



SATIN CREDITCARE NETWORK LTD.

BOARD OF DIRECTORS

Sh. H P Singh	Chairman cum Managing Director
Sh. Satvinder Singh	Managing Director
Sh. Harbans Singh	Director
Maj. Gen. (Retd) S. K. Vij VSM	Director
Sh. Rakesh Sachdeva	Director
Sh. Harprit Singh	Director
Sh. S. S. Chawla	Alternate Director of Mr. Harprit Singh
Sh. Naresh Khanna	Additional Director

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Sh. Jugal Kataria

AUDITORS

A. K. Gangaher & Co.
Chartered Accountants

BANKERS & OTHER LENDERS

ICICI Bank Limited
HDFC Bank Limited
Standard Chartered Bank
Yes Bank Limited
Citibank N.A.
BNP Paribas
Indian Bank
Axis Bank Limited
Small Industries Development Bank of India (SIDBI)
Maanaveeya Holdings & Investments Private Limited
Bellwether Microfinance Fund Private Limited
HDFC Limited
Reliance Capital Limited
Indian Overseas Bank
Hongkong & Shanghai Banking Corporation Limited

REGISTERED OFFICE

306, Lusa Tower,
Azadpur Commercial Complex,
Delhi-110033

CORPORATE OFFICE

5th Floor, Kundan Bhawan,
Azadpur Commercial Complex,
Delhi- 110033

REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Ltd.
A-40, 2nd Floor,
Naraina Industrial Area, Phase-II,
Near Batra Banquet Hall, New Delhi-110028

Website

www.satincare.com



SATIN CREDITCARE NETWORK LTD.

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of **SATIN CREDITCARE NETWORK LIMITED** will be held on Tuesday, the 30th September, 2008 at 10 a.m. at 'TYAGI FARMS', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi – 110043, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008, Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Rakesh Sachdeva, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint Statutory Auditors for the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, to fix their remuneration and to authorize them also to conduct audit of accounts of the Company's Branches.

SPECIAL BUSINESS

4. To consider and if thought fit to pass, the following resolution with or without modification(s) , as a special resolution:
"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the existing Articles of Association of the Company be and is hereby replaced by new set of the Articles of Association of the Company."
"RESOLVED FURTHER THAT Shri H P Singh, Chairman Cum Managing Director and Shri Satvinder Singh, Managing Director singly and severally be and are hereby authorised to sign and file the requisite documents with ROC and other authorities as may be required."
5. To consider and if thought fit to pass, the following resolution with or without modification(s) , as an ordinary resolution:
"RESOLVED THAT Mr. Naresh Khanna, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and as per Articles of Association of the Company and who holds office only until the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
"RESOLVED FURTHER THAT Shri H P Singh, Chairman Cum Managing Director and Shri Satvinder Singh, Managing Director singly and severally be and are hereby authorised to sign and file the requisite documents with ROC and other authorities as may be required."
6. To consider and if thought fit to pass, the following resolution with or without modification(s) , as a Special Resolution
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to revise the monthly remuneration payable to Mr. H P Singh, Chairman Cum Managing Director of the Company with effect from 01.10.2008 for the remaining period of his tenure i.e. up to 30.09.2010 as follows:
 - a. Salary: Rupees 2,00,000/- per month
 - b. Perquisites

CATEGORY A

1. **Medical Benefits for Self & family**
Reimbursement of expenses actually incurred for self and family, the total cost of which should not exceed one month's salary per year or three months' salary in a period of three years.
2. **Leave Travel Concession**
For self, wife & dependent children once in a year to and fro from any place in India subject to the condition that only actual fare & no hotel expenses etc. will be allowed. This is further subject to maximum of one month salary.
3. **Club Fees**
Club subscription fees for membership of maximum two clubs. This will, however, not include admission fees and life membership fees. This will be further subject to a ceiling of Rs.5,000/- per year.

CATEGORY B

Provident Fund

Participation in a recognized Provident Fund as per rules of the Company and to the extent not taxable under the Income Tax Act, 1961.

Gratuity

Gratuity not exceeding half month's salary for each completed year of service.



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Leave

Encashment of Leave as per rules of the Company at the end of the tenure.

The value of perquisites under Category 'B' shall not be included in the computation of the ceiling on remuneration specified in Section II of Part II of Schedule XIII of the Companies Act, 1956.

CATEGORY C

Car with driver and telephone facilities at residence for use on Company business.

By Order of the Board of Directors
For SATIN CREDITCARE NETWORK LIMITED

Registered Office :

306, Lusa Tower,
Azadpur Commercial Complex,
Delhi-110 033

Jugal Kataria
Chief Financial Officer
& Company Secretary

Dated : 30th June, 2008

NOTES:

1. A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. A blank proxy form is enclosed and if intended to be used, it should be returned duly completed at the registered office of the Company not less than 48 hours before the scheduled time of the Annual General Meeting.
2. The register of members and share transfer books of the Company shall remain closed from 16.09.2008 to 30.09.2008 (both days inclusive).
3. Shareholders/proxy holders are requested to produce at the entrance the attached admission slip duly completed and signed for admission to the meeting place.

By Order of the Board of Directors
For SATIN CREDITCARE NETWORK LIMITED

Place : Delhi

Date : 30th June, 2008

Jugal Kataria
Chief Financial Officer
& Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ATTACHED ALONGWITH THE NOTICE DATED 30TH JUNE, 2008.

Item No.4

During the year, M/s. Lok Capital LLC, a Mauritius based Private Equity Fund subscribed to and allotted 12,18,500 Equity Shares of the Company. As per Shareholders Subscription Agreement executed with the investor, certain clauses are required to be inserted/amended in Articles of Association of the Company. Some of the salient features of the new Articles of Association are as follows:

- 104A. The Board of Directors shall appoint and keep appointed the director nominated by Lok to the Board of Directors till the time Lok remain invested and complete all necessary formalities in this regard.
- 104B. Lok shall have the right to procure the removal from office of the person nominated by it on the Board. Lok shall also have the right to nominate a replacement in the event of a vacancy due to the removal, resignation, death, termination of employment of such director or cessation of his/her directorship for any other reason. The Lok Director shall be entitled to nominate, by written notice to the company secretary of the Company, a person who will attend the meeting of the Board of the Company as an observer for Lok Director, in the absence of the Lok Director.
- 112I. Lok shall, with respect to any Strategic Matter, that were part of the agenda for the original meeting, have a right to issue a written notice to the Company indicating their intention to either grant their consent or dissent with respect to any such matter. A failure of Lok to issue a written notice as contemplated in this clause shall be deemed to be consent in respect of any matter contained in the agenda for the original meeting.
113. The quorum for a meeting of the Director shall be determined from time to time, in accordance with provisions of Section 287 of the Act, if quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors,



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it shall be adjourned until such date and time as the Directors present shall appoint. Provided however that for meetings of the Board, the agenda in respect of which includes any strategic matter, the quorum must include at least the Lok Director and HP except where they are interested in the matter to be discussed.

- 124A. The Board of Directors shall constitute a committee to be called the "Management Committee".
- 124B. A unanimous decision of the Management Committee will be required for the following Strategic Matters before such matters are presented to Board for approval:-
- i) amendments to the Company's Memorandum of Association or Articles of Association;
 - ii) issuance of shares, or grant of options for equity shares to employees, officers or Directors, sweat equity shares without pre-emptive rights to non-members or conversion of loans or debentures into Equity Shares;
 - iii) any increase or any reduction in the shares in any class;
 - iv) any acquisition, merger, restructuring, sale, divestment, amalgamation, demerger, reorganisation or consolidation of the Company or sale of all or substantially all of the assets of the Company;
 - v) creation of a new subsidiary/hiving off an existing subsidiary, amalgamation or reorganization;
 - vi) entry of the Company into any material transaction, service agreement, agency agreement with any related party;
 - vii) redemption or buy-back of any shares;
 - viii) entry of the Company into any lines of business other than businesses substantially similar or related to its existing business;
 - ix) declaration of dividends, redemption of capital or buy-back of Equity Shares or other distribution to holders of any class or series of Equity Shares;
 - x) entering, causing or allowing the Company to enter into any agreements that impair or violate the rights of the holders of the Equity Shares or grant to other investor in the Company any right that may adversely affect the rights of the holders of the Equity Shares;
 - xi) change in constitution and functioning of the Management Committee;
 - xii) any inter-corporate deposit to be made by the Company, other than those made in ordinary course of business;
 - xiii) Any investment to be made by the Company; and
 - xiv) the valuation, timing, mode and stock exchange for the FPO shall be decided by the Management Committee in consultation with the lead merchant banker(s)
- 124C. Constitution and Power of the Management Committee
- i) Lok Director or any other representative of Lok alongwith HP and the CFO of the Company, will constitute this Management Committee.
 - ii) There shall be no change in the constitution of the Management Committee and the functioning/ role of the said Management Committee shall not be changed without the prior unanimous written consent of the Management Committee.
- 124D. Meetings of the Management Committee
- The Board of Directors shall ensure that the Management Committee's meetings are held in the following manner:
- i) Management Committee meetings shall be held atleast once in three (3) months and atleast four (4) times every year.
 - ii) A Management Committee meeting may be called at any time to discuss any Strategic Matter; Provided that when Strategic Matters are to be discussed in a Management Committee meeting, a written notice of 7 (seven) Business Days shall be given to each member setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting alongwith all available data and information relating to the Strategic Matters under discussion, except as otherwise agreed in writing by all of the members.
- 124E. Provided that no quorum for a meeting of the Management Committee shall be validly constituted unless all the members are present during the continuance of the entire committee meeting.
- Beside these, there are several other provisions in the Articles which need alterations keeping in view the changes in laws, for example- "provisions for buy-back of shares", "issue of sweat equity shares", "employees stock option/purchase scheme", "passing of resolutions by postal ballot" etc. Board has also found a few grammatical and technical flaws in the existing articles while reviewing and hence decided to recommend adoption of a complete new set of Articles. The copy of the new set of Article of Association is available at the registered and corporate office of the Company and any shareholder can send a request for the complete set of the same to the Company Secretary at the registered office address of the Company.

The Board of Directors recommends the passing of the resolution.

None of the Directors, is in any way concerned or interested in the resolution.



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Item No. 5

Mr. Naresh Khanna joined the Company on 01.05.2008 as an Additional Director and as per provisions of Section 260 of the Companies Act, 1956 he will hold office as a Director only until the date of this Annual General Meeting. The Company has received a notice as prescribed under section 257 of the Companies Act, 1956 from a member along with a deposit of Rs.500/-, signifying his intention to propose Mr. Naresh Khanna as a Director of the Company liable to retire by rotation.

Mr. Naresh Khanna is not disqualified from being appointed as Director under Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266A of the Act.

The Board of Directors recommends the passing of the resolution.

None of the Directors, except Mr. Naresh Khanna is in any way concerned or interested in the said resolution.

Item No.6

Mr. H P Singh was re-appointed as Chairman Cum Managing Director in the Annual General Meeting held on 30.09.2005 for a period of five years i.e. from 01.10.2005 to 30.09.2010. The salary component of his remuneration was approved @ Rs.48,000 per month along with other perquisites. Later his salary component was further increased to Rs.1,00,000 per month in the Annual General Meeting held on 29th July, 2006, keeping the other terms and conditions unchanged. Remuneration Committee had considered the revision of his remuneration structure in its meeting held on 16th June, 2008. Keeping in view the cost of living, level of remuneration prevailing in the industry and the improved volume of business of the Company, the Remuneration Committee recommended for increasing the salary component of Mr. H P Singh, Chairman Cum Managing Director to Rs.2,00,000/- per month (Rs. Two Lacs only). This has also been approved by the Board of Directors. The detailed Remuneration Structure shall be as stated in the accompanying Notice annexed to this Explanatory Statement.

The Board commends the resolution for the approval of the shareholders.

Mr. H P Singh, himself, and Mr. Harbans Singh, Mr. Satvinder Singh and Mr. Harprit Singh being related are interested in the resolution at Item No.6.

This may also be treated as an abstract of variation in the terms and conditions of appointment of Mr. H P Singh, Chairman Cum Managing Director and Memorandum of Interest of the Directors under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors
For SATIN CREDITCARE NETWORK LIMITED

Jugal Kataria
Chief Financial Officer
& Company Secretary

Place : Delhi
Date : 30th June, 2008



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STATEMENT CONTAINING INFORMATION REQUIRED TO BE GIVEN UNDER SCHEDULE XIII AS REQUIRED BY NOTIFICATION REF. G.S.R. 36(E) DATED JANUARY 16, 2002 ISSUED BY GOVERNMENT OF INDIA, MINISTRY OF CORPORATE AFFAIRS, NEW DELHI – FOR ITEM NO.6

The Department of Company Affairs has vide notification dated January 16, 2002 amended Schedule XIII to the Companies Act, 1956 revising the limits for payment of managerial remuneration by companies in case of loss or inadequacy of profits. Though it is expected that the Company would make sufficient profits but as a matter of abundant caution the following information as prescribed in the amended Schedule XIII to the Companies Act, 1956 is being provided. However, in the event the remuneration exceeds the limits under Schedule XIII the Company will apply to the Central Government for necessary approval.

a. General Information

The Company is a Non Banking Finance Company dealing in Microfinance activities. The Company was incorporated as SATIN LEASING & FINANCE PRIVATE LIMITED on 16th October, 1990. Later it was converted into a PUBLIC LIMITED Company on 1st July, 1994. Further, the name of the Company was changed to SATIN CREDITCARE NETWORK LIMITED on 10th April, 2000. The Company is not a new company and is in existence for the last 17 years. The financial performance of the Company for the year ended 31st March, 2008 is as follows:

Total Income	Rs.1099.48 Lacs
Net Profit After Tax	Rs. 51.15 Lacs
Networth	Rs.1528.19 Lacs

During the year, the Company has received Foreign investment to the tune of Rs.4,87,40,000/- from Lok Capital LLC, a Mauritius based private equity fund against which 12,18,500 equity shares were allotted to them on 17th March, 2008. No Export performance was made by the Company during the year. Financial performance of the Company is also very sound as stated in the Annual Report itself.

b. Information about the Appointee

Mr. H P Singh is associated with the Company since its incorporation as a Director of the Company. He is involved in the operations of the Company on whole time basis since its inception. He was appointed as Whole-time Director of the Company after considering his rich experience and dedication in the Company's business on 1st October, 1995. Further, he was re-designated as Chairman Cum Managing Director of the Company on 29th November, 1996. In the year 2006, the salary component of his remuneration was last revised at Rs.1,00,000/- per month. The entire operations of the Company are managed by Mr. H P Singh. He is also responsible for making growth strategy and to implement the same. Considering his long association with the Company since inception, professional competency and relevant business experience it is proposed to increase the remuneration as detailed in the notice. Further, there is no other pecuniary relationship of Mr. H P Singh with the Company except that he personally holds 4,12,123 equity shares of the Company.

