

# SATIN CREDITCARE NETWORK LIMITED



## Q4FY18 CORPORATE PRESENTATION

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**MAY 2018**

BSE: 539404 | NSE: SATIN  
Corporate Identity No. L65991DL1990PLC041796



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## Satin Overview

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# Company Overview



## Business Overview

- India's second largest NBFC-MFI in terms of Gross Loan Portfolio ("GLP" or "Gross AUM")<sup>(1)</sup>
- Led by Mr. HP Singh, who has experience of over 3 decade in retail finance industry and supported by an experienced management team
  - Promoter has significant stake in Satin having invested Rs. 938 mn in the past 5 years
- Offers comprehensive financial products focused on financial inclusion:
  - MFI Segment** (Rs. 50,102 mn)<sup>(2)</sup> consisting of lending under Joint Liability Group model, loans to individual businesses, loans for water and sanitation and Product Financing (Loans for solar lamps),
  - Non-MFI Segment** (Rs. 7,466 mn)<sup>(2)</sup> consisting of loans to MSMEs, business correspondent services and similar services to other financial institutions (through its subsidiary) and further product diversification by entry into affordable housing
- 9,004<sup>(3)</sup> employees, 995<sup>(3)</sup> branches, ~2.82<sup>(3)</sup> million active clients<sup>(4)</sup> as of Mar'18
- Strong presence in underpenetrated regions of UP, Bihar, MP, Punjab, Uttarakhand
  - Expanding presence in East India. Started Assam in Q1FY18 and Orissa in Q2FY18
- Multiple rounds of fund infusion from 7 PE investors - profitable exits to 3 investors
- During the current financial year, Satin raised Rs. 643 mn equity via pref. allotment from ADB, Rs. 450 mn equity from promoters, Rs. 350 mn TIER II via OCRPS from a large NBFC, Rs. 1,500 mn equity via QIP in Oct'17, Rs. 1,000 mn equity via pref. allotment and Rs. 450 mn Tier II OCCRP from IndusInd
- In Dec'17, entered into a strategic tie up with IndusInd Bank to act as BC for microfinance
- Commenced operations in Housing Finance subsidiary in Feb'18
- Credit Rating: BBB+; Grading of MFI 1 (MFI One) from CARE ratings
- Cashless disbursements were 35% of total disbursement for the month of Mar'18

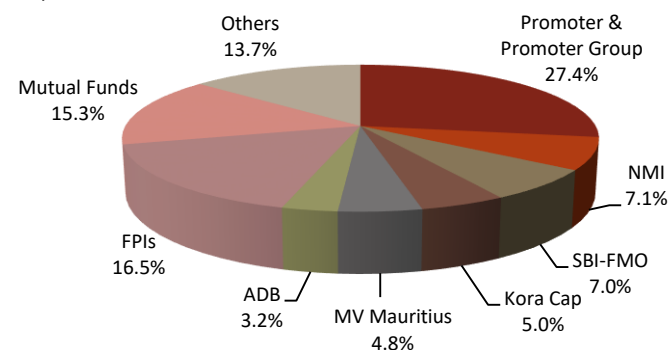
## Key Market Statistics

Particulars	May 25, 2018
Returns since listing <sup>(5)</sup>	4.1x
CMP (Rs.)	382.2
M.Cap (Rs. mn)	18,276.0
Free Float (Rs. mn)	10,417.0
Price to Book Ratio (BVPS as of Mar'18 – Rs. 222.78)	1.72x

