

## Responsible Business Index | Satin Credit Care

### About RBIndex

RBIndex aims to support the industry and individual NBFC-MFIs in their collective effort towards building a more responsible business framework by evaluating responsible business principles and practices.

RBIndex is an exercise by Industry to collectively assess NBFC-MFIs to systematically measure, manage and integrate Responsible business practice in the following ways:

- **Gap analysis**, helping NBFC-MFIs identify both the strengths in their management and the gaps where future progress can be made
- **Benchmarking**, performance against sector peers and leading practice from across the RB Index
- **Tracking progress**, reinforcing good practice and driving continuous improvement

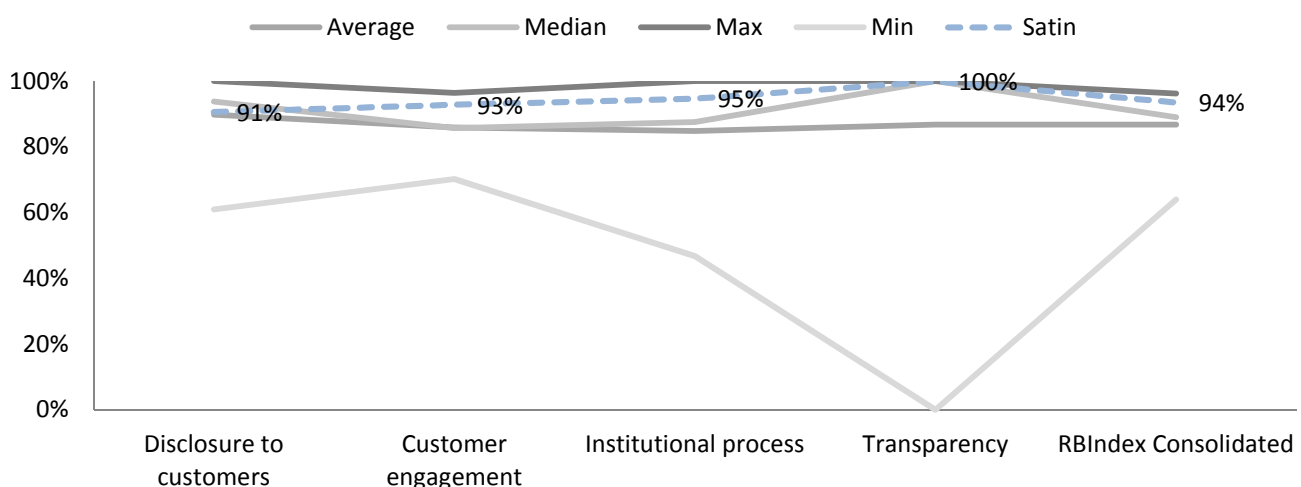
RBIndex comprehensively covers RBI Fair Practice Code and Industry CoC under four broad areas of a) Disclosures to Clients, b) Client Engagement, c) Institutional Processes and d) Transparency

Four broad areas are further divided in 83 sub-parameters to form the maximum total score of 100. MFIs get scores based on the level and degree of performance on these parameter and sub-parameters. Please refer to Annex 1\_for the report on RBIndex.

### RBIndex of Satin Credit Care

Satin Credit care has a cumulative RBScore of 94 (out of 100). The average RBScore of industry, based on the inputs of 39 MFIs is 87 (out of 100). Satin has scored 91% in disclosure to customers, 93% in customer engagement, 95% in Institutional processes and 100% in transparency. Kindly note that cells highlighted in red (next sheet) indicates scores less than Industry average.

Satin Vs Industry Trends



The details of individual score of **Satin** among various parameters are as follows:

Section	Sub Section	Parameter	Industry		Satin	
			Max score	Avg Score		
Disclosures to customers	At branch	Displays effective rate of interest rate charged for all loan products prominently in vernacular language	1	0.97	1.00	
		Displays the Grievance Redressal mechanism followed by the company in vernacular language	1	0.97	1.00	
		Displays contact details of Grievance Redressal Officer in vernacular language	1	0.97	1.00	
		Displays contact details of Regional RBI office in vernacular language	1	0.69	0.00	
		Displays FPC in vernacular language	1	0.90	1.00	
		Display of Client Protection Principle (as mentioned in Industry CoC ) in vernacular language	1	0.87	1.00	
		Displays statement articulating commitment to transparency and fair lending practices in vernacular language	1	0.95	1.00	
		Displays a declaration that the MFI will be accountable for preventing inappropriate staff behaviour and timely grievance redressal in vernacular language	1	0.91	1.00	
	In loan card	Provides loan cards to customer	2	2.00	2.00	
		Adequately reflects information which identifies the customer	1	1.00	1.00	
		Accurately displays effective rate of interest charged for the loan product given	2	2.00	2.00	
		States that no penalty is charged in delayed payment	1	0.82	1.00	
		States that no security deposit / margin is being collected from the customer	1	0.82	0.00	
		Fully displays all other terms and conditions attached to the loan	1	0.97	1.00	
		Clearly states that grant of loan is not linked to any other product /services offered by the MFI or third party	1	0.72	0.00	
		Clearly gives fee structure of non credit products (if any)	1	0.93	1.00	
		Clearly shows acknowledgements by the MFI of all repayments including instalments received and the final discharge	1	1.00	1.00	
		Clearly states commitment to transparency, fair lending practices as prescribed by RBI	1	0.97	1.00	
		Displays the contact details of Grievance Redressal Officer	1	0.97	1.00	
		Displays all entries in vernacular language	1	0.97	1.00	
	In loan agreement	Provides customer a copy of loan agreement for each loan disbursed	2	1.73	2.00	
		States all terms and conditions of the loan	1	0.95	1.00	
		States that pricing of loan involves only three components viz; interest charge, processing charge and insurance premium	1	0.90	1.00	
		States that no penalty charged on delayed payment	1	0.85	1.00	
		States that no security deposit/margin is being collected from the borrower	1	0.90	1.00	
		States that the moratorium (between the grant of the loan and the due date of the repayment of the first instalment) is more than the frequency of repayment	1	0.71	1.00	
		Statement of an assurance that privacy of borrower data will be respected	1	0.82	1.00	
		Statement articulating commitment to transparency and fair lending practices in vernacular language	1	0.79	1.00	
	Customer engagement	Loan Processes (sanction/disbursement /repayment)	KYC requirement of MFI are fully aligned with RBI guidelines	1	1.00	1.00
			Uses Credit Information Report (CIR) every loan granted	2	2.00	2.00
			Validity of Credit Information report (CIR)	2	1.54	2.00
			Staff conducts full due-diligence. A copy of due-diligence is available in client loan file	1	1.00	1.00
			Loans are disbursement only at a central location (centre meeting/branch office)	1	1.00	1.00
At least two staff is available at loan sanctioning and disbursement of loans			1	0.97	1.00	
Loan is repayed only at a central designated place (centre meeting)			1	0.99	1.00	
Field staff goes for collecting repayment at the place of residence or work place of the client only if client fails to appear at central designated place on 2 or more successive occasions			1	0.90	1.00	
Loan repayment is only collected by employees (MFI staffs). Outsourced recovery agents are not used for collection.			1	1.00	1.00	

