000.00)	(8,085.65)
3,234.99	(16,559.75)
<b>(10,884.20)</b>	<b>(26,430.77)</b>
4,547.26	22.65
21,413.18	40,370.00
(12,852.45)	(34,702.86)
298,029.30	325,358.64
(280,954.11)	(344,401.21)
(553.20)	-
7,893.53	20,000.00
(2,469.76)	(369.81)
<b>15,053.75</b>	<b>6,277.41</b>
2,466.32	51,625.75
<b>94,472.53</b>	<b>42,846.78</b>
<b>96,938.85</b>	<b>94,472.53</b>

- i) Refer to note 21 for reconstitution 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)

**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)

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

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. 001076N/N500911

*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

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

*Satinder Singh*  
 Satinder 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 Balance Sheet as at March 31, 2020**  
*(All amounts in ₹ lakhs, unless otherwise stated)*

	Notes	As at March 31, 2020	As at 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
		<b>7,11,228.98</b>	<b>6,60,564.65</b>
<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	403.61	236.46
Other non-financial assets	16	2,145.45	768.28
		<b>18,732.79</b>	<b>13,531.19</b>
<b>TOTAL ASSETS</b>		<b>7,29,961.77</b>	<b>6,74,095.84</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
<b>Payables</b>			
Trade payables	17	117.56	6.01
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		848.47	182.10
Other payables	18	193.77	-
(i) total outstanding dues of micro enterprises and small enterprises		1,332.60	1,154.83
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
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
		<b>5,82,176.02</b>	<b>5,56,669.55</b>
<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
		<b>2,916.84</b>	<b>2,481.65</b>
<b>EQUITY</b>			
Equity share capital	25	5,171.27	4,853.07
Other equity	26	1,39,697.64	1,10,091.57
		<b>1,44,868.91</b>	<b>1,14,944.64</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,29,961.77</b>	<b>6,74,095.84</b>

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  
**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





**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 March 31, 2020	For the year ended 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 March 31, 2020	For the year ended 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.

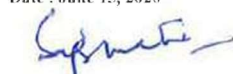
This consolidated Statement of Profit and Loss referred to in our report of even date.

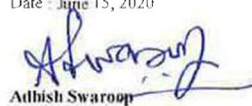
For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No. 801076N/N500013


  
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  
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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**

Profit before tax

**For the year ended  
March 31, 2020**
**For the year ended  
March 31, 2019**

21,162.64

31,580.94

**Adjustments for:**

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

**Operating profit before working capital changes**

22,769.99

24,526.30

**Movement in working capital**

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

**Cash (used in)/flows from operating activities post working capital changes**

(15,370.42)

67,815.92

Income taxes paid (net)

(7,139.41)

(6,710.21)

**Net cash (used in)/flows from operating activities (A)**

(22,529.83)

61,099.71

**B Cash flows from investing activities**

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)

**Net cash flows/(used in) investing activities (B)**

5,568.38

(18,684.77)

**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)

4,437.67

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)

**Net cash flows from financing activities (C)**

2,4285.08

8,823.27

Net increase in cash and cash equivalents (A+B+C)

7,323.63

51,238.21

Cash and cash equivalents at the beginning of the year (refer to note ii below)

96,581.67

45,343.46

**Cash and cash equivalents at the end of the year**

1,03,905.30

96,581.67

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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### ANNEXURE VIII: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
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: September 29, 2020 Deemed Date of Allotment: September 30, 2020
Redemption Date / Maturity Date	Redemption Date / Maturity Date: March 30, 2022
Coupon Rate	10.40% (Ten Decimal Four Zero Percent) p.a. payable Annually on the Coupon Payment Dates.
Frequency of the Coupon Payment with specified dates	Coupon payable Annually on September 30, 2021 and March 30, 2022 (subject to adjustments if any on account of Business Day Convention).
Day Count Convention	Actual/Actual

### CASH FLOW

Cash Flows	Coupon / Principal Accrual Date	Coupon / Principal Payment Date	No. of days in Cou pon Perio d	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
<b>Issue amount</b>	September 30, 2020	September 30, 2020			175,00,00,000
1 <sup>st</sup> Coupon	September 30, 2021	September 30, 2021	365	182,000,000	
2 <sup>nd</sup> Coupon	March 30, 2022	March 30, 2022	181	90,252,055	
Principal					175,00,00,000
<b>Total</b>			546		<b>175,00,00,000</b>
* After adjusting for Non-Business Days.					

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