Source: NSE & BSE as on May 25, 2018

## Marquee Shareholder Base

As on March 31, 2018



## Key Financials

Rs. mn	FY15	FY16	FY17 <sup>(3)</sup>	FY18 <sup>(3)</sup>
Equity <sup>(7)</sup>	1,935	3,240	6,376	10,887
Gross AUM <sup>(8)</sup>	21,407	32,708	40,666	57,568
On-book AUM	14,645	22,747	31,992	43,028
Off-book AUM	6,762	9,961	4,176	7,820
Subsidiary (Managed AUM)	-	-	4,498	6,720
Total Debt	16,301	27,483	38,641	44,112
Net Interest Income <sup>(9)</sup>	1,467	2,687	3,657	5,467
PAT	317	579	249	(34)
PAT (post pref. dividend & minority int.)	308	574	249	(27)
Return on Avg. Assets (RoA) <sup>(10)</sup>	2.0%	2.2%	0.6%	(0.1)
Return on Avg. Equity (RoE) <sup>(11)</sup>	18.6%	22.2%	5.1%	(0.7)
Cost to Income (%) <sup>(12)</sup>	61.6%	59.5%	73.2%	57.9%
CRAR (%) <sup>(13)</sup>	15.7%	16.8%	24.1%	23.7%

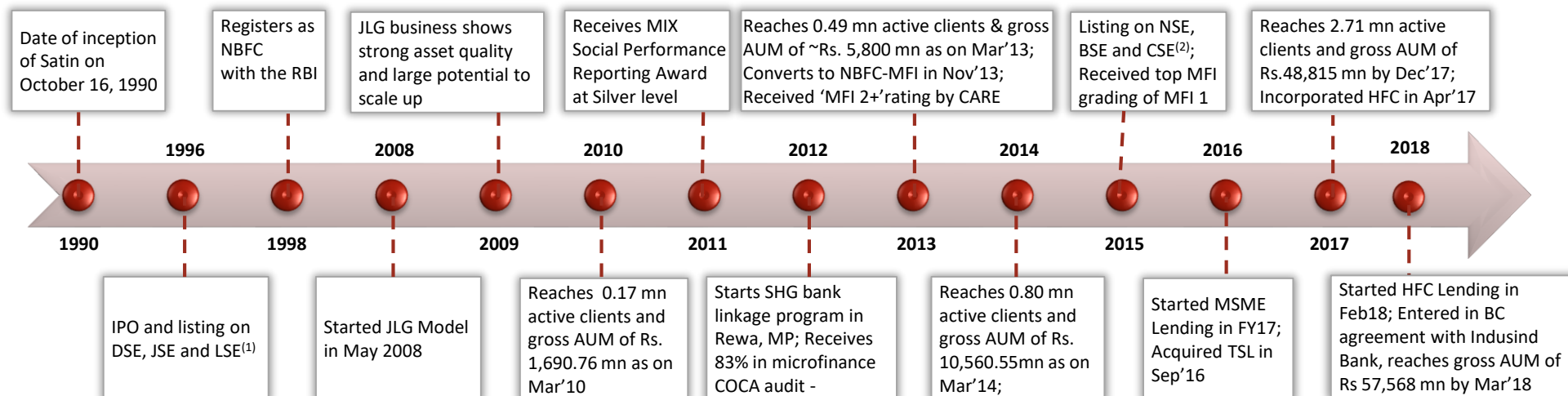
(7) Includes equity share capital, share warrants and reserves and surplus; (8) Including off-book AUM; (9) Represents total income less interest expense; (10) RoA represents ratio of PAT to the Average Total Assets; (11) RoE represents PAT (post Preference Dividend and Minority interest) to the Average Equity (i.e., networth excluding preference share capital); (12) All expenses including depreciation and excluding credit cost and int. exp) / (Total Income less Int exp); (13) CRAR represents above is on Standalone basis.

