



SATIN CREDITCARE NETWORK LIMITED

Regd. Office: 5th Floor, Kundan Bhawan,
Azadpur Commercial Complex, Azadpur, Delhi-110033
(Registered Office Address changed with effect from 26th May, 2014)
Phone: 011-47545000, E-mail: investor@satincare.com
CIN: L65991DL1990PLC041796

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the members of Satin Creditcare Network Limited (the "Company") will be held on Friday, 13th March, 2015 at 10.00 A.M. at 'Tyagi Farms', Plot No. 7, Bhawani Nagar, Dhinpur, Near Jhatikara Morh, Brijwasan Road, New Delhi-110043 to transact the following businesses:

SPECIAL BUSINESSES:

ITEM NO.1: RE-CLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE COMPANY

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 of Companies Act, 2013 (hereinafter referred as the "Companies Act") read with Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any and the provisions of the Memorandum of Association and Articles of Association of the Company, 1,00,00,000 (One Crore) Preference Shares of Rs. 10/- (Rupees Ten only) each, lying unissued be and are hereby cancelled for the purpose of re-classification by concurrently creating 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and accordingly, the consent of the members be and is hereby accorded for re-classification of Authorised Share Capital of the Company from Rs. 130,00,00,000/- (Rupees One Hundred and Thirty Crore) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 10,00,00,000 (Ten Crore) Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs. 130,00,00,000/- (Rupees One Hundred and Thirty Crore) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each ("Equity Shares") and 9,00,00,000 (Nine Crore) Preference Shares of Rs. 10/- (Rupees Ten only) each ("Preference Shares").

RESOLVED FURTHER THAT pursuant to Section 13, 61 and 64 and all other applicable provisions, if any, of the Companies Act, 2013, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause V as under:

"V. The Authorised Share Capital of the Company is Rs.130,00,00,000/- (Rupees One Hundred and Thirty Crores only) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 9,00,00,000 (Nine Crore) Preference Shares of Rs. 10/- (Rupees Ten only) each."

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors/Committee(s) of the Board be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

ITEM NO. 2: ISSUANCE OF EQUITY SHARES ON PREFERENTIAL BASIS:

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules made thereunder (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), enabling provisions of Memorandum of Association and Articles of Association of the Company, provisions of the Listing Agreement entered into by the Company with the stock exchange(s) where the shares of the Company are listed ("Stock Exchange(s)"), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India ("SEBI"), including the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder (including any statutory amendment(s), modification(s) and or re-enactment(s) thereof, for the time being in force) and subject to the approvals, consents, permissions and/ or sanctions, as may be required from the Government of India, the Reserve Bank of India, the Foreign Investment Promotion Board, SEBI, Stock Exchange(s) and any other relevant statutory, governmental authorities or departments, institutions or

bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions and which may be agreed by the board of directors of the Company (hereinafter referred to as the “**Board**” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot, on preferential basis, up to 32,30,000 (Thirty Two Lacs Thirty Thousand) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each fully paid-up for cash at an issue price of Rs. 130/- (Rupees One Hundred and Thirty only) including premium of Rs. 120 (Rupees One Hundred and Twenty only) or such other price as may be determined in accordance with the provisions of Chapter VII of SEBI ICDR Regulations to the persons belonging to the Promoter and Non-Promoter Category (as described below) (“**Proposed Allottees**”) and on such other terms and conditions as may be approved by the Board.

Name of the Proposed Allottee	Category	No. of Equity Shares proposed to be issued
Taco Consultants Private Limited	Promoter	2,40,000
Parinita Investments Private Limited	Promoter	2,40,000
Niryas Food Products Private Limited	Promoter	2,40,000
Satin (India) Limited	Promoter	2,40,000
UV Associates Private Limited	Promoter	2,40,000
Satin Media Solutions Limited	Promoter	2,40,000
SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd (“Investor”)	Non- Promoter	17,90,000

RESOLVED FURTHER THAT the Relevant Date, as per the provisions of Regulation 71 of Chapter VII of the SEBI ICDR Regulations, for the determination of issue price of the Equity Shares is 11th February, 2015 being the date which is 30 (thirty) days prior to the date of this Extraordinary General Meeting i.e. 13th March, 2015.