Taking into consideration the profile of Mr. H P Singh, the industry benchmarks, responsibilities, the size of the funds being managed by the Company, the remuneration being paid is comparable with the other persons at similar levels in other Companies.

c. Other information

As the Company is in the state of expansion, therefore, the profits being generated are not sufficient as compared to the Industry trend and it can be easily concluded that the Company is having inadequate profits.

Presently, the Company is providing Urban Micro Finance to shopkeepers and low-income entrepreneurs. Now, the Company is also focusing on providing Group Financing in rural area also and is quite hopeful that situation of inadequate profits will improve.

All the relevant disclosures pertaining to the Directors of the Company and which are required to be disclosed in the Report of the Board of Directors under the heading "Corporate Governance" attached to the Annual Report has been disclosed herewith.

By Order of the Board of Directors
For SATIN CREDITCARE NETWORK LIMITED

Jugal Kataria
Chief Financial Officer
& Company Secretary

Place : Delhi
Date : 30th June, 2008



SATIN CREDITCARE NETWORK LTD.

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Eighteenth Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March 2008.

Particulars	(Rs. in lacs)	
	Current Year	Previous year
Gross Income	1099.48	590.12
Profit before Depreciation and tax	102.70	49.18
Depreciation and Non Cash Expenditure	18.32	8.79
Profit before Tax	84.38	40.39
Provision for Tax (including Deferred Tax & FBT)	33.23	15.91
Profit after Tax	51.15	24.48
Brought forward from Previous Year	83.51	64.21
Other Adjustment	(0.55)	(0.30)
Profit available for appropriation	134.11	88.39
Transfer to Statutory Reserve Fund	10.25	4.88
Surplus carried to Balance Sheet	123.86	83.51

OPERATIONS, PROSPECTS AND FUTURE PLANS

- As you would notice, your Company has performed well during the year under review. During the year the Company engaged itself primarily into microfinance operations. The area of operations has been increased to cover more and more cities / towns in the Northern India. The Company has also started group lending in the urban areas to cater to the very low income individuals. The Company continued its micro financing policy by financing to low income individuals in the urban and semi-urban areas for predominately meeting their productive requirement of funds. The Company has thoroughly and continuously been perusing its strategy of financial deepening. Although the Company has been competing with medium to large NBFCs, Banks and Financial Institutions, it has managed well by way of innovative and convenient financing. The Company is quite hopeful of achieving even better results in the Current financial year.
- The Company continues to receive financial assistance in the form of term loan for on-lending from various banks in the public and private sectors and from financial institutions. The Company has been sanctioned financial assistance in the form of term loan by ICICI Bank Limited, HDFC Bank Limited, Standard Chartered Bank, Yes Bank Limited, Citibank N.A., Axis Bank Limited, BNP Paribas, Indian Bank, Small Industries Development Bank of India, HDFC Limited, Maanaveeya Holdings & Investments Private Limited and The Bellwether Microfinance Fund Private Limited for its microfinance activities. The Company is in the process of negotiating with other financial institutions for arrangement of funds for its growing operations.
- The disbursement during the financial year 2007-2008 has been Rs. 6200 Lacs (Previous Year Rs. 4248 Lacs) showing a growth of 46% over the previous year. The gross income during the year has been Rs. 1099.48 Lacs (Previous Year Rs. 590.12 Lacs) showing a growth of 86% over the previous year. The net profit after tax during the year has been higher at Rs. 51.15 Lacs (Previous Year Rs. 24.48 Lacs) showing a growth of 109% over the previous year.
- The merger of Satin Intellicomm Limited with your Company has been approved by Hon'ble High Court of Delhi with effect from April 1, 2006, being the appointed date. The scheme of merger was approved by Hon'ble High Court of Delhi on 27.09.2007 and the order of High Court was filed with Registrar of Companies, NCT of Delhi and Haryana on 03.12.2007, which is the effective date of merger. Pursuant to the said scheme of merger the Company has issued and allotted at par to every shareholder of Satin Intellicomm Limited 2113 equity shares of Rs. 10/- each credited as fully paid up in the Company for every 100 equity share of Rs. 10/- each fully paid up as held by such shareholder in the erstwhile Satin Intellicomm Limited. Accordingly 29,59,679 equity shares of Rs. 10/- each fully paid up of the Company have been issued at par to the shareholders of erstwhile Satin Intellicomm Limited. An amount of Rs. 78,540/- has been created as goodwill being the difference of Net Asset Value of the Satin Intellicomm Limited and the amount of equity shares of the Company allotted. Accordingly the accounts of the merged entity were prepared and adopted by the Board of Directors in their meeting held on 06.12.2007.
- Your Company has expanded its capital base during the current financial year to take care of the growth.
 - The Company has allotted 10,00,000 Fully Convertible Warrants (FCWs) of Rs. 10/- each at par on preferential basis to meet the working capital requirements for the existing operations and for expansion of the Company's business operations to the certain companies included in Promoters Group on 4th August, 2007 and later converted the same into equivalent number of Equity Shares of Rs. 10/- each at par on 17.03.2008 after receiving the balance amount.
 - The Company has further allotted 13,20,000 Fully Convertible Warrants (FCWs) of Rs. 10/- each at par on preferential basis to meet the working capital requirements for the existing operations and for expansion of the Company's business operations



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to the certain companies in the non promoters group on 1st February, 2008 after receiving payment of 10% of the face value of each FCW i.e. Re.1/- per FCW. As per the terms of allotment these FCWs are convertible into equal number of equity shares of Rs. 10/- each fully paid up after receipt of balance amount @ Rs. 9/- per FCW within 18 months from the date of allotment of these FCWs.

13185 c) The Company has also allotted 13,18,500 equity shares of Rs.10/- each at a premium of Rs.30/- per equity share on preferential basis to persons in non promoters category on 17th March, 2008 to meet the working capital requirements for the existing operations and for expansion of the Company's business operations. The entire amount has been received before the allotment date. Out of 13,18,500 equity shares 12,18,500 equity shares have been issued to Lok Capital LLC, a Category 1 Global Business Company, incorporated under the laws of Mauritius. The Company has executed a tripartite Shareholders agreement dated 12.01.2008 and a Share Subscription Agreement dated 12.01.2008 with Lok Capital LLC and the Promoters of the Company. As per the provisions of the Shareholders agreement necessary modifications have been proposed in the Articles of Association of the Company.

- Your Company has plans to broad base its micro financing activities by including more products and also expanding geographically. The Company is also deeply committed towards its goal of financing to poor sections and micro entrepreneurs. The Company has started its rural microfinance initiative in May 2008 from Bulandshahr District in Uttar Pradesh. The loans are provided under the Grammen Model to poor women (especially those below the poverty line) for greater financial inclusion. The Company has employed experienced microfinance professional and experts for the same. Based on the experience in this area the same shall be expanded to other areas.

SUBSIDIARY COMPANIES

The Company had no subsidiary company at any time during the financial year 2007-2008.

DIRECTORS

Sh. Rakesh Sachdeva retires by rotation and being eligible offers himself for reappointment.

Sh. Naresh Khanna was appointed as Additional Director of the Company in the Board Meeting held on 01.05.2008, whose tenure of office as Director comes to end at the commencement of the forthcoming Annual General Meeting of the members of the Company.

The Board is in the process of appointing Mr. Vishal Mehta, Managing Director of Lok Advisory Services Private Limited as the Nominee Director of Lok Capital LLC on the Board of the Company.

DIVIDEND

In order to undertake and carry on future plans, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend for the year ended 31st March 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Satin Creditcare Network Limited (SCNL) is one of the category 'A' Non Banking Financial Companies (NBFC). It has reported satisfactory financial and operating performance during the period under review i.e. 2007-2008. The financial disbursement during the year has been Rs. 6200 Lacs (Previous Year Rs. 4248 Lacs). The Gross Income during the year has been Rs. 1099.48 Lacs (Previous Year Rs. 590.12 Lacs). Depreciation during the year has been higher at Rs. 18.32 Lacs (Previous Year Rs. 8.79 lacs). The net profit after tax during the year has been at Rs. 51.15 Lacs (Previous Year Rs. 24.48 Lacs). SCNL's net worth stood at Rs. 1528.19 Lacs (Previous Year Rs. 836.98 Lacs) showing a growth of 82.58%. The Company plans to concentrate only on Non Banking financial activities during the current financial year.

Resources and liquidity

During the year, the company relied upon Banks, Financial Institutions and corporates for its resources. The Company has received term loans from ICICI Bank Limited, HDFC Bank Limited, Standard Chartered Bank, Yes Bank Limited, Citibank N.A., Axis Bank Limited, BNP Paribas, Indian Bank, Small Industries Development Bank of India, HDFC Limited, Maanaveeya Holdings & Investments Private Limited and The Bellwether Microfinance Fund Private Limited for its microfinance operation which is the main activity of the Company. The Company has also received financial assistance from Reliance Capital Limited, Hongkong & Shanghai Banking Corporation Limited (HSBC) and Indian Overseas Bank (IOB) during the financial year 2008-2009. The Company has good repayment track record and excellent relationship with all the financial institutions and banks and hence is quite hopeful of raising funds for the growth. The Company has got equity infusion from Lok Capital LLC, a Mauritius based private equity fund. The promoters of the Company have also infused capital during the year. This has helped the Company to increase its Net worth and will give lot of comforts to the lending institutions and banks. The liquidity position of the Company is comfortable and Debt: Equity ratio of the Company as at 31.03.2008 is 3.45.



Industry Scenario

The microfinance sector is witnessing steady growth in the country. There has been significant progress in terms of expansion across regions and outreach. With the growth, the sector is witnessing increased diversity in terms of operating models, legal forms, regional imbalances etc. The growth trend is also observed in terms of outreach and outstanding of the MFIs. Unlike previous years, the MFIs have started focusing on urban poor and individual lending models. The lending to poor is part of the priority sector lending and hence the banks and other financial institutions are willing to lend to MFIs for on-lending for microfinance. Most of the financial needs of the poor are met from family sources, neighbours and informal lenders at an abnormally high rate of interest. Only a part of the same is met by the Micro Finance Institutions (MFIs). Microfinance industry shall be finally responsible for filling the financial void. Thus there is a great challenge ahead for the industry. The positive thing about the future of microfinance is the favourable outlook of the government policy for the sector. There are commercial funds and private equity available for growth.

Business Review

Satin Creditcare Network Limited (Satin) is a leading Microfinance Institution, registered as Non Banking Finance Company with the Reserve Bank of India since its inception in 1990, based in Delhi (Northern India) engaged in providing loans to low income people in urban, semi urban and now in rural areas for primarily meeting their productive needs. The Company pioneered the unique concept of daily collection schemes. Small amount of loans are provided to individual borrowers and the repayment is collected from them in small daily instalments. The economically weak borrowers find this small repayment on daily basis as a convenient mode of repayment out of their daily sales/income. Satin has a time tested self sustaining individual lending model. The Company has now started its rural microfinance initiative to diversify the portfolio and to increase its reach.

The Company has a mission to provide affordable finance to low income individuals, tiny businesses for meeting their productive requirements to enhance their revenue generating capacity and to generate direct and indirect employment for such people. The Objective of the Company is to provide micro credit for productive activities to very small, small and medium entrepreneurs specially those who don't have access to funds from any financial institution in the organized sector, which could augment and increase their income generating capacity, working in urban and semi urban areas and thus to increase the shareholders' wealth. The complementary objective of the Company is to provide employment and healthy working atmosphere.

The Company has diversified its operations by introducing small loans in joint liability groups (JLG) in the urban area to poor people and petty traders. The Company has also started its rural microfinance initiative to provide finance to women borrower in the rural area under the Grammen Model. This will help the Company to increase its reach and to diversify the portfolio.

The Company continued its micro financing policy by financing to small borrowers. The Company has thoroughly and continuously been pursuing its strategy of financial deepening. The Company disbursed Rs. 6200 lacs as against Rs. 4240 lacs showing a growth of 46%. The majority of Company's funds are deployed in retail financing and the future receivables under the financing contracts as at March 31, 2003 are Rs. 3,709.76 lacs (Previous Year Rs. 2,447.51 lacs).