# Key Milestones

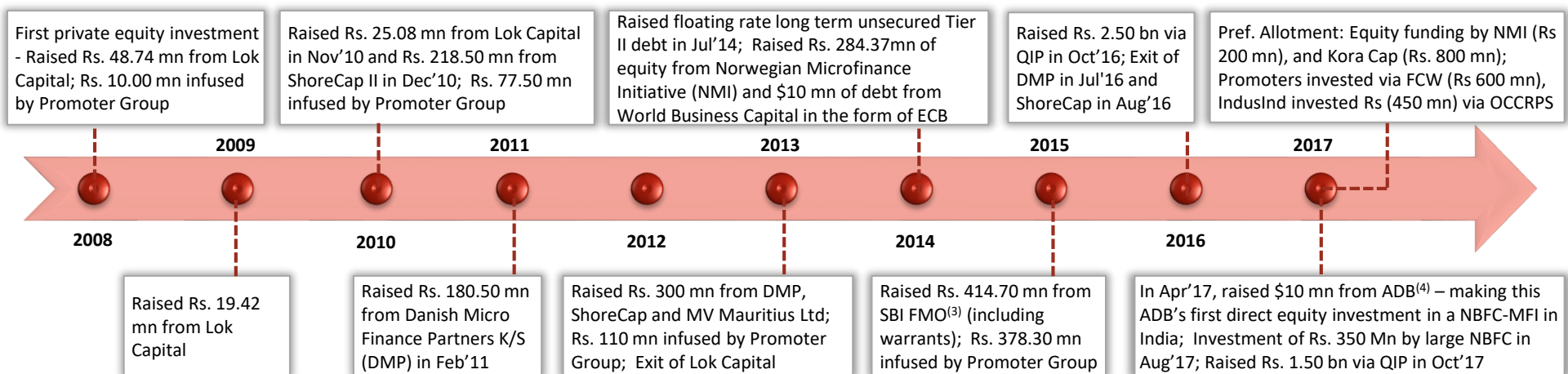
20 years to reach AuM of Rs 100 Cr; next 8 years to reach AuM of Rs 5,000 Cr



## Business Timeline



## Fund Raising Timeline



# Select Accolades & Key Highlights



**First Direct Equity Investment in Microfinance by Asian Development Bank**



**Winner of “Best NBFC-MFI Award” in 2017 & Runner-up for “CSR Initiatives & Business Responsibility Award” in NBFC-MFI category– CIMSME Banking and NBFC Awards 2016**



**“Client Protection Certificate” under the Smart Campaign – 2016 from M-CRIL**



**Certificate for being the ‘Best Micro Finance Company in India’ from Worldwide Achievers at the Business Leaders’ Summit and Awards, 2016**



**“India Iconic Name in Microfinance” Award- 2015 from IIBA**



**First MFI to receive funding from Mudra Bank**



**Raised multiple rounds of sub debt from reputed financial institutions (domestic and international) and ECB from World Business Capital**