RESOLVED FURTHER THAT aforesaid issue of Equity Shares shall be subject to the following terms and conditions:

- (a) The Proposed Allottees shall be required to bring in 100% of the consideration for the Equity Shares to be allotted to such Proposed Allottees, on or before the date of allotment thereof;
- (b) The consideration for allotment of Equity Shares shall be paid to the Company from the bank accounts of the respective Proposed Allottees;
- (c) The Equity Shares to be allotted to the Proposed Allottees shall be under lock-in for such period as may be prescribed by the SEBI ICDR Regulations;
- (d) The Equity Shares so allotted to the Proposed Allottees under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under;
- (e) The Equity Shares shall be allotted within a period of 15 (fifteen) days from the date of passing this resolution provided where the allotment of the Equity Shares is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval; and
- (f) Allotment shall only be made in dematerialized form.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make an offer to the Proposed Allottees through private placement offer letter (in the format of PAS-4) immediately after passing of this resolution with a stipulation that allotment would be made only upon receipt of in-principle approval from the Stock Exchange.

RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted shall rank *paripassu* in all respects including as to dividend, with the existing fully paid up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for the purpose of issue and allotment of the Equity Shares and listing thereof with the Stock Exchange(s), the Board of Directors/Committee(s) of the Board be and

are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

ITEM NO. 3: ISSUANCE OF EQUITY WARRANTS ON PREFERENTIAL BASIS:

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules made thereunder (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), enabling provisions of the Memorandum of Association and Articles of Association of the Company, provisions of Listing Agreement entered into by the Company with the stock exchange(s) where the shares of the Company are listed (“**Stock Exchange(s)**”), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (“**SEBI**”), including the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009, (“**SEBI ICDR Regulations**”), Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder (including any statutory amendment(s), modification(s) and or re-enactment(s) thereof, for the time being in force) and subject to the approvals, consents, permissions and/ or sanctions, as may be required from the Government of India, the Reserve Bank of India, the Foreign Investment Promotion Board, SEBI, Stock Exchange(s) and any other relevant statutory, governmental authorities or departments, institutions or bodies, and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/or sanctions and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to create, offer and allot, on preferential basis, up to 28,70,000 (Twenty Eight Lacs Seventy Thousand) fully convertible Warrants (“**Equity Warrants**”) to the persons (as described below) belonging to the Promoter as well as Non-Promoter Category (“**Proposed Warrant Allottees**”), each convertible into, or exchangeable for, one Equity Share of face value of Rs. 10/- (Rupees Ten only) each at a price (including the Equity Warrant subscription price and the Equity Warrant exercise price) of Rs. 130/- each (Rupees One Hundred and Thirty only) each, and to issue fresh Equity Shares on the conversion of the Equity Warrants on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations or other applicable laws.

Name of the Proposed Warrant Allottees	Category	No. of Equity Warrants proposed to be issued
Taco Consultants Private Limited	Promoter	2,45,000
Parinita Investments Private Limited	Promoter	2,45,000
Niryas Food Products Private Limited	Promoter	2,45,000
Satin (India) Limited	Promoter	2,45,000
UV Associates Private Limited	Promoter	2,45,000
Satin Media Solutions Limited	Promoter	2,45,000
SBIFMO Emerging Asia Financial Sector Fund Pte. Ltd. (“Investor”)	Non- Promoter	14,00,000

RESOLVED FURTHER THAT the Relevant Date, as per the SEBI ICDR Regulations, for the determination of issue price for the issue of Equity Shares pursuant to the exercise of the of the Equity Warrants is 11th February, 2015 being the date which is 30 (thirty) days prior to the date of this Extraordinary General Meeting i.e. 13th March, 2015.