Institutional Processes	Customer education/rights/welfare	MFI has a well structured Financial Education module to train customers	1	0.85	1.00
		Average length of training program which is given to customers during a loan cycle	1	0.85	1.00
		Coverage of customers through training under Financial Education module	2	0.87	1.00
		Customers are charged for undergoing Financial Education module	1	0.97	1.00
		Updates accurate information and loan data of customers to CBs as per prescribed cycle	1	1.00	1.00
		Takes written customer consent for any third party disclosure	1	0.87	1.00
		Takes written customer consent for sale of non-credit financials products	1	0.97	1.00
		Coverage of clients through livelihood training or other development programs/inputs	2	1.26	1.50
	HR	Recruitment policy of MFIs provides for necessary minimum qualification of field staff	1	1.00	1.00
		Company has a comprehensive training manual for the field staff	1	0.95	1.00
		Training module for the field staff includes Industry code of Conduct	1	0.95	1.00
		Training module for the field staff has focus on appropriate behaviour towards customers	1	0.95	1.00
		Training module for the field staff has focus on appropriate recovery practises	1	0.95	1.00
		Training module for the field staff has focus on protection of customer's personal and financial information	1	0.95	1.00
		Training module for the field staff has focus on assessment of client's income, cash flows and ineptness	1	0.90	1.00
		Average length of training given to a staff in one calendar year	1	0.83	1.00
		Percentage (%) of field staff covered under training programs every year are	1	0.95	1.00
		Compensation/Incentive structure of field staff provides for service quality	2	0.72	1.50
	Customer Complaint Redressal System	Has a well defined Customer Complaint Redressal System	2	1.90	2.00
The Redressal system has at least 2 levels of escalation protocol		1	0.97	1.00	
MIS of Redressal system at least captures client information, nature of complaints, action taken and turn around time on a monthly basis		1	0.90	1.00	
MIS of Redressal system generates periodic reports on complaints received and handles and shared with the Board		1	0.90	1.00	
Has a dedicated toll free no to register complaint		1	0.74	1.00	
Offers outbound calls to collect customer feedback/complaint		1	0.77	1.00	
Audit and compliance	Has an Internal Audit Team	1	0.97	1.00	
	Periodicity of Internal Audits	1	0.86	0.50	
	Has detailed Audit Manual	1	0.90	1.00	
	Rotates the Auditor (individual auditor after 5 years, and audit firm after 10 years)	1	0.87	1.00	
	Has designated Compliance Officer	1	0.95	1.00	
	Compliance Officers approval is necessary for all product launches/product and process changes	1	0.85	0.00	
	Has written policy on privacy of client data	1	0.85	1.00	
Frequency of data sharing with Credit Bureaus	3	2.69	3.00		
Board	Management submits a compliance (CoC/FPC/RBI Directions) report to Board on periodic basis	2	1.95	2.00	
	Management submits a Customer Redressal report to Board on a periodic basis	1	0.97	1.00	
	Board has independent directors	2	1.28	2.00	
	Has Audit Committee of the Board with an independent director as Chairperson	1	0.92	1.00	
	Has atleast one women director	1	0.64	1.00	
	Has Board approved standard form of Loan Agreement	1	0.92	1.00	
Has written and Board approved curative debt restructuring policy to address the problems of genuine hardship of borrowers	2	1.28	2.00		
Transparency	Website	Displays on website full details of all loan products offered, including interest rates	1	0.92	1.00
		Displays on website non credit financial products offered (if any) and applicable charges in detail including insurance premium collected	1	0.79	1.00
		Displays on website Client Grievance System	1	0.82	1.00
	Quarterly data reporting to MFIN MicroMeter in last 4 quarters	2	1.86	2.00	
	Annual data reporting to MFIN MicroScape for FY 12-13	2	1.79	2.00	
	Reports pricing information for all loan products to MFIN	2	1.79	2.00	
Total			100	86.98	93.50