**First NBFC-MFI to raise funds from a domestic bank against guarantee by Asian Development Bank and IFMR Capital**

**Award by  
MF Transparency Organization**



**Client Protection Certificate  
Smart Campaign - 2016**



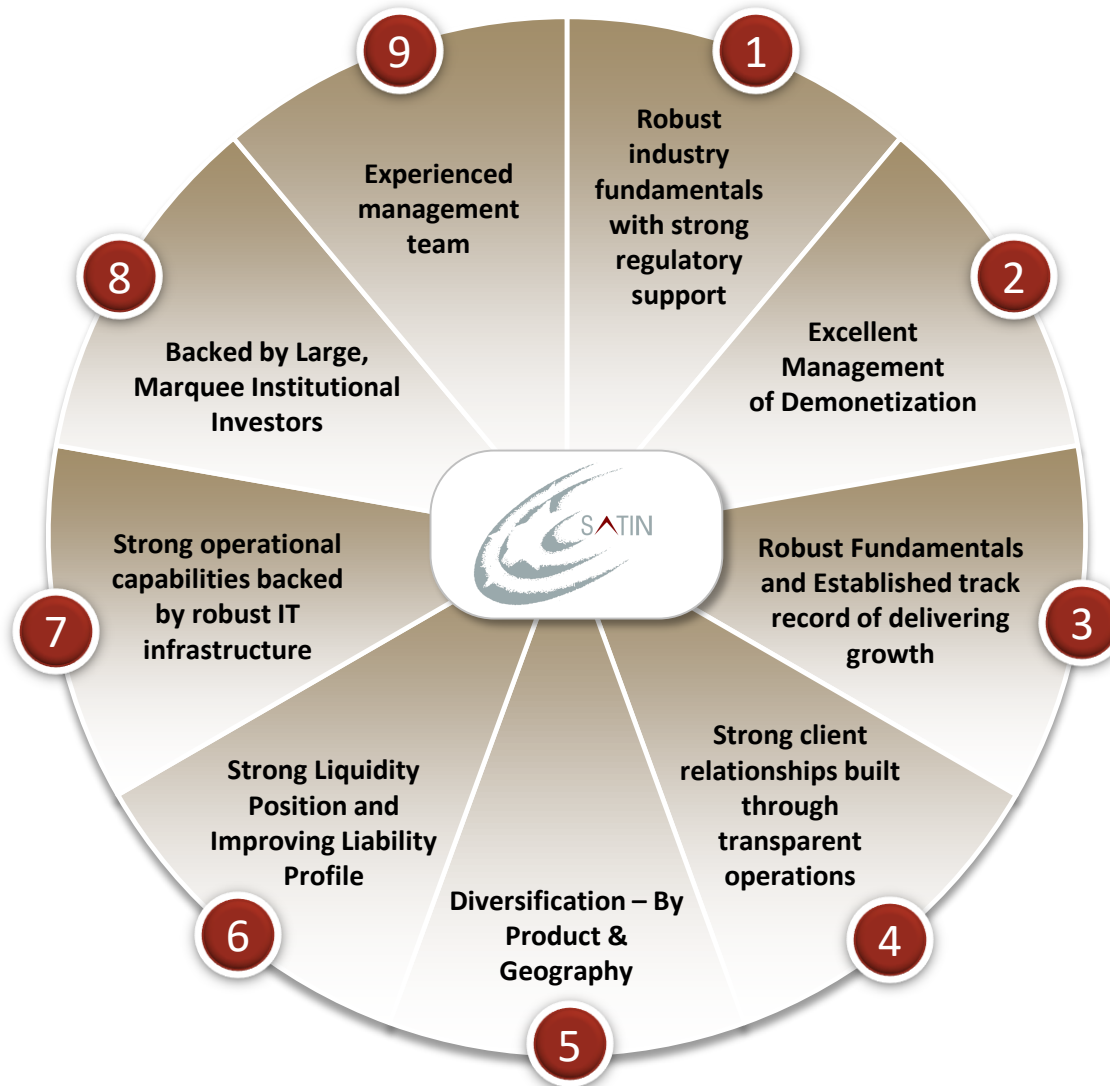
**Award by Microfinance Information Exchange**



## Key Investment Thesis

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# Key Investment Thesis



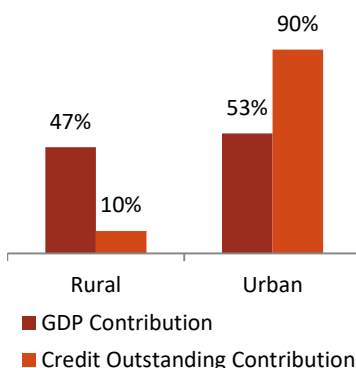
# 1 Robust Industry Fundamentals with Strong Regulatory Support - Growth to Continue