RESOLVED FURTHER THAT aforesaid issue of Equity Warrants shall be subject to the following terms and conditions:

- (a) Each Equity Warrant held by the Proposed Warrant Allottees (each, a “**Warrant Holder**”) shall entitle each of them to apply for and obtain allotment of one Equity Share at any time after the date of allotment but on or before the expiry of 18 (eighteen) months from the date of allotment (the “**Warrant Exercise Period**”), subject to the terms and conditions

of mutually agreeable Investment Agreement to be entered among the Investor(s), the Company and the Promoter Group.

- (b) The Proposed Warrant Allottees shall, on the date of allotment of Equity Warrants, pay an amount equivalent to at least 25% of the issue price per Equity Warrant in terms of Regulation 77 of the SEBI ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. The balance 75% of the issue price shall be payable by the Warrant Holder(s) at the time of exercising the Equity Warrant.
- (c) The consideration for allotment of Equity Warrants and/or Equity Shares arising out of exercise of such Equity Warrants shall be paid to the Company from the bank accounts of the respective Proposed Warrant Allottees.
- (d) Equity Warrants, being allotted to the Proposed Warrant Allottees and the Equity Shares proposed to be allotted pursuant to the conversion of these Equity Warrants shall be under lock in for such period as may be prescribed under Chapter VII of the SEBI ICDR Regulations.
- (e) Equity Warrants so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under.
- (f) In the event the Warrant Holder(s) does not exercise the Equity Warrants within the Warrant Exercise Period, the Equity Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- (g) Allotment shall only be made in dematerialized form.
- (h) The issue of Equity Warrants as well as Equity Shares arising from the exercise of the Equity Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- (i) The Equity Warrants by itself until converted into Equity Shares, does not give to the Warrant Holder(s) any voting rights in the Company in respect of such Equity Warrants.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make an offer to the Proposed Warrant Allottees through private placement offer letter (in the format of PAS 4) immediately after passing of this resolution with a stipulation that allotment would be made only upon receipt of in-principle approval from the Stock Exchange.

RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted upon conversion of Equity Warrants shall rank *pari passu* in all respects including as to dividend, with the existing fully paid up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Equity Warrants held by the holder(s) of the Equity Warrants.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors/Committee(s) of the Board be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Warrants, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

**By order of the Board of Directors
For Satin Creditcare Network Limited**

**Choudhary Runveer Krishanan
Company Secretary & Compliance Officer**

**Date : 09th February, 2015
Place: Delhi**

Notes:

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of the business specified above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Only registered members of the Company holding shares as on the cut-off date decided for the purpose, being 06th February, 2015, or any proxy appointed by such registered member may attend and vote at the Extraordinary General Meeting as provided under the provisions of the Companies Act, 2013.
4. Electronic copy of the Notice of the aforesaid Extraordinary General Meeting of the Company *inter alia* indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the aforesaid Extraordinary General Meeting of the Company *inter alia* indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
5. Voting Rights: Shareholders holding Equity Shares shall have one vote per share as shown against their holding and shareholders.
6. **VOTING THROUGH ELECTRONIC MEANS**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Extraordinary General Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Security Depository Limited (NSDL).

The E-voting Event Number and period of E-voting are set out below:

EVS (ELECTRONIC VOTING SEQUENCE NUMBER)	COMMENCEMENT OF E-VOTING (From 10.00 A.M.)	END OF E-VOTING (Till 05.00 P.M.)
EVEN101601	07th March, 2015	09th March, 2015

Note: Please read the instructions printed below before exercising your vote.

The instructions for members for voting electronically are as under:

- I. In case of members receiving e-mail from NSDL (for members whose e-mail addresses are registered with the Company):
 - i. Open the e-mail and also open password protected PDF file viz. "SCNL e-Voting.pdf" with your Client ID or Folio No. as password to open PDF file which contain your user ID and Password for e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user id and password.
 - v. If you are logging in for the first time, please enter the user ID and Password as initial password noted in step (i) above. Click Login.
 - vi. The Password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum 8 digits/characters or a combination of both. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vii. Once the e-Voting home page opens, click on e-Voting: Active Voting Cycles.
 - viii. Select EVEN (E-Voting Even Number) of Satin Creditcare Network Limited which is EVEN101601. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.