Opportunities

With the globalisation of economy and continuous growth in the GDP of the country, the growth prospects for small and medium business enterprises have also prospered. In future the same trend is likely to continue. In spite of the fact that there is very large network of banks branches in every corner of the country access to financial services is very limited. Majority of such small business entrepreneurs and individuals are still not in the reach of the retail banking industry. This is a great opportunity for smaller and medium MFIs having local and regional penetration. SCNL is well placed to identify such entrepreneurs and individuals and to provide them with convenient financing. SCNL is primarily focused on Individual Urban Microfinance in Northern India. As against the individual lending model, a substantial part of the Indian Microfinance is concentrated as Self Help Group (SHG) model and is primarily concentrated in rural area. SCNL is primarily focused on Individual Urban Microfinance in Northern India. Hence SCNL has a great opportunity ahead. The Company has started its rural microfinance vertical to explore the huge untapped rural demand and to increase its reach in these geographies.

Challenges

The entire NBFC sector faces competitive pressure from the banking sector, which enjoys access to lower cost financing. The spreads in the lending business have also narrowed. The change in lending policies of banks to NBFC - MFIs is a big threat for the systematic growth of the sector. The change in government regulation may have an adverse effect on the future of the microfinance sector.

SCNL's strong financial position, comfortable capital adequacy, liquidity and adoption of prudent business policies, time tested systems, professional management, association with leading financial institutions and clean repayment track record have enabled it to perform consistently and post satisfactory performance despite these competitive conditions.

Outlook

SCNL plans to broad base its product line to include financing of more products and also to expand geographically. The Company has expanded geographically in parts of Haryana, Uttar Pradesh, Rajasthan, Uttarakhand and Punjab during the current year besides covering the entire Delhi. The Company has also started group lending in the urban areas and lending to poor women borrowers in the rural areas under the Grammen Model. This will help the Company to diversify the risk.



Risk & Concerns

SCNL is exposed to risks like volatility in the Indian economy, change in government policies, falling interest rates, competition from the banking sector, volatile economic cycle, market risks and credit risks. SCNL manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

Adequacy of internal controls

SCNL has proper and adequate internal controls to ensure that all activities are monitored and controlled against any unauthorised use or disposition of assets and that all the transactions are authorised, recorded, reported and monitored correctly. The Company works in computerised environment and all its operations including accounts and MIS are electronic.

SCNL ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

An audit committee is in place to review and strengthen the adequacy of internal control.

Strengthening of internal audit and procedure is a continuous process.

Human Resource Development

SCNL has a team of young, able, experienced and dedicated team of professionals at all levels to support the management. The number of employees as at 31.03.2008 stood at 47.

DEPOSITS

- | | |
|---|---------|
| a) The total no. of depositors of the Company whose deposits have not been claimed by the depositors and paid by the Company after the date on which the deposit became due for payment or renewal. | Nil |
| b) The total amount due to the depositors and remaining unclaimed or unpaid beyond the dates referred to in Clause (a) as aforesaid | Rs. Nil |

The above figures relate to the deposits, which are unclaimed after becoming due. There are no deposits, which were claimed but not paid.

The Company has stopped accepting public deposits w.e.f. 20th November 2004.

The outstanding public deposit as at 31st March, 2008 is Rs. 38,430.00 (Previous year Rs. 61,533.00). The entire amount of outstanding public deposit was transferred to an Escrow account with scheduled bank on 13.04.2007.

RESERVE BANK OF INDIA-REGISTRATION AND DIRECTIONS

The Company has been granted certificate of registration from Reserve Bank of India to carry on the business of non-banking financial institution vide Registration No A14.01394 dated 4th December, 1998. Owing to the change of name of the Company from Satin Leasing & Finance Limited to Satin Creditcare Network Limited on 10.04.2000, the Company had received a revised certificate of Registration from Reserve Bank of India dated 2nd November, 2000. Your Company has been following all relevant guidelines issued by Reserve Bank of India from time to time. Also the Company has been following all the prudential norms as per Non Banking Financial (Deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended from time to time. The Company has decided not to accept the public deposits with effect from 20th November, 2004. The Company had intimated the same to Reserve Bank of India. Payment to depositors is being made on the maturity of deposits or over premature request from depositor. Pursuant to the directives issued by the Reserve Bank of India for the Non Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 1998, the Board of Directors of the Company have received a report dated 30th June, 2008 from the Auditors of the Company. The Board has not observed any adverse remark.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanations relating to material departures;
2. That they have selected such accounting policies and applied them consistently except where otherwise stated in the notes on accounts, and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for that period;
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
4. That they have prepared the annual accounts on a going concern basis.



AUDITORS & THEIR REPORT

A. K. Gangaher & Co., Chartered Accountants, the existing auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The retiring auditors have furnished a certificate of their eligibility for re-appointment under section 224 (1B) of the Companies Act, 1956. Your directors recommend their reappointment. The Company has received audit report from A. K. Gangaher & Co., Chartered Accountants and your Directors do not observe any adverse remark therein.

PARTICULARS OF EMPLOYEES

There is no employee drawing remuneration in excess of limits laid down under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

LISTING WITH STOCK EXCHANGES

Your Company is listed with following stock exchanges:

1. Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, New Delhi – 110002.
2. Jaipur Stock Exchange Limited, Stock Exchange Building, Jawahar Lal Nehru Marg, Malviya Nagar, Jaipur – 302017
3. Ludhiana Stock Exchange Limited, Ferozo Gandhi Market, Ludhiana – 141001

Your Company has paid up to date listing fee to each of above named stock exchanges.

OTHER INFORMATION

Information pursuant to clause (e) of sub section (1) of section 217 of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of directors) Rules, 1988 being not applicable and hence not being disclosed.

FOREIGN EXCHANGE TRANSACTIONS

	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
a) Expenditure in Foreign Currency Guarantee Commission	Nil	14,18,471.16
b) Earning Remittances (Inward) in Foreign Exchange Equity share capital	4,87,40,000.00	Nil

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the cooperation received from ICICI Bank Limited, HDFC Bank Limited, Standard Chartered Bank, Yes Bank Limited, Citibank N.A., Axis Bank Limited, BNP Paribas, Indian Bank, Small Industries Development Bank of India (SIDBI), HDFC Limited, Maanaveeya Holdings & Investments Private Limited, The Bellweather Microfinance Fund Private Limited, Reliance Capital Limited, Indian Overseas Bank and HSBC and our valued customers and shareholders. The Board, in specific, wishes to place on record its sincere appreciation of the contribution made by all the employees towards growth of the Company.

For and on behalf of the Board
of Directors

Place: Delhi
Date: 30th June 2008

(H P Singh)
Chairman / cum Managing Director



CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance

Company's philosophy on corporate governance is to bestow greater transparency and openness in the management and to ensure best performance by rank and file of staff at all levels and to maximize the operational efficiency as to enhance shareholders' value.

Board of Directors

The Company has an Executive Chairman. The Board of Directors of the Company comprised of 7 Directors out of which four are independent and three non-independent directors. The Company has five non-executive directors and two executive directors including the Chairman.

Attendance of each Director at the Board meetings, last Annual General Meeting and number of other Directorships, memberships and chairpersonships of committees in various companies, are given below:

Name of Director	No. of Board meetings held during the year	Board meetings attended	Attendance at the last Annual General Meeting held on 29th Sept. 2007	No. of Directorships in other Companies	No. of Membership of the Committees	No. of Chairperson of committees
Sh. H P Singh Chairman cum Managing Director	21	21	Yes	1	2	2
Sh. Satvinder Singh Managing Director	21	20	Yes	2	2	Nil
Sh. Harbans Singh Director (Non-Executive)	21	18	Yes	1	3	1
Sh. S. S. Chawla Alternate Director (Non Executive) to Sh. Harprit Singh	21	21	No	Nil	2	Nil
Sh. Rakesh Sachdeva Director (Non Executive)	21	21	Yes	Nil	3	2
Maj. Gen. (Retd.) Sh. S. K. Vij Director (Non Executive)	21	0	No	Nil	Nil	Nil
Sh. Naresh Khanna Director (Non Executive)	Not Applicable as he is appointed as an Additional Director on 01.05.2008 (i.e. after 31.03.2008)					

Number of Board Meetings held and the dates of Board meetings

During the year 21 Board Meetings were held. These Board Meetings were held on 16.04.2007, 07.06.2007, 23.06.2007, 06.07.2007, 30.07.2007, 04.08.2007, 11.08.2007, 21.08.2007, 17.09.2007, 30.10.2007, 19.11.2007, 03.12.2007, 06.12.2007, 29.12.2007, 02.01.2008, 08.01.2008, 12.01.2008, 30.01.2008, 01.02.2008, 17.03.2008 and 31.03.2008.

Information on Directors Re-appointment/Appointment

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

Re-appointments

Mr. Rakesh Sachdeva, aged 50 years is Chartered Accountant having over 20 years of experience in the fields of accounts, MIS, Systems, Administration, Taxation etc. He is a member of Share Transfer Committee and member and Chairman of both Audit Committee and Remuneration Committee. As required under Clause 49 (G) (ia), Mr. Rakesh Sachdeva is not related to any of the Directors of the Company.

Appointments

Mr. Naresh Khanna, aged 51 years having experience of over 20 years in the fields of operations, systems, capital market, accounts, MIS etc. He is on the board of various companies. He joined the Board of the Company on 01.05.2008. He was also on the board of the Company during the period 29.09.1997 to 22.06.2002. As required under Clause 49 (G) (ia), Mr. Naresh Khanna is not related to any of the Directors of the Company.

Disclosures (As required under Section II, Part II of Schedule XIII)

The Remuneration package payable to all the Directors is as follows:

a. Mr. H P Singh, Chairman Cum Managing Director

The proposed remuneration package payable to Mr. H P Singh with effect from 01.10.2008 is as specified against Item No.6 of the accompanying Notice included in this Annual Report itself.



- b. Mr. Satvinder Singh, Managing Director
The remuneration package being paid to Mr. Satvinder Singh is as follows:
- Salary: Rupees 75,000/- per month
 - Perquisites

CATEGORY A

- Medical Benefits for Self & family**
Reimbursement of expenses actually incurred for self and family, the total cost of which should not exceed one month's salary per year or three months' salary in a period of three years.
- Leave Travel Concession**
For self, wife & dependent children once in a year to and fro from any place in India subject to the condition that only actual fare & no hotel expenses etc. will be allowed. This is further subject to maximum of one month salary.
- Club Fees**
Club subscription fees for membership of maximum two clubs. This will, however, not include admission fees or life membership fees. This will be further subject to a ceiling of Rs.5,000/- per year.

CATEGORY B

Provident Fund

Participation in a recognized Provident Fund as per rules of the Company and to the extent not taxable under the Income Tax Act, 1961.

Gratuity

Gratuity not exceeding half month's salary for each completed year of service.

Leave

Encashment of Leave as per rules of the Company at the end of the tenure.

The value of perquisites under Category 'B' shall not be included in the computation of the ceiling on remuneration specified in Section 11 of Part II of Schedule XIII of the Companies Act, 1956.

CATEGORY C

Car with driver and telephone facilities at residence for use on Company business.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all its Board members and senior management personnel of the Company. The Code of Conduct has also been posted on the website of the Company.

All Board members and senior management personnel have on March 31, 2008, affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CMD is annexed and part of the report.

Audit Committee

The Audit committee comprises of three non-executive Directors. Mr. Rakesh Sachdeva who is a qualified Chartered Accountant is the Chairman of the Audit Committee. The other two members of the audit committee are Mr. Harbans Singh and Mr. S. S. Chawla. Mr. Rakesh Sachdeva and Mr. S. S. Chawla are independent directors.

The terms of reference stipulated by the Board for the Audit Committee, as contained under clause 49 of the listing agreement, are as follows:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by the management (iii) qualifications in draft audit report (iv) significant adjustments arising out of Audit (v) the going concern assumptions (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries, relatives etc. that may have potential conflict with the interest of the company at large.
- Reviewing with the management, external/internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions, discussions with internal auditors; any significant findings and follow up thereon.
- Reviewing the finding of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularities or a failure of internal control systems of material nature and reporting the matter to the Board
- Discussion with external Auditors before the audit commences, nature and scope of the Audit as well as post audit discussions



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to ascertain any area of concern.

- h) Reviewing the company's financial and risk management policies.
- i) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.

During the year, six Audit committee meetings were held. The Committee held meetings on 23.06.2007, 30.07.2007, 30.10.2007, 06.12.2007, 30.01.2008 and 31.03.2008. These were duly attended by all the members.

Remuneration of the Directors:

The disclosure in respect of remuneration paid/ payable to whole time directors of the Company for the financial year 2007-2008 is given below:

Particulars	Mr. H P Singh, CMD (Rs.)	Mr. Satvinder Singh, MD (Rs.)
Salary	12,00,000.00	9,00,000.00
Provident Fund	1,44,000.00	1,08,000.00
Approximate value of perquisites	1,14,400.00	89,400.00
Total	14,58,400.00	10,97,400.00
Present period of agreement	01.10.2005 to 30.09.2010	01.10.2005 to 30.09.2010

No Sitting fee was paid to any of the directors during the year.

General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	Whether any Special Resolution Passed
2004-2005	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	30.09.2005	10.00 A.M.	No
2005-2006	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	29.07.2006	10.00 A.M.	No
2006-2007	'Tyagi Farms' Plot No. 7, Bhawani Nagar, Dhampur, Near Jhatikra Morh, Brijwasan Road, New Delhi – 110 043	29.09.2007	10.00 A.M.	Yes

Details of Resolutions passed last year through Postal Ballot, the persons who conducted the Postal Ballot exercise and details of the voting pattern

During the year ended March 31, 2008, the Company sought approval from its shareholders on three occasions for passing Special/ Ordinary resolutions through the process of Postal Ballot in accordance with the provisions of Section 192(A) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The Board of Directors of the Company at its meetings had appointed different Scrutinizers for conducting Postal Ballot in fair and transparent manner. The Postal Ballot forms received were kept in boxes sealed by the Scrutinizer. The results of the Postal Ballots were announced and displayed on the notice board of the Company. The details of the same are given below:

(A) Resolutions passed on 16th July, 2007:-

S. No.	Particulars	Details/ Dates
1.	Date of Board Meeting	7 th June, 2007
2.	Scrutinizer appointed by the Board of Directors at the meeting	Sh. Rajiv Bhatia, FCA, Practising Chartered Accountant
3.	Date of Notice seeking Shareholder's approval	7 th June, 2007
4.	Date of completion of dispatch of Notice	14 th June, 2007
5.	Last date of receipt of duly filled Postal Ballot Form	14 th July, 2007
6.	Date of submission of Scrutinizer's Report to the Chairman	16 th July, 2007
7.	Date of declaration of result	Monday, 16 th July, 2007 at 4:00 P.M.