## Industry Snapshot

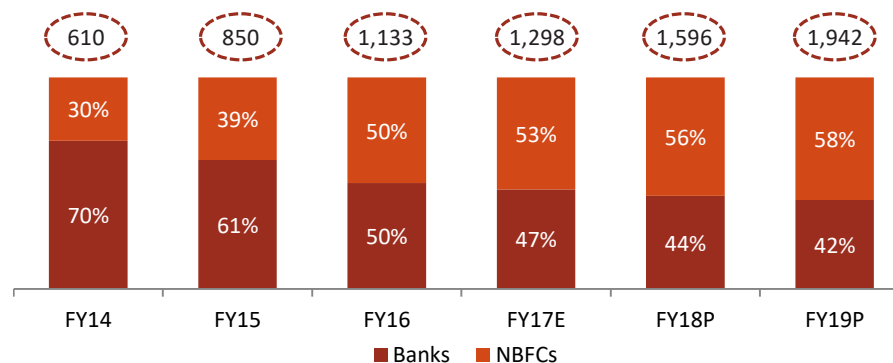
- Massive Govt. thrust to boost financial inclusion - NBFC-MFIs (with 41mn borrowers and outstanding FY17 GLP of Rs. 684 bn) to play a key role in furthering this
- Significant opportunity to capture share from unorganized players will continue to drive MFI industry growth
- Presence across 32 states/union territories
- Yet, it is highly underpenetrated
  - Rural areas accounted for only 10% of overall o/s bank-credit while comprising of 2/3<sup>rd</sup> households and contributing ~47% of FY16 GDP in India

### Low penetration of banking credit in rural areas (FY16)



## NBFCs gaining market share in microfinance industry

### Share of GLP of NBFCs vis-à-vis Banks

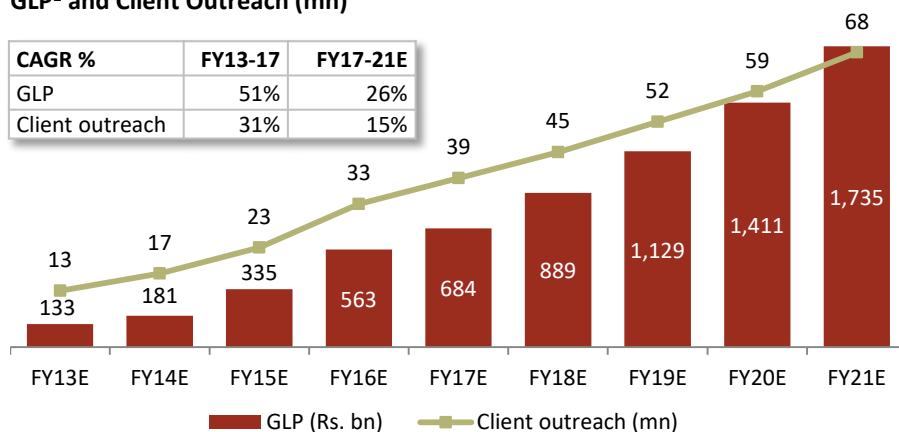


Note: Figure above the bar indicate GLP in Rs. bn

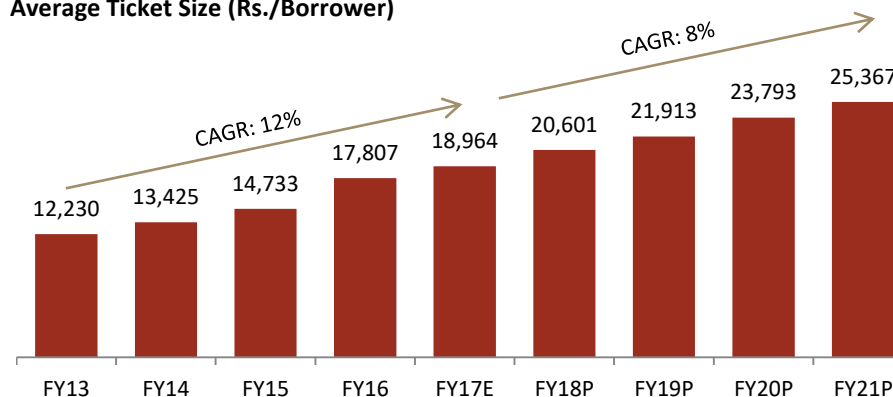
**Sector has witnessed high growth in loan portfolio and client reach; Industry size to cross Rs 1.5 Tn in next 4 years**