- ix. Now you are ready for e-Voting as Cast Vote page opens. Voting period commences from Saturday, 07th day of March, 2015 and ends on Monday, 09th day of March, 2015.
 - x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xiii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: evotingrajivbhatia@gmail.com with a copy marked to evoting@nsdl.co.in.
- II.** In case of Members receiving physical copy of the Notice of EGM (for members whose email addresses are not registered with the Company/Depositories):
- I. Initial password is provided in the enclosed Ballot Form: EVEN (E-Voting Even Number), user id and password.
 - II. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) as mentioned in (I) above, to cast vote.
- III.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders, available at the downloads section of www.evoting.nsdl.com.
- IV. Other Instructions:**
- a. The e-Voting period commences on **Saturday, 07th March, 2015 at 10.00 A.M.** and ends on **Monday, 09th March, 2015 at 05.00 P.M.** During this period, Members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date, i.e. Friday, 06th day of February, 2015, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting hereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - b. Sh. Rajiv Bhatia, Practicing Chartered Accountant has been nominated as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - c. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - d. The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.satincreditcare.com> and on the website of NSDL within two days of the passing of the resolutions at the Extraordinary General Meeting of the Company held on Friday, 13th March, 2015 and communicated to the Ludhiana Stock Exchange Limited, Delhi Stock Exchange Limited and Jaipur Stock Exchange Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

In order to augment the long-term funds through further issuance of equity shares of Rs. 10 (Rupees Ten only) each (each an "Equity Share") to meet its growth objectives and to strengthen capital structure of the Company, it is necessary to increase the component of Equity Share Capital in the existing Authorised Equity Share Capital by re-classifying a portion of the unused Preference Share Capital comprised in the existing Authorised Share Capital of the Company into Equity Share Capital. It is therefore deemed appropriate to re-classify the Authorised Share Capital of the Company and for that purpose, the Memorandum of Association of the Company is proposed to be altered in the manner specified in resolution at Item no. 1 of the notice.

The re-classification in the Authorised Share Capital will enable the Company to issue Equity Shares on a preferential basis in terms of the recommendations of the Board placed at Item No. 2 before this meeting.

The provisions of Companies Act, 2013 ("Companies Act") require the Company to seek an approval of its members for re-classification of Authorised Share Capital and consequent modification of the Capital Clause of Memorandum of Association. Accordingly, the Board of Directors recommends the resolution as set out at Item No. 1 as special resolution.

None of the Directors, any other key managerial personnel of the Company and their relatives are in any way deemed to be concerned or interested in the said resolution, except to the extent of their shareholding in the Company, if any.

Item No. 2 and 3

The Company has evolved as one of the leading microfinance companies in India. With a view to augment funds to meet its

working capital requirements for the existing operations and to support its growth plans and further expand its business operations, the Company proposes to increase its capital base by making a preferential allotment of Equity Shares and Equity Warrants to the Promoter Category and Non Promoter Category of the Company.

Therefore, the Company, subject to necessary approvals, is proposing to issue and allot, on a preferential basis to the following persons belonging to the Promoter as well as Non- Promoter Category:

- (i) Equity Shares to SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd. ("**Investor**") at a price of Rs. 130/- (Rupees One Hundred and Thirty only) per Equity Share determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**");
- (ii) Fully convertible equity warrants at an issue price of Rs. 130/- (Rupees One Hundred and Thirty only) each (each an, "**Equity Warrant**") to the Investor, which may be exercised to receive Equity Shares at a price (including the Equity Warrant subscription price and Equity Warrant exercise price) of Rs. 130/- (Rupees One Hundred and Thirty only) determined in accordance with SEBI ICDR Regulations;
- (iii) Equity Shares to entities belonging to Promoter Group namely Taco Consultants Private Limited, Parinita Investments Private Limited, Niryas Food Products Private Limited, Satin (India) Limited, UV Associates Private Limited and Satin Media Solutions Limited at a price of Rs. 130/- (Rupees One Hundred and Thirty only) per Equity Share determined in accordance with SEBI ICDR Regulations; and
- (iv) Equity Warrants to entities belonging to Promoter Group namely Taco Consultants Private Limited, Parinita Investments Private Limited, Niryas Food Products Private Limited, Satin (India) Limited, UV Associates Private Limited and Satin Media Solutions Limited at a price (including the Equity Warrant subscription price and Equity Warrant exercise price) of Rs. 130/- (Rupees One Hundred and Thirty only) determined in accordance with SEBI ICDR Regulations.