Particulars of Resolution and Voting Pattern :

Resolution No. & Particulars	Whether ordinary/ special	Total Votes (No. of Shares)	Total Valid Votes cast (No. of Shares)	Total valid votes cast in favour of the resolution (No. of Shares %age)	Total Valid votes cast against the resolution (No. of Shares %age)
1. Authority to allot 10,00,000 Fully Convertible Warrants to persons included in Promoters Group	Special	20,18,560	20,18,560	20,18,560 (100.00%)	Nil



(B) Resolutions passed on 29th December, 2007:-

S. No.	Particulars	Details/ Dates
1.	Date of Board Meeting	19 th November, 2007
2.	Scrutinizer appointed by the Board of Directors at the meeting	Sh. Arun Gupta, Practising Company Secretary
3.	Date of Notice seeking Shareholder's approval	19 th November, 2007
4.	Date of completion of dispatch of Notice	26 th November, 2007
5.	Last date of receipt of duly filed Postal Ballot Form	26 th December, 2007
6.	Date of submission of Scrutinizer's Report to the Chairman	29 th December, 2007
7.	Date of declaration of result	Saturday, 29 th December, 2007 at 4:00 P.M.

Particulars of Resolution and Voting Pattern :

Resolution No. & Particulars	Whether ordinary/ special	Total Votes (No. of Shares)	Total Valid Votes cast (No. of Shares)	Total valid votes cast in favour of the resolution (No. of Shares %age)	Total Valid votes cast against the resolution (No. of Shares %age)
1. Authority to allot 13,20,000 Fully Convertible Warrants to persons in Non-Promoters Group	Special	20,62,260	18,04,460	18,04,460 (100.00%)	Nil

(C) Resolutions passed on 22nd February, 2008:-

S. No.	Particulars	Details/ Dates
1.	Date of Board Meeting	12 th January, 2008
2.	Scrutinizer appointed by the Board of Directors at the meeting	Sh. Arun Gupta, Practising Company Secretary
3.	Date of Notice seeking Shareholder's approval	19 th January, 2008
4.	Date of completion of dispatch of Notice	21 st January, 2008
5.	Last date of receipt of duly filed Postal Ballot Form	20 th February, 2008
6.	Date of submission of Scrutinizer's Report to the Chairman	22 nd February, 2008
7.	Date of declaration of result	Friday, 22 nd February, 2008 at 4:00 P.M.

Particulars of Resolution and Voting Pattern :

Resolution No. & Particulars	Whether ordinary/ special	Total Votes (No. of Shares)	Total Valid Votes cast (No. of Shares)	Total valid votes cast in favour of the resolution (No. of Shares %age)	Total Valid votes cast against the resolution (No. of Shares %age)
1. Authority to allot 13,18,500 Equity Shares to persons in Non Promoters Group	Special	42,50,428	42,38,828	42,38,828 (100.00%)	Nil

Shareholder /Investor Grievances Committee:

- The Company has a Shareholder /Investor Grievances Committee comprising of Sh. Harbans Singh who is Chairman of the committee himself.
- The Board has designated Mr. Jugal Kataria, Chief Financial Officer and Company Secretary as the Compliance Officer.
- The Company has not received any complaint from the shareholder during the year and no complaint is pending as at 31.03.2008.

Borrowing Committee:

During the year, your Board of Directors have constituted a Committee named "Borrowing Committee" in its meeting held on 17th March, 2008 under the Chairmanship of Sh. H P Singh. Other member of the Committee is Mr. Satvinder Singh. The Committee met only once in the year on 28th March, 2008.

Remuneration Committee:

- The Company has a Remuneration Committee comprising of Sh. Rakesh Sachdeva, Sh. Harbans Singh and Sh. S.S.Chawla. Sh. Rakesh Sachdeva is Chairman of the committee.
- The committee did not meet during the financial year 2007-2008.

- a) **Disclosure on materially significant related party transaction i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties was in conflict with the interest of the Company.



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- b.) Detail of non compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any authority, on any matter related to capital markets, during last three years.

The Company has complied with all the requirements of regulatory authorities on capital market and no penalties or strictures has been imposed on the Company by Stock Exchange, SEBI or any other authority on any matter relating to the capital markets during the last three years.

- c.) Whistle Blower Policy and affirmation that no personnel denied access to the Audit Committee

The Company has not accepted any Whistle Blower Policy. However, the Company has not denied access to any personnel to approach the Audit Committee on any issue.

- d.) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and adopted the non-mandatory requirement in regard to constitution of Remuneration Committee, which has been constituted to determine the remuneration package of Chairman Cum Managing Director and Managing Director.

Shareholding of Non- executive Directors

The shareholding of Non-executive directors of the Company is as follows:

S. No.	Name of Director	Shareholding
1.	Sh. Harbans Singh	46,511
2.	Sh. S.S. Chawla	1,600
3.	Sh. Rakesh Sachdeva	3,711
4.	Sh. Harprit Singh	3,000
5.	Sh. Naresh Khanna	Nil

DISCLOSURES

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered into with the Delhi Stock Exchange Limited, Ludhiana Stock Exchange Limited and Jaipur Stock Exchange Limited. The detail of the compliance is as under:

Particulars	Clause of Listing Agreement	Compliance Status Yes / No	Remarks
I. Board of Directors	49 I		
(A) Composition of Board	49 (IA)	YES	-
(B) Non-executive Directors' compensation & disclosures	49 (IB)	YES	-
(C) Other provisions as to Board and Committees	49 (IC)	YES	-
(D) Code of Conduct	49 (ID)	YES	-
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	YES	-
(B) Meeting of Audit Committee	49 (IIB)	YES	-
(C) Powers of Audit Committee	49 (IIC)	YES	-
(D) Role of Audit Committee	49 (IID)	YES	-
(E) Review of Information by Audit Committee	49 (IIE)	YES	-
III. Subsidiary Companies	49 (III)	YES	The Company has no Subsidiary.
IV. Disclosures	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	YES	-
(B) Disclosure of Accounting Treatment	49 (IV B)	YES	-
(C) Board Disclosures	49 (IV C)	YES	-
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	YES	-
(E) Remuneration of Directors	49 (IV E)	YES	-
(F) Management	49 (IV F)	YES	-
(G) Shareholders	49 (IV G)	YES	-
V. CEO/CFO Certification	49 (V)	YES	-
VI. Report on Corporate Governance	49 (VI)	YES	-
VII. Compliance	49 (VII)	YES	-



Means of Communication:

- Half yearly results: These were published in newspapers for information.
- Quarterly results: The Company has published quarterly results in Pioneer (English) and Jansatta (Hindi) both at Delhi.
- The company has its website namely www.satincare.com. The Company posts its quarterly financial results on the same.
- Though no official newsletters are published, relevant information is communicated to the shareholders through annual report.

General Shareholder Information:

1. Annual General Meeting Date and Time Venue	: 30 th September, 2008 at 10.00 A.M. : 'TYAGI FARMS', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi – 110043.																																																																																				
2. Financial Calendar 2008-09 (tentative)	: Results for the quarter ended 30 th June, 2008 Results for the quarter ended 30 th September, 2008 Results for the quarter ended 31 st December, 2008 Results for the quarter ended 31 st March, 2009																																																																																				
	: Last week of July, 2008 Last week of October, 2008 Last week of January, 2009 Last week of April, 2009																																																																																				
3. Book Closure date	: 16 th September to 30 th September, 2008 (both days inclusive)																																																																																				
4. Dividend payment date	: N.A.																																																																																				
5. Registered Office	: 306, Lusa Tower, Azadpur Commercial Complex, Delhi-110033 Ph: 011-27671400																																																																																				
6a. Equity Shares Listed on Stock Exchanges at	: 1. Delhi Stock Exchange Limited, Delhi 2. Jaipur Stock Exchange Limited, Jaipur 3. Ludhiana Stock Exchange Limited, Ludhiana																																																																																				
6b. Annual Listing Fees	: Duly paid to all the above Stock Exchanges for the year 2008-2009.																																																																																				
7. Stock Code (a) Trading Symbol at b) Demat ISIN Number in NSDL & CDSL	: 1195950 at Delhi Stock Exchange Limited, Delhi 959 at Jaipur Stock Exchange Limited, Jaipur SLFL at Ludhiana Stock Exchange Limited, Ludhiana : Equity Shares INE 836B01017																																																																																				
8. Stock Market Data: (in Rs./per share)																																																																																					
	<table border="1"> <thead> <tr> <th colspan="2">The Stock Exchange Delhi</th> <th colspan="2">The Stock Exchange Jaipur</th> <th colspan="2">The Stock Exchange Ludhiana</th> </tr> <tr> <th>High</th> <th>Low</th> <th>High</th> <th>Low</th> <th>High</th> <th>Low</th> </tr> </thead> <tbody> <tr> <td>April 2007</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>May 2007</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>June 2007</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>July 2007</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>August 2007</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>September 2007</td> <td colspan="5" style="text-align: center;">***** N O T T R A D E D D U R I N G T H E Y E A R *****</td> </tr> <tr> <td>October 2007</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>November 2007</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>December 2007</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>January 2008</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>February 2008</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>March 2008</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	The Stock Exchange Delhi		The Stock Exchange Jaipur		The Stock Exchange Ludhiana		High	Low	High	Low	High	Low	April 2007						May 2007						June 2007						July 2007						August 2007						September 2007	***** N O T T R A D E D D U R I N G T H E Y E A R *****					October 2007						November 2007						December 2007						January 2008						February 2008						March 2008					
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9. Share price performance in comparison to broad based indices- During financial year 2007-08, as per the information available, there were no trading of Company's shares at the stock exchanges.																																																																																					
10. Registrar and Transfer Agents (Share Transfer and communication regarding share certificates, dividend, and change of address.)	: Intime Spectrum Registry Ltd. A-40, 2 nd floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028																																																																																				
11. Share Transfer System	Presently, the share transfers in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt by the Registrar and Share Transfer Agent, subject to the document being clear in all respects. Shares under objections are returned within two weeks.																																																																																				



SATIN CREDITCARE NETWORK LTD.

12. Distribution of Shareholding as on 31 st March, 2008.					
S. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1	Upto 2500	271	33.540	28091	0.318
2	2501-5000	247	30.568	109446	1.239
3	5001-10000	102	12.624	91900	1.041
4	10001-20000	47	5.817	72061	0.816
5	20001-30000	27	3.342	62850	0.791
6	30001-40000	13	1.609	4100	0.540
7	40001-50000	25	3.094	115400	1.307
8	50001-100000	17	2.104	120202	1.361
9	100001 and above	59	7.302	8177029	92.587
Total		808	100.000	8831679	100.000

13. Categories of Shareholders as on 31 st March, 2008.	
Category	%
Promoters	66.526
Financial Institution/Banks / Mutual Funds	0.000
NRI/OCBs	13.850
Bodies Corporate	5.199
Others	14.425
Total	100.000

14. Dematerialisation of Shares	: 73.835 % of the equity shares have been dematerialized upto 31 st March 2008. Trading in Equity shares of the company is permitted only in dematerialized form w.e.f. 28.04.2001 as per notification issued by the Securities and Exchange Board of India (SEBI).
Liquidity	: Relevant data of the average daily turnover for the financial year 2007-2008 is given below: Delhi Stock Exchange (DSE) Ludhiana Stock Exchange (LSE) Jaipur Stock Exchange (JSE)
Shares (in lakhs)	No trading of Company's shares during 2007-2008 at any stock exchange
Shares (in Rs. crs)	

15. Investor Correspondence for transfer/ Dematerialisation of shares, payment of dividend on shares, interest and redemption of debentures and any other query relating to the shares of the Company	: Intime Spectrum Registry Ltd. A-40, 2 nd floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028	For shares held in Demat Form to the Depository Participant
16. Any query on Annual report	: Satin Creditcare Network Ltd. 5 th floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi -110033	
17. Transfer of unclaimed amount to	: No amount is due for transfer to Investor's Education and Protection Fund	
18. Compliance Certificate by Auditors	: The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in clause 49 of the listing agreements executed with stock exchanges, which is annexed herewith.	

DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the financial year ended 31st March, 2008.

Place: Delhi
Date: 30th June, 2008

(H P Singh)
Chairman Cum Managing Director
Satin Creditcare Network Limited



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE FOR THE YEAR ENDING 31st MARCH, 2008
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,
**The Members of
Satin Creditcare Network Limited
Delhi**

We have examined the compliance of Corporate Governance procedures by **Satin Creditcare Network Limited** for the year ended 31st March'2008, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchange have been complied with in all material respect by the Company.