### GLP<sup>1</sup> and Client Outreach (mn)

CAGR %	FY13-17	FY17-21E
GLP	51%	26%
Client outreach	31%	15%



### Average Ticket Size (Rs./Borrower)

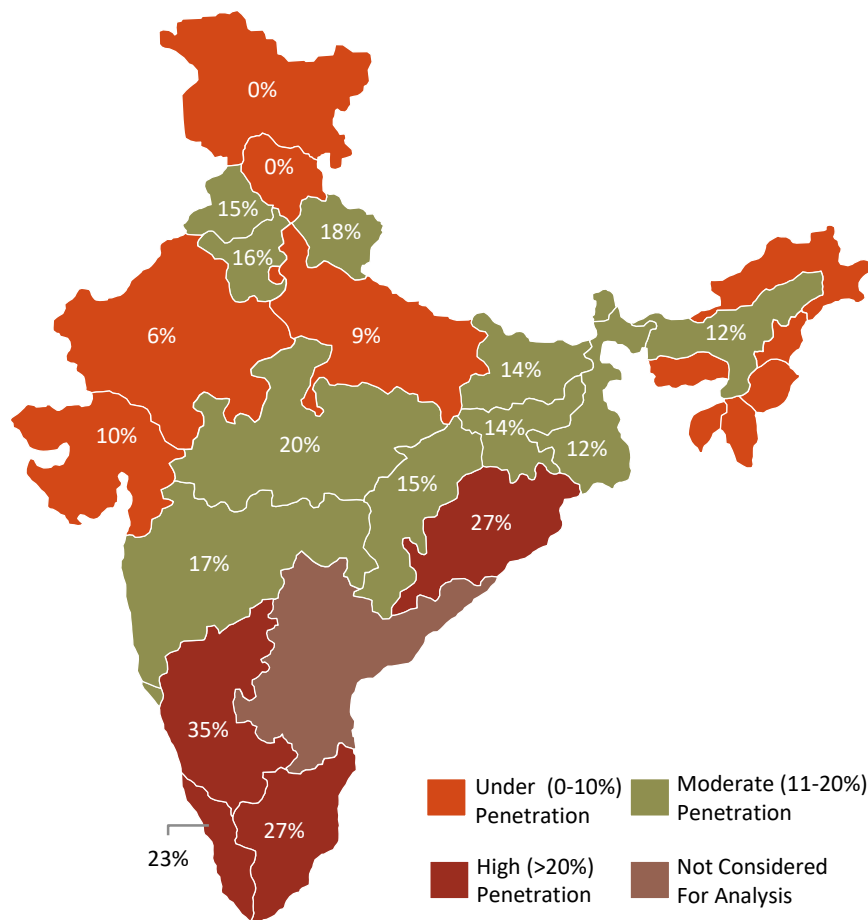


# Low Penetration of MFI in India – Structural Growth Driver



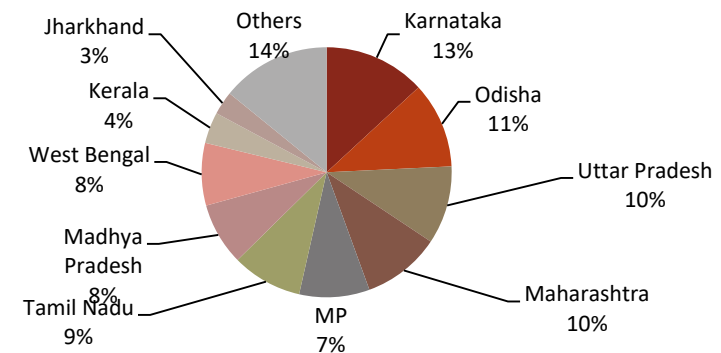
Northern and western states are relatively under penetrated