The Salient Features of the Proposed Preferential Issue of Equity Shares and Preferential Issue of Equity Warrants are as under:

The proposed issue and allotment of Equity Shares and Equity Warrants, on a preferential basis, shall be governed by the applicable provisions of the SEBI ICDR Regulations and the Companies Act read with the applicable provisions of the rules made thereunder. Without generality to the above, the salient features of the preferential issue of Equity Shares and Equity Warrants are:

- (a) The "Relevant Date" as per the SEBI ICDR Regulations for determining the minimum price for the preferential issue of Equity Shares and Equity Warrants is 11th February, 2015, being 30 days prior to the date of this Extraordinary General Meeting i.e. 13th March, 2015.
- (b) The proposed allottees shall be required to bring in 100% of the consideration for the Equity Shares to be allotted to such proposed allottees, on or before the date of allotment thereof.
- (c) The Warrant Holders shall, on the date of allotment of Equity Warrants, pay an amount equivalent to at least 25% of the issue price per Equity Warrant in terms of Regulation 77 of the SEBI ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. The balance 75% of the issue price shall be payable by the Warrant Holder(s) at the time of exercising the Equity Warrant.
- (d) Each Equity Warrant held by the Proposed Warrant Allottees (each, a "**Warrant Holder**") shall entitle each of them to apply for and obtain allotment of one Equity Share at any time after the date of allotment but on or before the expiry of 18 (eighteen) months from the date of allotment (the "**Warrant Exercise Period**"), subject to the terms and conditions of mutually agreeable Investment Agreement to be entered among the Investor(s), the Company and the Promoter Group.
- (e) The consideration for allotment of Equity Shares, Equity Warrants and/or Equity Shares arising out of exercise of such Equity Warrants shall be paid to the Company from the bank accounts of the respective proposed allottees.
- (f) Equity Shares, Equity Warrants and the Equity Shares proposed to be allotted pursuant to the conversion of these Equity Warrants shall be under lock in for such period as may be prescribed under Chapter VII of the SEBI ICDR Regulations.
- (g) Equity Shares and Equity Warrants so allotted as part of this proposed preferential issue shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under.
- (h) In the event the Warrant Holder(s) does not exercise the Equity Warrants within the Warrant Exercise Period, the Equity Warrants shall lapse and the amount paid shall stand forfeited by the Company.

- (i) Allotment shall only be made in dematerialized form.
- (j) The issue of Equity Shares, Equity Warrants as well as Equity Shares arising from the exercise of the Equity Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- (k) The Equity Warrants by itself, until converted into Equity Shares, does not give to the Warrant Holder(s) any voting rights in the Company in respect of such Equity Warrants.

The proposed transaction with the Investor and the entities belonging to Promoter Category named above, is subject to the receipt of customary conditions including receipt of shareholders approval and the execution of a mutually agreeable Investment Agreement among the Investor(s), the Company and the Promoter Group. The above transaction is also subject to the execution of a restated Shareholders Agreement which will amend and restate the existing shareholders agreement of the Company and consequently the Articles of Association of the Company.

The proposed allottees have not sold any Equity Shares during the six months preceding the Relevant Date. The entities belonging to the Promoter Category have not subscribed to any warrants of the Company during last one year.

Therefore, in compliance with the provisions of applicable laws, the proposed resolutions as set out at Item No. 2 and 3 are recommended for the approval of Shareholders as **Special Resolutions**. Further, in terms of Regulation 73 of SEBI ICDR Regulations, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

A. Object of the Proposed Preferential Issue of Equity Shares and Equity Warrants and Details of Utilization of Proceeds:

The objective of the proposed preferential allotment of Equity Shares and Equity Warrants to Investor is to fund the growth and operations of the Company, including growing the loan book, operating expenses, marketing expenditure, working capital and for augmenting the infrastructure of the Company.