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrar and Transfer agent of the company have certified as on 31st March' 2008, there were no investor grievances remaining pending for a period exceeding one month and as explained to us by the management, the Registrar and Transfer agent have reported to the Shareholders/Investors' Grievances Committee regularly on the status of such grievances.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. K. Gangaher & Co.
Chartered Accountants

Place : Delhi
Date : 30th June' 2008

A.K.Gangaher
Proprietor
M. No. 83674



AUDITORS' REPORT

To,

THE MEMBERS OF
SATIN CREDITCARE NETWORK LIMITED,

1. We have audited the attached Balance Sheet of **SATIN CREDITCARE NETWORK LIMITED**, as at 31st March 2008 and also the Profit and Loss account and Cash Flow statement annexed thereto for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other Notes thereon and in particular Note B17 and B23 in Schedule 14 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2008.
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For A.K. Gangaher & Co.
Chartered Accountants

Place : Delhi
Dated : 30th June' 2008

A.K. Gangaher
Proprietor
M.No. 83674



ANNEXURE

SATIN CREDITCARE NETWORK LIMITED,

Referred to in paragraph 3 of our report of even date,

- (i) In respect of fixed assets:
- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets acquired on amalgamation of Satin Intellicomm Limited with the company with the appointed date of 1.4.2006 and the effective date as on 3.12.2007 are still in the name of the erstwhile company Satin Intellicomm Limited. The assets are in the process of being transferred in the name of the company.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) As per the information and explanation given to us, during the year, the company has not disposed off any substantial part of fixed assets that would affect the going concern status of the company.
- (ii) In respect of Inventories:
- (a) As explained to us, the inventory (investment in shares/securities) has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. There are no inventories as on 31.3.2008.
 - (c) The company is maintaining proper records of inventory. No discrepancies noticed on verification between the physical stocks and the book records.
- (iii) (a) The company has not granted any fresh loans to company which is covered under section 301 of the Companies Act. The company had granted loans to three associate companies in the previous years and the maximum amount involved during the year was Rs. 26.74 Lacs (Previous Year Rs. 27.82 Lacs) and the year end balance of loans granted to such parties is Rs. 19.00 Lacs (Previous Year Rs. 26.70 Lacs).
- (b) In our opinion, the rate of interest and other terms and conditions on which these loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are *prima facie*, not prejudicial to the interests of the company.
 - (c) These companies are regular in payment of interest and also have repaid principal amounts as stipulated.
 - (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
 - (e) The company has not taken any loan from companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and in respect of each party during the year have been made at prices which are reasonable having regard to the prices at which transactions for similar goods, materials and services have been made with other parties.
- (vi) The company being Non Banking Finance Company (NBFC), section 58A of the Companies Act is not applicable to the company. In our opinion and according to information and explanation given to us, the company is complying with the provisions of Directives issued by the Reserve Bank of India for Non Banking Financial Companies (Reserve Bank) Directives, 1998, as amended from time to time, with regard to deposits received from the public. An amount of Rs. Nil (Previous Year Rs.8080.00) is outstanding as on 31.03.2008 and is pertaining to unclaimed matured deposits. The company has stopped accepting deposits from 20.11.2004. As per the directions of Non Banking Financial Companies Auditor's Report (Reserve Bank) Directives, 1998 a separate report dated 30th June 2008 has been submitted to the Directors of the company.



SATIN CREDITCARE NETWORK LTD.

- (vii) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The provisions regarding maintenance of cost records are not applicable to the company.
- (ix) (a) According to the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears as at 31.03.2008 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company neither has accumulated losses and nor has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the company during the year has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/mutual benefit fund /society.
- (xiv) In our opinion and according to the information and explanations given to us, the company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other securities and timely entries has been made therein. The investments are held by the company in its own name. During the year there were no trading transactions.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interests of the company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans (both secured and unsecured) raised by the company during the year has been used for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- (xx) During the year covered by our report the company has not raised any money by way of public issue. The company raised its authorised capital on 29th September, 2007 by payment of fees and on 3.12.2007 on account of amalgamation being the effective date and the increase being effective from the 1.4.2006, being the appointed date. Subsequently the company has raised paid up equity share capital by private placement of fresh equity shares and fully convertible warrants issued both to the promoters and non promoters for working capital requirements and further expansion of business. These funds have been deployed or are in the process of deployments as per the requirements of the company. Pending deployment these funds have been kept in fixed deposits with scheduled banks as on 31.3.2008
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For A.K. Gangaher & Co.
Chartered Accountants

Place : Delhi
Dated : 30th June' 2008

A.K. Gangaher
Proprietor
M. No. 83674



SATIN CREDITCARE NETWORK LTD.

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule No.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
Sources of Funds			
Shareholders' Funds			
Share Capital	1	66,551,290.00	65,366,290.00
Share Application Money		1,320,000.00	-
Reserves & Surplus	2	62,947,543.66	18,332,183.38
Total(A)		152,818,833.66	83,698,473.38
Loan Funds			
Secured Loans	3	506,509,506.69	257,251,536.98
Unsecured Loans	4	18,055,087.00	53,586,354.44
Total(B)		526,564,593.69	310,837,891.42
Total Sources (A+B)		679,383,427.35	394,536,364.80
Application of Funds			
Fixed Assets			
I. Gross Block	5	41,930,103.00	39,755,008.45
II. Less Depreciation		7,019,602.29	5,541,504.70
III. Net Block		34,910,490.71	34,213,503.75
Capital Work in Progress		13,799,290.00	-
Investments	6	5,350,591.33	5,350,591.33
Current Assets, Loans & Advances			
I. Inventories	7	-	4,600.00
II. Sundry Debtors		22,433,637.03	13,917,826.05
III. Cash & Bank Balance		232,120,496.44	34,095,585.61
IV. Other Current Assets		974,230,532.00	265,060,624.54
V. Loans and Advances		9,536,200.20	13,756,901.07
		638,234,979.75	329,725,537.27
Less: Current Liabilities & Provisions			
I. Current Liabilities	8	10,254,207.48	2,649,248.24
II. Provisions		3,884,216.00	3,561,348.00
		14,138,423.48	6,210,596.24
Net Current Assets		624,116,552.29	353,514,941.03
Deferred Tax Assets		946,492.37	1,457,328.69
Total Applications		679,383,427.35	394,536,364.80

Significant Accounting Policies & Notes to Accounts 14

Schedule 1 to 14 form an integral part of the Accounts

*Refer note B24 of Schedule 14

As per our report of even date annexed

for **A.K. Gangaher & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

A. K. Gangaher
Proprietor
M. No. 83674

(H P Singh)
(Director)

(Harbans Singh)
(Director)

Place : Delhi
Date : 30th June, 2008

(Jugal Kataria)
(CFO & CS)



SATIN CREDITCARE NETWORK LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Schedule No.	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
Income			
Financing Operations	9	108,657,418.49	58,664,838.74
Other Income	10	1,290,093.09	346,950.04
Total(A)		109,947,511.58	59,011,788.78
Expenditure			
Cost of Borrowings	11	48,282,441.61	22,121,201.02
Personnel Expenses	12	12,527,936.82	9,174,035.00
Administration & Other Expenses	13	38,866,852.67	22,798,972.53
Total(B)		99,677,231.10	54,094,208.55
Profit before Depreciation & Tax		10,270,280.48	4,917,580.23
Depreciation		1,831,618.88	879,137.22
Profit Before Tax		8,438,661.60	4,038,443.01
Less: Provision for Taxation		2,481,580.00	1,594,149.00
Add (Less) : Adjustment for Deferred Tax		(510,836.32)	179,219.67
Less: Provision for Fringe Benefit Tax		331,336.00	175,635.00
Profit After Tax		5,114,909.28	2,447,878.68
Less/(Add) Income Tax Adjustments for earlier years		54,549.00	30,533.00
Add: Profit brought forward		8,350,574.38	6,421,194.70
Profit available for appropriation		13,410,934.66	8,838,540.38
Appropriations:			
Transfer to Statutory Reserve Fund		1,024,592.00	487,966.00
Profit Carried to Balance Sheet		12,386,342.66	8,350,574.38
		13,410,934.66	8,838,540.38
Earning per share (Par Value Rs. 10/- each) (Refer note no. B11 of Schedule 14)			
Basic		0.77	0.38
Diluted		0.75	0.38

Significant Accounting Policies & Notes to Accounts 14

Schedule 1 to 14 form an integral part of the Accounts

*Refer note B24 of Schedule 14

As per our report of even date annexed

for **A.K. Gangaher & Co.**
Chartered Accountants

A. K. Gangaher
Proprietor
M. No. 83674
Place : Delhi
Date : 30th June 2008

For and on behalf of the Board of Directors

(H P Singh) (Harbans Singh)
(Director) (Director)

(Jugal Kataria)
(CFO & CS)



SATIN CREDITCARE NETWORK LTD.

SCHEDULES ANNEXED TO ACCOUNTS

PARTICULARS	As at	As at
	31.03.2006	31.03.2007
	Rs.	Rs.

SCHEDULE 1 - SHARE CAPITAL

Authorised *

1,02,50,000 Equity Shares of Rs.10/- each (Previous Year 77,50,000 Equity Shares of Rs. 10/- each)	102,500,000.00	77,500,000.00
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Issued

88,78,179 Equity Shares of Rs. 10/- each (Previous Year 65,59,679 Equity Shares of Rs. 10/- each)	88,781,790.00	65,596,790.00
---	---------------	---------------

Subscribed

88,78,179 Equity Shares of Rs. 10/- each (Previous Year 65,59,679 Equity Shares of Rs. 10/- each)	88,781,790.00	65,596,790.00
---	---------------	---------------

Paid-up

88,31,679 Equity Shares of Rs. 10/- each fully paid up (Previous Year 65,13,179 Equity Shares of Rs.10/- each fully paid up)	88,316,790.00	65,131,790.00
Add: Forfeited shares (Amount originally paid on 46,500 equity shares)	294,500.00	294,500.00
	88,611,290.00	65,426,290.00

Share Application Money against Fully Convertible Warrants

* Refer Note B 21 of Schedule No. 14

1,320,000.00

SCHEDULE 2 - RESERVES & SURPLUS

I. Share Premium Account	42,535,000.00	3,000,000.00
II. General Reserves	3,726,157.00	3,726,157.00
III. Profit & Loss Account	12,396,342.66	8,950,574.38
IV. Statutory Reserve Fund	4,280,044.00	3,255,452.00
	62,947,543.66	18,332,183.38



SCHEDULES ANNEXED TO ACCOUNTS

PARTICULARS	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 3 - SECURED LOANS *		
I. Term Loan ICICI Bank Limited (Secured against hypothecation of book debts created out of funds from ICICI Bank Limited)	121,068,624.00	42,466,585.00
II. Term Loan HDFC Bank Limited (Secured against hypothecation of book debts created out of funds from HDFC Bank Limited)	66,250,000.00	76,250,000.00
III. Term Loan Axis Bank Limited (Secured against hypothecation of book debts created out of funds from Axis Bank Limited)	56,857,142.00	14,278,003.00
IV. Term Loan Maanaveeya Holding & Investments Private Limited (Secured against hypothecation of book debts created out of funds from Maanaveeya Holding & Investment Private Limited)	20,000,000.00	20,000,000.00
V. Term Loan Standard Chartered Bank (Secured against hypothecation of book debts created out of funds from Standard Chartered Bank)	24,599,122.79	62,027,192.98
VI. Term Loan Yes Bank (Secured against hypothecation of book debts created out of funds from Yes Bank)	138,888,889.90	40,000,000.00
VII. Term Loan BNP Paribas (Secured against hypothecation of book debts created out of funds from BNP Paribas)	5,000,000.00	-
VIII. Term Loan Indian Bank (Secured against hypothecation of book debts created out of funds from Indian Bank)	50,000,000.00	-
IX. Term Loan Small Industries Development Bank of India (Secured against hypothecation of book debts created out of funds from Small Industries Development Bank of India)	20,000,000.00	-
X. Other Loans (Secured against Vehicles and personal Guarantee of Executive Directors)	2,576,732.00	2,229,756.00
XI. Loan from ICICI Bank for purchase of Immovable Property (Secured against hypothecation of Immovable Property)	3,268,996.00	-
	508,509,506.69	257,251,536.98
SCHEDULE 4 - UNSECURED LOANS *		
I. Deposits - from Public	38,430.00	53,453.00
II. Inter Corporate Deposits	-	1,365,872.00
III. Loan from Small Industries Development Bank of India	5,715,000.00	11,429,000.00
IV. Loan from The Bellwether Microfinance Fund Pvt Ltd.	-	3,750,000.00
V. Loan from The HDFC Limited	12,301,657.00	10,000,000.00
VI. Overdraft from ICICI Bank Limited	-	26,978,029.44
VII. Loan from Directors of erstwhile Satin Intellicomm Limited	-	10,000.00
	18,055,087.00	53,586,354.44

* Refer note no. B4 of Schedule No. 14

SCHEDULE 5 - FIXED ASSETS

(AMOUNT IN RS.)