State-wise MFI penetration data<sup>(1)</sup>



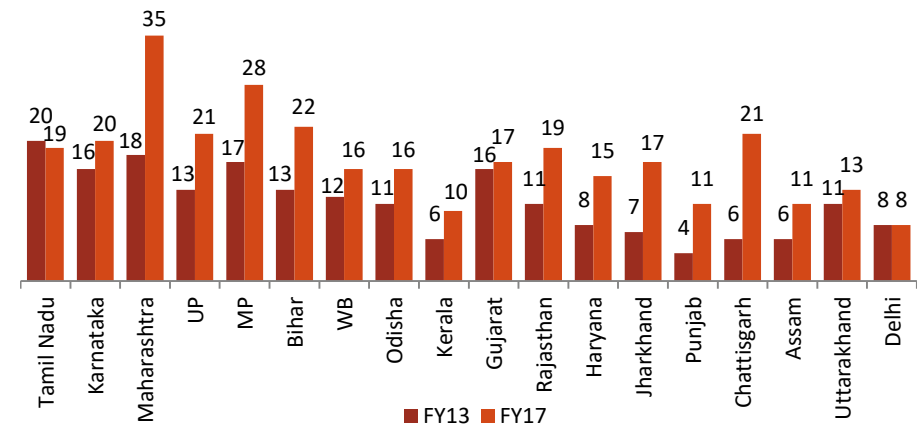
Top 10 states having 86% market share in Dec'2017

Market Share (%)

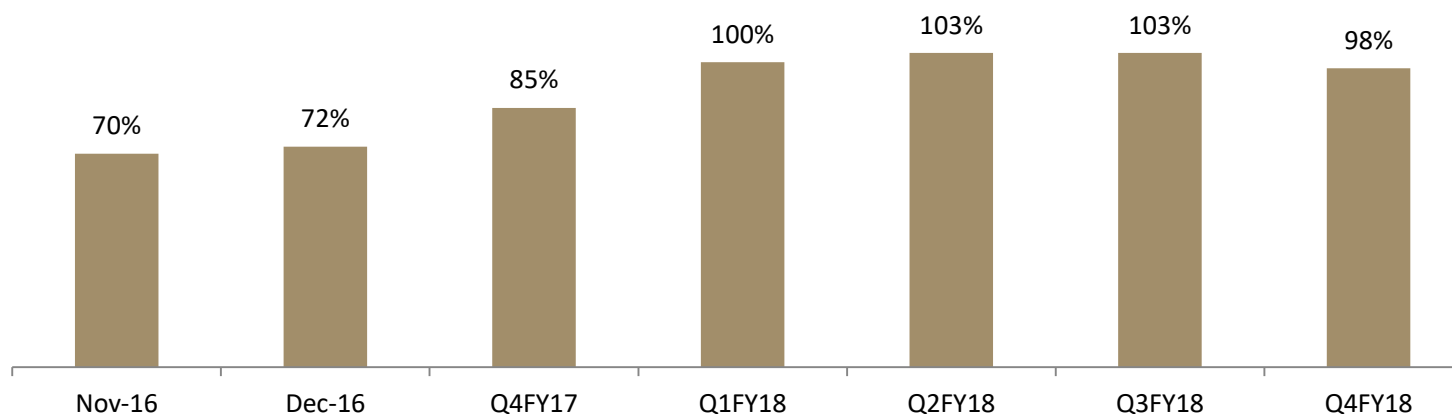


MFIs expanding aggressively, tapping newer states and districts to increase client base