The objective of the proposed preferential allotment of Equity Shares and Equity Warrants to the entities belonging to the Promoter Category is to fund the growth and operations of the Company, including growing the loan book, operating expenses, marketing expenditure, working capital and for augmenting the infrastructure of the Company, provided however, that a portion of the proceeds of investment received from the concerned Promoters shall be used to redeem 12% Cumulative, Rated, Non-Participative, Non-Convertible, Compulsorily Redeemable 6,000,000 (Six Million) existing Preference Shares. The amount of the proceeds that will be utilized to redeem such Preference Shares is INR 60,000,000 (Indian Rupees Sixty Million only) and the due date of redemption is 27th November, 2015. Pending utilization of such proceeds for the redemption of aforesaid Preference Shares, the Company shall, subject to applicable law, invest the funds in high quality interest bearing liquid instruments and deposits with the banks for the applicable period until the due date of redemption of the Preference Shares.

B. Intention of the Promoters, Directors or Key Managerial Personnel to Subscribe to the Proposed Preferential Issue:

None of the directors or key managerial personnel, intends to subscribe to any shares pursuant to this preferential issue of Equity Shares and Equity Warrants.

Further, the bodies corporate belonging to the Promoter Category, have shown their interest in subscribing to Equity Shares and Equity Warrants.

The preferential issue is proposed to be made to entities belonging to Promoter Group namely Taco Consultants Private Limited, Parinita Investments Private Limited, Niryas Food Products Private Limited, Satin (India) Limited, UV Associates Private Limited and Satin Media Solutions Limited.

C. Shareholding Pattern of the Company Before and After the Preferential Issue of Equity Shares and Equity Warrants:

The shareholding pattern of the Company giving the present position as on 06th February, 2015 and after considering the proposed preferential issue of Equity Shares and Equity Warrants is provided hereunder:

Name of shareholders	Pre issue Shareholding Structure		No. of Equity shares to be allotted	Post issue Shareholding Structure		No. of Warrants to be allotted	Shareholding Structure post conversion of warrants	
	No of Shares held	% of shares		Share allotted	No of Shares held		% of shares	No of Shares held
(A) Promoters' Shareholding								
Promoter & Promoter Group								
(1) Indian	-	-	-	-	-	-	-	-
(a) Individuals /HUF	1628258	6.30	-	1628258	5.60	-	1628258	5.10
(b) Central Govt. / State Govt.	-	-	-	-	-	-	-	-
(c) Bodies Corporate	7026470	27.18	1440000	8466470	29.11	1470000	9936470	31.10
(d) Financial Institutions / Banks	-	-	-	-	-	-	-	-
Sub Total (A)(1)	8654728	33.48	1440000	10094728	34.71	1470000	11564728	36.19
(2) Foreign								
(a) Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-
Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	8654728	33.48	1440000	10094728	34.71	1470000	11564728	36.19
(B) Non Promoters' Shareholding								
Institutional Investors								
Financial Institutions/Banks	-	-	-	-	-	-	-	-
Non-Institutions:								
(a) Bodies Corporate	2921291	11.30	-	2921291	10.05	-	2921291	9.14
(b)(i) Individual holding nominal share capital up to Rs. 1Lacs	582149	2.25	-	582149	2.00	-	582149	1.82
(ii) Individual holding nominal share capital in excess of Rs 1 Lacs	716500	2.77	-	716500	2.46	-	716500	2.24
(c) Any Other –								
i. Foreign Bodies corporate	12456632	48.19	1790000	14246632	48.99	1400000	15646632	48.97
ii. Trusts	502875	1.94	-	502875	1.73	-	502875	1.57
(iii) Non Resident Indians	4700	0.02	-	4700	0.02	-	4700	0.01
(ii) HUF	5275	0.02	-	5275	0.02	-	5275	0.02
(iii) Directors & their relatives	7211	0.03	-	7211	0.02	-	7211	0.02
Total Public Shareholding (B)	17196633	66.52	1790000	18986633	65.29	1400000	20386633	63.81
TOTAL (A+B)	25851361	100.00	3230000	29081361	100.00	2870000	31951361	100.00

Notes:

- (1) The above post-issue shareholding pattern assumes that the Preferential Issue of Equity Warrants issued pursuant to resolution at Item No. 3 are converted into Equity Shares, failing which, the percentage will change accordingly.