PARTICULARS	DEP. RATE	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS AT 01.04.2007	ADDITION ADD.	SALE ADD.	AS AT 31.03.2008	AS AT 01.04.2007	FOR THE YEAR	ADJ./WRITE TEN BACK	AS AT 31.03.2008	WDV ON 31.03.2008	WDV ON 31.03.2007
Goodwill	0.00%	78,540.00	-	-	78,540.00	-	15,703.00	-	15,703.00	62,832.00	78,540.00
Computer	40.00%	1,648,278.91	828,175.20	-	2,476,454.11	1,552,521.27	138,044.59	-	1,700,265.00	776,080.10	35,057.64
Two Wheelers	25.59%	133,084.02	97,390.00	-	230,474.02	123,538.39	99,570.32	-	223,209.01	7,265.01	9,745.63
Motor Car	25.89%	5,926,041.00	1,530,539.00	714,572.00	6,742,003.00	3,019,033.03	875,262.44	553,521.29	3,340,774.18	3,401,233.82	2,907,007.97
Air Conditioner	13.91%	523,295.00	23,770.00	-	547,065.00	414,755.43	17,916.43	-	432,071.36	114,333.14	102,539.57
Office Flat	5.00%	30,098,900.00	-	-	30,098,600.00	382,499.68	504,503.54	-	887,003.22	29,211,796.78	29,716,300.32
Office Equipments	13.91%	574,560.00	410,699.00	-	985,259.00	368,121.07	102,952.92	-	471,073.99	514,185.01	206,438.93
Furniture & Fixtures	18.10%	772,409.52	59,094.00	-	831,503.52	671,435.83	77,360.24	-	748,796.07	82,707.45	100,973.69
Total		39,755,008.45	2,949,667.20	714,572.00	41,990,103.65	6,541,504.70	1,831,618.88	553,521.29	7,819,602.29	34,170,501.36	33,213,503.75
Capital Work in Progress*			13,799,290.00		13,799,290.00					13,799,290.00	
Grand Total		39,755,008.45	16,748,957.20	714,572.00	55,789,393.65	6,541,504.70	1,831,618.88	553,521.29	7,819,602.29	47,969,791.36	33,213,503.75
Previous Year		8,552,577.45	31,834,585.00	632,154.00	39,755,008.45	6,170,541.67	879,137.22	508,174.19	6,541,504.70	33,213,503.75	

Note: The depreciation after merger on Office Flat for Rs. 2,92,00,000/- is calculated from the date of Court order i.e. 03.12.2007

* Capital Work in Progress includes Flat under construction.



SATIN CREDITCARE NETWORK LTD.

SCHEDULE 6 - INVESTMENTS - COST

Particulars	Face Value	No. of Units/ Shares 31.03.2008	As at 31.03.2008 Rs.	No. of Units Shares 31.03.2007	As at 31.03.2007 Rs.
Long Term					
I. Unquoted					
Government of India, Inscribed stock-6.17%	100	500	50,591.33	500	50,591.33
Total (A)			50,591.33		50,591.33
II. UNQUOTED SHARES					
Parishek Finance Private Limited	10	40,000	800,000.00	40,000	800,000.00
Satin (India) Limited	10	150,000	2,500,000.00	150,000	2,500,000.00
Satin Media Solutions Limited	10	150,000	3,000,000.00	150,000	3,000,000.00
TOTAL (B)			6,300,000.00		6,300,000.00
GRAND TOTAL			6,350,591.33		6,350,591.33
Aggregate Cost of quoted investments			Nil		Nil
Market value of quoted investments			Nil		Nil
Aggregate Cost of unquoted Investments			6,350,591.33		6,350,591.33



SATIN CREDITCARE NETWORK LTD.

PARTICULARS

As at
31.03.2008
Rs.

As at
31.03.2007
Rs.

SCHEDULE 7 - CURRENT ASSETS, LOANS & ADVANCES

I. Inventories (Physically verified, Valued & Certified by the Management)	-	4,600.00
II. Sundry Debtors - Secured		
More than Six Months - Considered Good	1,193,376.59	1,561,563.91
Less : Provision for Doubtful debts	205,473.97	630,568.95
	<u>987,900.69</u>	<u>922,994.96</u>
Others - Considered good	21,495,746.34	12,994,831.09
	<u>22,469,647.03</u>	<u>13,917,826.05</u>
III. Cash & Bank Balances (Refer Note B3 & B23(d) of Schedule 14)	232,123,496.42	54,095,585.61
IV. Other Current Assets		
Future receivables under finance contracts	370,976,497.49	244,750,798.62
Repossessed Assets	-	-
Interest accrued but not due on deposits	3,284,434.51	1,199,825.92
	<u>374,260,932.00</u>	<u>245,950,624.54</u>
V. Loans & Advances (Unsecured and considered good unless otherwise stated)		
Advance recoverable in Cash or in kind or for value to be received	3,917,702.16	9,210,285.76
Security Deposits	1,409,650.00	3,963,441.00
Staff Advances	692,849.38	640,527.42
Prepaid Expenses	719,135.53	1,413,471.16
Advance Taxes paid	2,627,563.20	1,529,175.73
	<u>9,366,900.30</u>	<u>16,756,901.07</u>
	<u>638,234,975.75</u>	<u>359,725,537.27</u>

SCHEDULE 8 - CURRENT LIABILITIES & PROVISIONS

I. Current Liabilities		
Expenses Payable	765,192.01	573,893.10
Sundry Creditors - Micro, Small and Medium Enterprises	-	-
- Others	8,530,172.45	1,236,309.14
Other Liabilities	550,582.00	423,530.00
Interest Accrued but not due on loans	402,261.00	507,436.00
Unclaimed Matured Deposits	-	8,080.00
	<u>10,254,207.46</u>	<u>2,649,248.24</u>
II. Provisions		
Provision for Income Tax / Fringe Benefit Tax	2,812,916.00	1,769,784.00
Provision for Gratuity	-	1,143,554.00
Provision for Leave Encashment	1,051,900.00	648,010.00
	<u>3,864,816.00</u>	<u>3,561,348.00</u>
	<u>14,119,423.46</u>	<u>6,210,596.24</u>



SATIN CREDITCARE NETWORK LTD.

PARTICULARS	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
SCHEDULE 9 - FINANCING OPERATIONS		
On lending operations	104,866,988.19	57,224,285.07
Other Interest Income	3,790,430.30	1,440,553.67
	<u>108,657,418.49</u>	<u>58,664,838.74</u>
SCHEDULE 10- OTHER INCOME		
Miscellaneous Income (TDS Rs. 1,097/- Previous Year Rs. 7,669/-)	1,290,093.09	520,147.54
Profit/ (Loss) on sale of investment	-	(173,197.50)
	<u>1,290,093.09</u>	<u>346,950.04</u>
SCHEDULE 11 - COST OF BORROWINGS		
Bank Interest	43,929,742.37	17,502,928.90
Finance Charges	4,352,699.24	4,618,272.12
	<u>48,282,441.61</u>	<u>22,121,201.02</u>
SCHEDULE 12 - PERSONNEL EXPENSES		
Managerial Remuneration	2,275,000.00	1,932,667.00
Salaries & Other Incentives	8,964,151.60	5,947,558.00
Contribution to Provident & Other Funds	814,188.00	605,337.00
Gratuity	142,754.95	286,901.00
Employee Welfare Expenses	331,842.27	401,572.00
	<u>12,527,936.82</u>	<u>9,174,035.00</u>
SCHEDULE 13 - ADMINISTRATIVE & OTHER EXPENSES		
Annual Listing Fee	26,300.00	26,300.00
Conveyance & Travelling	2,313,819.27	1,135,407.51
Direct Operational Expenses	22,913,275.00	12,958,024.71
Printing & Stationary	1,258,308.40	662,420.75
Commission & Incentives	11,862.00	-
Communication	1,299,415.92	614,685.02
Business Promotion	155,408.83	50,775.71
Legal & Professional Charges	4,594,654.39	3,426,854.28
Office Expenses	1,773,434.88	1,665,031.63
Rent	695,282.00	626,420.00
Advertisement Expenses	245,907.00	106,020.00
Auditors' Remuneration	86,559.00	64,664.00
Subscription & Fee	126,436.00	45,080.00
Rates & Taxes	170,725.20	250,336.00
Vehicle Repairs & Maintenance	117,175.00	174,640.88
Miscellaneous Expenses	560,109.28	341,840.29
Bad Debts Written Off	2,181,653.82	425,258.86
Provision for Bad Debts	205,475.97	90,052.11
(Profit)/Loss on Sale of Fixed Assets	131,050.71	73,979.81
Discount & Rebate	-	61,180.97
	<u>38,866,852.67</u>	<u>22,798,972.53</u>



SCHEDULE 14

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the accounting standards referred to in the Companies Act, 1956, and in Companies (Accounting Standards) Rules 2006 and also guidelines issued by the Reserve Bank of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with the Indian generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. FIXED ASSETS

All fixed assets owned by the Company are stated at historic cost less depreciation. Fixed assets acquired on account of amalgamation are stated at the acquisition value agreed in the amalgamation agreement. Intangible assets are recorded at the consideration paid for acquisition. Capital work in progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not ready for their intended use as at the Balance Sheet date.

4. DEPRECIATION

Depreciation is provided at the rates prescribed in Schedule XIV of the Companies Act, 1956 on the Straight Line value method. Depreciation for assets acquired on amalgamation has been charged from the effective date of the merger. Goodwill acquired on account of amalgamation will be written in equal installments over a period of five years.

5. INVESTMENTS

- (i) Investments are classified as long-term investments and current investment.
- (ii) The Company records its investment based on the accounting standard issued by the Institute of Cost Accountants of India as under:
 - a. Investments held as long-term investments are valued at cost. Provision for diminution in value is not made unless there is a permanent fall in their net realisable value.
 - b. Current investments are valued at lower of cost or net realisable value.

6. CURRENT ASSETS

- (i) Inventories:
 - a. Repossessed Stock: Repossessed Stock is valued at lower of agreement value net of interest received and unexpired finance charges, and the estimated realisable value of the assets concerned.
 - b. Others: Securities are valued at cost or market price whichever is less.
- (ii) Other current assets comprises of Future receivables in respect of finance /loan contracts and are shown at their principal value and which represents the net loan recoverable as on the balance sheet date net of unexpired interest income.
- (iii) Sundry Debtors represent installments in arrear in respect of finance / loan contracts.
- (iv) Cash and bank balances: Besides the normal bank accounts includes fixed deposits with banks for the short term surplus funds or under lien or as security deposit under various statutory obligations.

7. REVENUE RECOGNITION

- (i) The Reserve Bank of India's prudential norms on income recognition and provisioning for bad and doubtful debts has been followed.
- (ii) Subject to the above specific incomes have been accounted for as under:
 - a. **Interest Income:** Interest income is recognized in the profit and loss account as income from operations.
 - b. **Repossessed Assets:** Interest income is not accrued on repossessed assets after the date of repossession.
 - c. **Other Interest:** Overdue interest and other interest on margin money /security deposits considered recoverable is recognised as income, as and when received.
 - d. **Miscellaneous Income:** Dividend income, Miscellaneous Income is accounted for as and when received.

8. BORROWING COSTS

Borrowing costs, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized as a part of the cost of assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

9. FOREIGN CURRENCY

Transactions in foreign currency are recorded at the rates of exchange prevalent on the date of transaction. Exchange difference, if any, arising from foreign currency transaction are dealt in the Profit & Loss account at year end rates.

10. PROVISIONS AND CONTINGENT LIABILITIES:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. EMPLOYEES RETIREMENT BENEFITS:

Contributions to Provident Fund and Employee State Insurance are being paid and accounted as per the rules and debited to profit and loss account. The Company has no further obligations beyond its monthly contributions.

Employees Gratuity liability has been calculated and managed through a trust by the Life Insurance Corporation of India. As per the valuation conducted by the insurance company the shortfall is paid as the premium for the year and which is written as an expense.

Provision for encashment of leave is being made on the basis of actuarial valuation made at the end of each financial year and is charged to Profit and Loss account.

12. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit & Loss account in the year in which the asset is identified as impaired. The Impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

13. AMORTISATION:

Preliminary & Public Issue expenses are written off equally over a period of ten years.

14. TAXATION :

Tax expense comprises of current tax, deferred tax and fringe benefits tax.

- (i) Provision for current tax is made based on the estimated tax liability as per the appropriate provisions of the Income Tax Act, 1961 and considering the previous final assessment orders.
- (ii) Deferred tax for timing differences between tax profit and book profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on balance sheet date. Deferred Tax Assets are recognized to the extent there is reasonable certainty that these assets can be realised in future.
- (iii) Provision for fringe benefit tax has been recognized on the basis of a harmonious, contractual interpretation of the Income tax act, 1961.

15. EARNING PER SHARE:

In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potential dilutive equity shares are adjusted for any stock splits and bonus shares issued effected prior to the approval of the financial statements by the board of directors.

B NOTES TO ACCOUNTS

1. Estimated amount of contract remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Nil).
2. Contingent Liability: On account of Guarantees – Nil (Previous year Rs. 37.28 Lacs).
3. Cash & Bank balance also includes:
 - a) Fixed deposit of Rs. 40,00,000.00 (Previous Year Rs. 20,00,000.00) with the scheduled bank, pledged with Small Industries Development Bank of India.
 - b) Fixed deposit of Rs. 72,50,000.00 (Previous Year Rs. 62,50,000.00) with the scheduled bank, pledged with HDFC Bank Limited.
 - c) Fixed deposit of Rs. 2,70,00,000.00 (Previous Year Rs. 1,50,00,000.00) with the scheduled bank, pledged with ICICI Bank Limited.
 - d) Fixed deposit of Rs. 80,00,000.00 (Previous Year Rs. 20,00,000.00) with the scheduled bank, pledged with Axis Bank Limited.
 - e) Fixed deposit of Rs. 25,00,000.00 (Previous Year Rs. 25,00,000.00) with the scheduled bank, pledged with Standard Chartered Bank.
 - f) Fixed deposit of Rs. 30,00,000.00 (Previous Year Rs. 30,00,000.00) with the scheduled bank, pledged with Yes Bank Limited.
 - g) Fixed deposit of Rs. 10,00,000.00 (Previous Year Rs. Nil) with the bank, pledged with BNP Paribas.
 - h) Fixed deposit of Rs. 50,00,000.00 (Previous Year Rs. Nil) with the scheduled bank, pledged with Indian Bank.
 - i) Fixed deposit of Rs. 12,00,00,000/- (Previous year Rs. Nil) with the scheduled banks, being the short term surplus funds pending utilization. These deposits include an amount of Rs. 630.60 Lacs (Previous Year Nil) remaining unutilised out of the proceeds of preferential allotments.
 - j) Rs. 2,66,05,702.91 (Previous Year 4,43,34,332.12) in current account with scheduled bank being the unutilized amount of the term loan received from various financial institutions.

4. The detail of borrowings from Banks and financial institutions as at 31.03.2008 is as under

Name of Institution	Nature & Purpose of Loan	Cumulative Amount Sanctioned (Rs./Lacs)	Cumulative Amount Disbursed (Rs./Lacs)	Principal Outstanding as at 31.03.08 (Rs./Lacs)	Primary Security	Guaranteed by
ICICI Bank Limited	Term Loan for Microfinance activities	2500.00	2500.00	1210.69 (Previous Year 424.67)	Hypothecation of book debts arising out of Banks' assistance	Personal guarantee of Mr. H P Singh & Mr. Satvinder Singh
HDFC Bank Limited	Term Loan for Microfinance activities	1350.00	1350.00	662.50 (Previous Year 762.50)	Hypothecation of book debts arising out of Banks' assistance	Personal guarantee of Mr. H P Singh & Mr. Satvinder Singh
Axis Bank Limited	Term Loan for Microfinance activities	800.00	800.00	568.57 (Previous Year 142.78)	Hypothecation of book debts arising out of Banks' assistance	Personal guarantee of Mr. H P Singh for term loan of Rs. 800 lacs.
Maanaveeya Holdings and Investments Private Ltd.	Term Loan for Microfinance activities	200.00	200.00	200.00 (Previous Year 200.00)	Hypothecation of book debts (equivalent to 105% of the loan amount plus interest due at all times)	Nil
Standard Chartered Bank	Term Loan for Microfinance activities	250.00	250.00	33.99 (Previous Year 196.27)	Hypothecation of book debts arising out of Banks' assistance	Personal guarantee of Mr. H P Singh & Mr. Satvinder Singh
Standard Chartered Bank	Term Loan for Microfinance activities	424.00	424.00	212.00 (Previous Year 424.00)	Hypothecation of book debts with asset coverage of minimum 55% of the outstanding principal	First lien guaranteed in the form of cash deposit of amount 20% of the outstanding principal, at any point, secured with Standard Chartered Bank, UK by Vision Microfinance Fund, Luxembourg
Yes Bank Limited	Term Loan for Microfinance activities	1700.00	1700.00	1388.89 (Previous Year 400.00)	Hypothecation of book debts (equivalent to 105% or 110% of the outstanding term loan)	Personal guarantee of Mr. H P Singh and Mr. Satvinder Singh
BNP Paribas	Term Loan for Microfinance activities	200.00	200.00	50.00 (Previous Year Nil)	Hypothecation of book debts arising out of Banks' assistance	Nil
Indian Bank	Term Loan for Microfinance activities	1000.00	500.00	500.00 (Previous Year Nil)	Hypothecation of book debts arising out of Banks' assistance	Personal guarantee of Mr. H P Singh and Mr. Satvinder Singh
Small Industries Development Bank of India (SIDBI)	Term Loan for Microfinance activities	800.00	200.00	200.00 (Previous Year Nil)	Hypothecation of book debts arising out of Banks' assistance	Personal guarantee of Mr. H P Singh and Mr. Satvinder Singh



SATIN CREDITCARE NETWORK LTD.

B. Unsecured Loans

Name of Institution	Nature, Purpose & duration of Loan	Amount Sanctioned (Rs./Lacs)	Amount Disbursed (Rs./Lacs)	Principal Outstanding as at 31.03.08 (Rs./Lacs)	Primary Security	Guaranteed by
Small Industries Development Bank of India (SIDBI)	Term Loan for on lending to individual borrower/micro enterprises	200.00	200.00	57.15 (Previous Year 114.29)	Nil	Personal guarantee of Mr. H P Singh and Mr. Satvinder Singh.
The Bellwether Microfinance Fund Pvt. Ltd.	Term Loan for on lending under the Company's microfinance programme	200.00	200.00	Nil (Previous Year 37.50)	Nil	Nil
HDFC Limited	Term Loan for microfinance activities	200.00	200.00	123.02 (Previous Year 100.00)	Nil	Nil
ICICI Bank Limited	Overdraft Limit renewable after 1 year from the date of sanction	500.00	500.00	Nil	Nil	Personal guarantee of Executive Directors and their relatives and first charge on some of the assets of Executive Directors and their relatives.

5. Auditors' remuneration includes the following:

	CURRENT YEAR (In Rs.)	PREVIOUS YEAR (In Rs.)
Audit Fees	44,944.00	42,090.00
Tax Audit Fees	11,236.00	11,224.00
Certification work	30,379.00	11,350.00
	<u>86,559.00</u>	<u>64,664.00</u>

6. Directors' Remuneration includes:

	CURRENT YEAR (In Rs.)	PREVIOUS YEAR (In Rs.)
Salary	21,00,000.00	17,84,000.00
Provident Fund	2,52,000.00	2,14,080.00
Value of perquisites	2,03,800.00	1,77,467.00
	<u>25,55,800.00</u>	<u>21,75,547.00</u>

7. (i) In the opinion of the Directors, Current Assets, Loans and Advances are good for recovery unless otherwise stated. An amount of Rs 23,87,129.79 (Previous Year –Rs 5,15,310.97) has been written off / provided as bad debts during the year. In the opinion of management, the amounts, which are written off as bad debts, are not recoverable from debtors despite legal and other steps taken against erring debtors by the Company.
- (ii) Future receivables in respect of finance/loan contracts amounting to Rs. 37,09,76,497.49 (Previous year Rs. 24,47,50,798.62) are shown at their principle value and are net of securitised future receivables.
- (iii) Sundry Debtors amounting to Rs.2,24,83,647.03 (Previous Year Rs.1,39,17,826.05) represent installments in arrear in respect of finance contracts and is net of provision for doubtful debts As per prudential norms prescribed by the Reserve Bank of India on income recognition and provisioning for bad and doubtful debts, a provision of Rs. 2,05,475.97(Previous year Rs. 6,38,568.95) stood at towards bad and doubtful debts against the overdue amounts in respect of all finance contracts. In the opinion of the management the classification of various assets as per the prudential norms prescribed by the Reserve Bank of India are as under:

	Current Year (Rs.)	Previous Year (Rs.)
A) Future receivables under finance contracts:		
Standard Assets	37,09,76,497.49	24,47,50,798.62
Substandard Assets	_____	_____
Doubtful Assets	_____	_____
Loss Assets	_____	_____

B) Finance Contracts (Overdue Installments) (Debtors) :		
Standard Assets	2,14,95,746.34	1,29,94,831.03
Substandard Assets	11,93,376.66	15,31,562.91
Doubtful Assets	-----	-----
Loss Assets	-----	-----
C) Loans and advances :		
Standard Assets	39,17,702.10	82,10,285.73
Substandard Assets	-----	-----
Doubtful Assets	-----	-----
Loss Assets	-----	-----

8. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Provident fund
Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

	Current Year In Rupees	Previous Year In Rupees
Employer's Contribution to Provident Fund	6,62,165.00	4,68,231.00
Employer's Contribution to Superannuation Fund	Nil	Nil
Employer's Contribution to Pension Scheme	Nil	Nil

Gratuity

The employee's gratuity fund scheme managed by Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Leave Encashment

The obligation for leave encashment is recognized based on the present value of obligation based on actuarial valuation using the Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The detail of the same is as under:

	Current Year In Rupees	Previous Year In Rupees
Leave Encashment (Unfunded)		
a. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit obligation at beginning of the year	583,483.00	430,365.00
Current Service Cost	231,409.00	163,841.00
Interest Cost	44,685.00	39,940.00
Actuarial (gain)/loss	59,311.00	(36,143.00)
Benefits paid	(49,851.00)	(12,220.00)
Defined Benefit obligation at year end	869,037.00	583,483.00
b. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year		
Expected return on plan assets		
Actuarial gain/(loss)		
Employer contribution		
Benefits Paid	(49,851.00)	(12,220.00)
Fair value of plan assets at year end		
Actual return on plan assets		
c. Reconciliation of fair value of assets and obligations		
Fair Value of plan assets as at 31st March, 2008	-	-
Present value of obligation as at 31st March, 2008	869,037.00	583,483.00
Amount recognized in Balance Sheet	869,037.00	583,483.00

	Current Year (In Rupees)	Previous Year (In Rupees)
d. Expenses recognized during the year (Under the head "Payments to and Provisions for Employees")		
Current Service Cost	231,409.00	166,541.00
Interest Cost	44,685.00	33,940.00
Expected return on plan assets	-	-
Actuarial (gain)/loss	59,311.00	(35,143.00)
Net Cost	335,405.00	165,338.00
e. Actuarial assumptions		
Mortality Table (L.I.C)	LIC 1994-96 (Ultimate)	LIC 1994-96 (Ultimate)
Discount Rate (per annum)	8.00%	8.00%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. This being the first year of implementation, previous year figures have been given for the sake of comparison. The above figures pertain to Long Term Liability worked in respect of deferred leave only. Expected Short Term Liability of Rs. 1,82,263.00 (Previous Year Rs. 1,22,930.00) will be added to this figure.

9. Pursuant to Accounting Standard - 22 issued by The Institute of Chartered Accountants of India in respect of "Accounting for Taxes on Income" necessary deferred tax liabilities and assets have been recognised. The major components of deferred tax as at 31.03.2008 are as under:

Timing Difference on account of	As at 31.03.2007	(Liability)/Assets/Movements/during the year	As at 31.03.2008
Depreciation	6,39,345.93	-81,197.33	5,58,148.60
Provisions created but not claimed in Income Tax	8,17,982.76	-4,29,638.99	3,88,343.77
Total (Deferred Tax Assets)	14,57,328.69	-5,10,836.32	9,46,492.37

10. The detail of purchases, sales and stocks of Securities during the year is as under :

Particulars	Opening Balance		Purchase		Production	Sales		Closing Stock	Closing Stock
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Securities	500	4600.00	Nil	Nil	Nil	500	4600.00	Nil	Nil
Previous Year	500	4600.00	Nil	Nil	Nil	Nil	Nil	500	4600.00

11. Earning per Share

In accordance with the Accounting Standard 20 of the 'Earning Per Share' as notified by the Companies (Accounting Standards) Rules, 2006 :

- a) Calculation of Earnings Per Share :

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Net Profit after Tax available for appropriation (Rs.)	51,14,909.28	24,47,878.68
Weighted Average number of Equity shares for computation of Basic Earnings Per Share	66,08,460.00	65,13,179.00
Basic Earnings Per Share (Rs.)	0.77	0.38
Weighted average number of Equity Shares for computation of Diluted Earnings Per share	68,25,446.00	65,13,179.00
Diluted Earning Per Share (Rs.)	0.75	0.38

- b) The reconciliation between Basic and Diluted Earnings Per Share is as follows :

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Basic Earning Per Share	0.77	0.38
Effect of outstanding Fully Convertible Warrants Pending conversion	(0.02)	0.00
Diluted Earnings Per Share	0.75	0.38



SATIN CREDITCARE NETWORK LTD.

- c) The Basic Earnings Per Share has been computed by dividing the Net Profit after Tax by the weighted average number of equity shares for the respective periods whereas the Diluted Earnings Per Share has been computed by dividing the Net Profit after Tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding fully convertible warrants for the respective periods.

12. Segment Reporting:

The Company is operating as single segment i.e. financing operations. Hence the segment wise reporting is not applicable to the Company.

13. (i) Earning /Remittance (Inward) in Foreign currency : Equity Share Capital Rs. 4,87,40,000/- (Previous year Rs. Nil)
(ii) Expenditure /remittance (Outward) in foreign Currency : Rs. Nil (Previous year Rs. 14,13,471.16)
14. Pursuant to the provision of section 45 (IC) of Reserve Bank of India Act, 1934, the Company has transferred Rs. 10,24,592.00 (Previous Year Rs. 4,87,966.00) towards Statutory Reserve Fund including Rs. 1,610.00 pertaining to the shortfall of the previous year.
15. Related party disclosures in terms of Accounting Standard 18 issued by The Institute of Chartered Accountants of India:

Name of Related party	Description of relationship	Nature of transaction	Volume of transaction (Rs.)	Outstanding amount as at 31st March, 2008 (Rs.)	Amount written off or written back (Rs.)
Parishek Finance Private Limited	Influence of Key Managerial Personnel & Relatives	Rent Paid	Nil (1,20,000.00)	Nil (Nil)	Nil (Nil)
Taco Consultants Private Limited	Influence of Key Managerial Personnel & Relatives	Inter Corporate Deposit refund and Interest thereon	2,74,192.00 (5,000.00)	Nil (2,70,000.00 Cr.)	Nil (Nil)
Mr. H P Singh	Key Personnel	Remuneration	14,58,400.00 (12,08,107.00)	Nil (58,663.00 Cr.)	Nil (Nil)
Mr. Satvinder Singh	Key Personnel	Remuneration	10,97,400.00 (9,67,440.00)	Nil (26,210.00 Cr.)	Nil (Nil)
Satin (India) Limited	Influence of Key Managerial Personnel & Relatives	Investment in equity shares	Nil (Nil)	25,00,000.00 Dr. (25,00,000.00 Dr.)	Nil (Nil)
		Inter Corporate Deposit refund, Interest & Others	7,85,584.00 (2,88,000.00)	11,00,000.00 Dr. (16,00,000.00 Dr.)	
Satin Media Solutions Limited	Influence of Key Managerial Personnel & Relatives	Investment in Equity Shares	Nil (Nil)	30,00,000.00 Dr. (30,00,000.00 Dr.)	Nil (Nil)
		Inter Corporate Deposit, Interest & Others	1,44,000.00 (1,44,000.00)	8,00,000.00 Dr. (8,00,000.00 Dr.)	