D. Proposed Time Within Which the Preferential Issue shall be Completed:

In terms of Regulation 74(1) of the SEBI ICDR Regulations, preferential allotment to Investor and entities belonging to the Promoter Group pursuant to the special resolution will be completed within a period of 15 (fifteen) days from the date of passing of resolutions at Item No. 2 and 3.

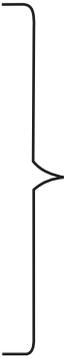
Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 (fifteen) days from the date of such approval or within such further period as may be prescribed or allowed by SEBI, stock exchange(s) or other concerned authorities.

E. Identity of the Proposed Allottee(s) and the Percentage of Post Preferential Issue Capital that may be held by them:

Name of Proposed Allottee(s)	Category	Pre-issue share holding		Allotment		Post issue Shareholding		Allotment		Post issue Shareholding#	
		No. of Equity Shares	%	No. of Equity Shares	No. of Equity Shares	%	No. of Equity Warrants	No. of Equity Warrants	%		
Taco Consultants Private Limited	Promoter	757,660	2.93	240,000	997,660	3.43	245000	1,242,660	3.89		
Parinita Investments Private Limited	Promoter	1,065,320	4.12	240,000	1,305,320	4.49	245000	1,550,320	4.85		
Niryas Food Products Private Limited	Promoter	983,420	3.80	240,000	1,223,420	4.21	245000	1,468,420	4.60		
Satin (India) Limited	Promoter	963,410	3.73	240,000	1,203,410	4.14	245000	1,448,410	4.53		
UV Associates Private Limited	Promoter	610,820	2.36	240,000	850,820	2.93	245000	1,095,820	3.43		
Satin Media Solutions Limited	Promoter	494,960	1.91	240,000	734,960	2.53	245000	979,960	3.07		
SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd.	Non-Promoter	-		1,790,000	1,790,000	6.16	1400000	3,190,000	9.98		

#The above post-issue shareholding pattern assumes that the Preferential Issue of Equity Warrants issued pursuant to resolution at Item No. 3 are converted into Equity Shares, failing which, the percentage will change accordingly.

The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares and Equity Warrants proposed to be allotted and/or who ultimately control the proposed allottees is as follows:

Name of proposed allottee(s)	Details of Ultimate Beneficial Owners
Taco Consultants Private Limited	 <p data-bbox="715 379 1398 457">Mr. H P Singh and his family are the ultimate beneficial owners and/or who ultimately control the 6 (six) proposed allottees falling under the Promoter category</p>
Parinita Investments Private Limited	
Niryas Food Products Private Limited	
Satin (India) Limited	
UV Associates Private Limited	
Satin Media Solutions Limited	
SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd.	<p data-bbox="608 629 1410 685">Investor is an investment fund and its ultimate and beneficially owners are the following:</p> <ul style="list-style-type: none"> <li data-bbox="655 696 1299 727">(i) SBI Holdings, Inc, a publicly listed company in Japan; and <li data-bbox="655 737 1410 820">(ii) Nederlandse Financierings-MaatschappijvoorOntwikkelingslanden N.V., a Dutch development bank majority owned by the Dutch government.

F. Consequential Changes in the Voting Rights and Change in Management:

As a result of the proposed preferential issue of Equity Shares and Equity Warrants, and upon conversion of the Equity Warrants, there will be no change in the control or management of the Company. However, voting rights will change in tandem with the shareholding pattern.