Figures in brackets pertain to previous year.

The names and relationship with all the related parties with whom the Company had financial transaction have been included in the above list.



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16. Disclosure of loans/advances and investments in its own shares by the listed company, its subsidiaries, associates etc. (as certified by the management) :

Name	Current Year		Previous Year	
	Amount outstanding as at 31.03.2008	Maximum amount outstanding during the year (31.03.2008)	Amount outstanding as at 31.03.2007	Maximum amount outstanding during the year (31.03.2007)
Loans and advances in the nature of loan to Associate Company : Satin Media Solutions Ltd.	8,00,000.00 Dr.	8,00,000.00 Dr.	8,00,000.00 Dr.	9,11,686.00 Dr.
Investment by the Loanee (i.e. Satin Media Solutions Ltd.) in the shares of the Company (paid up value)	10,90,000.00	10,90,000.00	10,90,000.00	10,90,000.00
Loans and advances in the nature of loan to Associate Company : Satin (India) Ltd.	11,00,000.00 Dr.	16,00,000.00 Dr.	16,00,000.00 Dr.	16,00,000.00 Dr.
Investment by the Loanee (i.e. Satin (India) Ltd.) in the shares of the Company (paid up value)	30,61,000.00	30,61,000.00	12,55,000.00	12,55,000.00 Cr.
Loans and advances in the nature of loan to associate Company: Taco Consultants Pvt. Ltd.	Nil	2,74,192.00 Cr.	2,70,000.00	2,70,000.00 Cr.
Investment by the Loanee (i.e. Taco Consultants Pvt. Ltd.) in the shares of the company (paid up value)	59,68,400.00	59,68,400.00	1,65,000.00	1,65,000.00

17. a) In accordance with the scheme of Amalgamation of Satin Intellicomm Limited with the Company as approved by Hon'ble High Court of Delhi, the assets and liabilities of Satin Intellicomm Limited were transferred and vested in the Company with effect from April 1, 2006, being the appointed date. The scheme of merger was approved by Hon'ble High Court of Delhi on 27.09.2007 and the order of High Court was filed with Registrar of Companies, NCT of Delhi and Haryana on 03.12.2007, which is the effective date of merger.
- b) The amalgamation has been accounted for as per "Purchase Method of accounting" as prescribed by the Accounting Standard - 14 on "Accounting for Amalgamation" issued by The Institute of Chartered Accountants of India. Pursuant to the scheme of merger as approved by shareholders, secured and unsecured creditors of both the Companies, wherever required, and finally by high court, the assets and liabilities of Satin Intellicomm Limited as at 01.04.2006 have been merged with the assets and liabilities of the Company. The immovable properties of both the Company were revalued for the purpose of calculation of swap ratio. Pursuant to the said scheme of merger the Company has issued and allotted at par to every shareholder of Satin Intellicomm Limited 2113 equity shares of Rs.10/- each credited as fully paid up in the Company for every 100 equity share of Rs.10/- each fully paid up as held by such shareholder in Satin Intellicomm Limited. Accordingly 29,59,679 equity shares of Rs. 10/- each fully paid up of the Company have been issued at par to the shareholders of erstwhile Satin Intellicomm Limited. An amount of Rs. 78,540/- has been created as goodwill being the difference of Net Asset Value of the Satin Intellicomm Limited and the amount of equity shares of the Company allotted.
- c) The Board of Directors of the Company had approved the amalgamated Balance Sheet as at 31.03.2007 and Profit & Loss account for the financial year ended 31.03.2007 of the Company with Satin Intellicomm Limited on 06.12.2007 and received the report of the Statutory Auditors for these accounts on the same date. The figures of the previous financial year i.e. 2006-2007 mentioned in the accounts represent the consolidated numbers of both the companies.
- d) Satin Intellicomm Limited is dissolved without winding up, without any further act or deed, on the effective date.
18. The Company had stopped accepting public deposits with effect from 20th November, 2004. The Company has intimated the same to Reserve Bank of India. Payment to depositors is being made on the maturity of deposit or over premature request from depositor. The outstanding public deposits as at 31st March, 2008 is Rs. 38,430.00 (Previous year Rs. 61,533.00). Investments of Rs. 50,591.33 (Previous year Rs. 50,591.33) are being held in pursuant to directions issued by the Reserve Bank of India as applicable to Non Banking Financial Companies. The entire amount of outstanding public deposit was transferred to an Escrow account with scheduled bank on 13.04.2007.
19. Disclosure as required by Para 13 of Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are enclosed in Annexure I to the notes on accounts.



SATIN CREDITCARE NETWORK LTD.

20. Based on the information available with the company, there were no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March, 2008.
21. a) The Company has increased its authorized equity share capital from Rs.750.00 lacs to Rs.1,000.00 lacs on 29th September 2007
- b) Pursuant to the merger of Satin Intellicomm Limited with the Company the authorised equity share capital of the erstwhile Satin Intellicomm Limited amounting to Rs. 25.00 lacs has been merged with the authorised equity share capital of the Company w.e.f. 03.12.2007 being the effective date. Hence the authorised equity share capital of the Company has been increased from Rs. 1,000.00 lacs to Rs. 1,025.00 lacs divided into 1,02,50,000 equity shares of Rs. 10/- each.
22. In the opinion of the management, the Company is not liable to pay any service tax on its operations and no service tax is payable as at 31.03.2008.
23. a) The Company has allotted Fully Convertible Warrants (FCWs) at par on preferential basis to the Promoters Group companies on 4th August, 2007 to meet the working capital requirements for the existing operations and for expansion of the Company's business operations, after receiving payment of 10% of the face value. As per the terms of allotment these FCWs have been converted into equivalent number of Equity Shares of Rs. 10/- each at par on 17.03.2008 after receiving the balance amount.
- b) The Company has further allotted 13,20,000 Fully Convertible Warrants (FCWs) of Rs. 10/- each at par on preferential basis to the non promoters on 1st February, 2008 to meet the working capital requirements for the existing operations and for expansion of the Company's business operations, after receiving 10% of the payment. As per the terms of allotment these FCWs are convertible into equal number of equity shares of Rs. 10/- each fully paid up after receipt of balance amount within eighteen months from the date of allotment. Accordingly, the amount received has been reflected as Share Application Money as on 31.03.2008.
- c) The Company has also allotted 13,18,500 equity shares of Rs.10/- each at a premium of Rs.30/- per equity share on preferential basis to persons in non promoters category on 17th March, 2008 to meet the working capital requirements for the existing operations and for expansion of the Company's business operations. The entire amount has been received before the allotment date. Out of 13,18,500 equity shares 12,18,500 equity shares have been issued to Lok Capital LLC, a Category 1 Global Business Company, incorporated under the laws of Mauritius. The Company has executed a tripartite Shareholders agreement dated 12.01.2008 and a Share Subscription Agreement dated 12.01.2008 with Lok Capital LLC and the Promoters of the Company.
- d) As per the requirements of SEBI DIP guidelines the proceeds of the above preferential allotments made by the Company remained unutilised as at 31.03.2008 and the same have been invested in short term fixed deposits with the scheduled banks. (Refer note B3 (i) of Schedule 14)
24. In the above accounts current year and previous year figures are pertaining to the merged entity of Satin Intellicomm Limited with the Company w.e.f. 01.04.2006. The approval for the amalgamation by merger was sanctioned by the Delhi High Court on 27.09.2007. Amalgamated accounts for the period 01.04.2006 to 31.03.2007 have been approved by the Board of Directors in their meeting held on 06.12.2007. The figures of the previous year have been regrouped / reclassified wherever necessary to make them comparable with the figures of the current year.

As per our report of even date annexed
for **A.K. Gangaher & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

A. K. Gangaher
Proprietor
M. No. 83674
Place : Delhi
Date : 30.06.2008

(**H P Singh**)
(Director) (Harbans Singh)
(Director)

(**Jugal Kataria**)
(CFO & CS)



SATIN CREDITCARE NETWORK LTD.

Annexure - I

(as required by para 13 of Non-Banking Financial (Deposit accepting of holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in lakhs)

Particulars	Amount Outstanding	Amount Overdue
Liabilities Side		
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	-	-
Unsecured (Other than falling within the meaning of public deposits)	-	-
(b) Deferred Credits	5,206.80	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Public Deposits	0.38	-
(g) Other Loans (specify nature) – Overdraft facility from ICICI Bank Secured loans against assets of Company	58.46	-
2. Break-up of (1) (f) above (Outstanding public deposits inclusive on interest accrued thereon but not paid) :		
(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	0.38	-
Assets Side :		
	Amount Outstanding	
3. Break-up of Loans and advances including bills receivables (other than those included in (4) below) :		
(a) Secured	-	-
(b) Unsecured	39.18	-
4. Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards EL/HP activities		
(I) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(II) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(III) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (A) above	3,934.60	224.84
5. Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-



Particulars	Amount Outstanding	
Long Term Investments :		
1. Quoted :		
(i) Shares : (a) Equity	--	--
(b) Preference	--	--
(ii) Debentures and Bonds	--	--
(iii) Units of Mutual funds	--	--
(iv) Government Securities	--	--
(v) Others (please specify)	--	--
2. Unquoted :		
(i) Shares : (a) Equity	63.00	--
(b) Preference	--	--
(ii) Debentures and Bonds	--	--
(iii) Units of Mutual funds	--	--
(iv) Government Securities	0.51	--
(v) Others (please specify)	--	--

6. Borrower Group-wise classification of all leased assets, stock-on-hire and loans and advances :

Category	Amount Net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	--	--	--
(b) Companies in the same group	--	--	--
(c) Other related parties	--	19.00	19.00
2. Other than related parties	--	3,944.55	3,944.55
Total	--	3,963.55	3,963.55

**7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)
Please see Note 3 below**

Category	Market Value/Breakup or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	--	--
(b) Companies in the same group	63.00	63.00
(c) other related parties	--	--
2. Other than related parties	0.51	0.51
Total	63.51	63.51

8. Other Information

PARTICULARS		Amount
(i) Gross Non-Performing Assets		
(a) Related Parties	--	--
(b) Other than related Parties	11.93	11.93
(ii) Net Non-Performing Assets		
(a) Related Parties	--	--
(b) Other than related parties	9.88	9.88
(iii) Assets acquired in satisfaction of debt		



SATIN CREDITCARE NETWORK LTD.

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	31.03.2008 AMOUNT IN Rs.	31.03.2007 AMOUNT IN Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Interest, Tax and Extra-Ordinary Items	56,721,103.21	26,159,644.03
Adjustment for		
Depreciation	1,831,618.88	879,137.22
Previous Year Adjustments - Tax	(54,549.00)	(30,533.00)
Operating Profit before Working Capital Changes	58,498,173.09	27,008,248.25
Trade & Other Receivables	(4,255,828.80)	(11,609,702.47)
Future Receivables under finance contracts	(126,225,698.87)	(120,620,440.24)
Trade Payable	7,293,863.31	(4,162,229.59)
Other Liabilities	613,963.91	1,636,969.53
Cash Generated from Operations	(64,075,527.36)	(107,747,154.22)
Interest Paid	(48,282,441.61)	(22,121,201.02)
Direct Taxes Paid (Net)	(2,812,916.00)	(1,769,784.00)
Net Cash from Operating Activities	(115,170,884.97)	(131,638,139.54)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Sale (Net) of Fixed Assets	(16,587,906.49)	(31,710,605.19)
Purchase/Sale (Net) of Investments	-	1,192,697.67
Net Cash used in Investing Activities	(16,587,906.49)	(30,517,907.52)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	64,060,000.00	29,096,090.00
Proceeds from Unsecured Loans (Net)	(35,531,267.44)	16,029,605.44
Proceeds from Secured Loans (Net)	251,257,969.71	138,177,414.39
Net Cash used in Financing Activities	279,786,702.27	183,303,109.83
Net Increase in Cash & Cash Equivalents	148,027,910.81	21,147,062.77
Cash and Cash Equivalents as on 01.04.2007	84,095,585.61	62,948,522.84
Cash and Cash Equivalents as on 31.03.2008	232,123,496.42	84,095,585.61

As per our report of even date annexed

for **A.K. Gangaher & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

A. K. Gangaher
Proprietor
M. No. 83674

(H P Singh)
(Director)

(Harbans Singh)
(Director)

Place : Delhi
Date : 30th June 2008

(Jugal Kataria)
(CFO & CS)

Note : Notes to accounts (Schedule 14) forms an integral part of the Cash Flow statement.

AUDITORS' CERTIFICATE

The Board of Directors,
SATIN CREDITCARE NETWORK LIMITED

We have examined the attached Cash Flow Statement of SATIN CREDITCARE NETWORK LIMITED for the year ended 31st March, 2008. The statement has been prepared by the Company in accordance with the requirements of listing agreement under clause 32 with various Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the Members of the Company.

For **A. K. Gangaher & Co.**
Chartered Accountants

Place : Delhi
Dated : 30th June 2008

A.K.Gangaher
Proprietor
M.No. 83674



PART IV
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Table with 4 main sections: I. Registration Details, II. Capital raised during the year, III. Position of mobilisation and Deployment of Funds, IV. Performance of the Company. Each section contains multiple rows of financial data in a two-column format.

V. Generic Names of three Principal Product/Services of the company. Table with 2 columns: Item Code No (ITC Code) and Product Description.

As per our report of even date annexed for A.K. Gangaher & Co. Chartered Accountants

For and on behalf of the Board of Directors

A. K. Gangaher
Proprietor
M. No. 83674
Place : Delhi
Date : 30 June 2008

(M P Singh) (Director)
(Marjans Singh) (Director)
(Jugal Kataria) (CFO & CS)