G. Lock-in Period:

Pre-preferential allotment holding of Equity Shares, non-disposal of Equity Shares and lock-in period of the Equity Shares:

- i) The Equity Shares to be allotted on a preferential basis to entities belonging to the Promoter Group, shall be subject to 'lock-in' for a period of three years from the date of trading approval for such Equity Shares in accordance with Regulation 78(1) of the SEBI ICDR Regulations.
- ii) The Equity Shares to be allotted on a preferential basis to entities belonging to the Promoter Group, pursuant to exercise of options against each EquityWarrant, shall be subject to 'lock-in' for a period of three years from the date of trading approval for such Equity Shares in accordance with Regulation 78(1) of the SEBI ICDR Regulations.
- iii) The Equity Shares allotted on a preferential basis to the Investor shall be subject to 'lock-in' for a period of one year from the date of trading approval as per Regulation 78(2) of the SEBI ICDR Regulations.
- iv) The Equity Shares to be allotted on a preferential basis to Investor, pursuant to exercise of options against each EquityWarrant shall be subject to 'lock-in' for a period of one year from the date of trading approval as per Regulation 78(2) of the SEBI ICDR Regulations.
- v) The entire pre-preferential allotment shareholding of the concerned entities belonging to the Promoter Group and the Investor, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 78(6) of the SEBI ICDR Regulations.

H. Issue Price and Relevant Date:

The Relevant Date on the basis of which the price of the issue of Equity shares and Equity Warrants has been calculated is Rs. 109.61 i.e. 30 days prior to the date of Extraordinary General Meeting.

Since the Company's Equity Shares are infrequently traded, hence the price is determined in terms of Regulation 76A of the SEBI ICDR Regulations. Accordingly, the price determined comes out to be Rs. 109.61 per Equity Share which is less than proposed issue price of Rs. 130.00/- per Equity Share. The Company shall submit a certificate as required under Regulation 76A of the SEBI ICDR Regulations with the stock exchanges where the Equity Shares of the Company are listed.

I. Re-computation of Issue Price:

Since the Company's Equity Shares are infrequently traded, Regulation 76A of the SEBI ICDR Regulations applies to the Company and therefore the Company need not re-compute the price of the Equity Shares in terms of Regulation 76(3) of the SEBI ICDR Regulations. Accordingly, the requirement to furnish undertakings under Regulation 73(1) (f) and (g) of the SEBI ICDR Regulations is not applicable.

J. Auditor's Certificate:

The certificate from M/s. A.K Gangaher & Co., Chartered Accountants, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in SEBI ICDR Regulations shall be available for inspection at the registered office of the Company upto the date of declaration of results and shall also be placed at the Extra Ordinary General Meeting.

K. Report of Registered Valuer:

No report of registered valuer is required for the offer, issue and allotment of the Equity Shares and Equity Shares arising on exercise of the Equity Warrants under the provisions of first proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014.

Section 62 of the Companies Act provides inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, etc., such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the Section unless the shareholders in general meeting decide otherwise by passing a special resolution. Therefore, consent of the shareholders by way of special resolution is being sought pursuant to the provisions of Sections 42 and 62 and all other applicable provisions of the Companies Act and in terms of the provisions of the SEBI ICDR Regulations and the listing agreements executed by the Company with the stock exchange(s) where the Company's Equity Shares are listed.

The members are, therefore, requested to accord their approval authorizing the Board of Directors for proceeding with the proposed private placement and / or preferential issue as set out in the resolutions at Item No. 2 and 3.

Nature of Concern or Interest of Promoter/ Directors/ Key Managerial Personnel:

None of the Directors or key managerial personnel or their relatives is in any way concerned or interested in the above referred resolutions except Mr. H P Singh (Chairman cum Managing Director), Mr. Satvinder Singh (Director), and their relatives being associated with the Promoter Group companies which also includes Taco Consultants Private Limited, Parinita Investments Private Limited, Niryas Food Products Private Limited, Satin (India) Limited, UV Associates Private Limited and Satin Media Solutions Limited.

**By order of the Board of Directors
For Satin Creditcare Network Limited**

**Choudhary Runveer Krishanan
Company Secretary & Compliance Officer**

Date : 09th February, 2015

Place: Delhi