Number of MFI Players in each state/UT in FY17 vis-à-vis FY13<sup>(2)</sup>



### Strong Recovery in Collection Efficiency

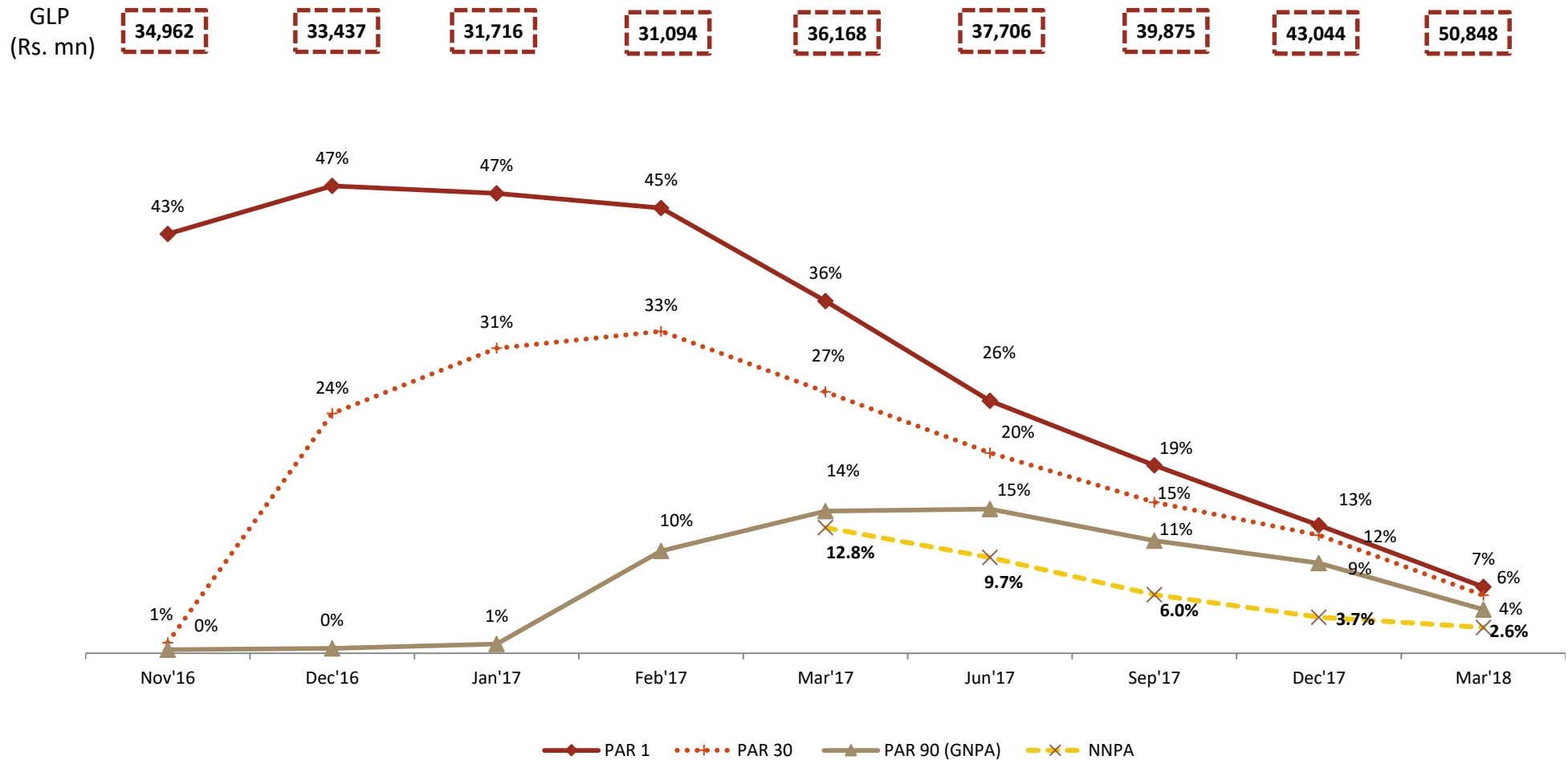


- **Collection Efficiency for Fresh disbursements (from 1<sup>st</sup> Jan 2017 to 31<sup>st</sup> Mar 2018) stood at 98% which constitute 98% of total portfolio**
- **Collection efficiency of newly acquired clients (from 1<sup>st</sup> Jan 2017 to 31<sup>st</sup> Mar 2018) stood at 99.7%**

# ...Leading to Improvement in Portfolio Quality



Gradual improvement in PAR across buckets indicates that the worst is over<sup>(1)</sup>



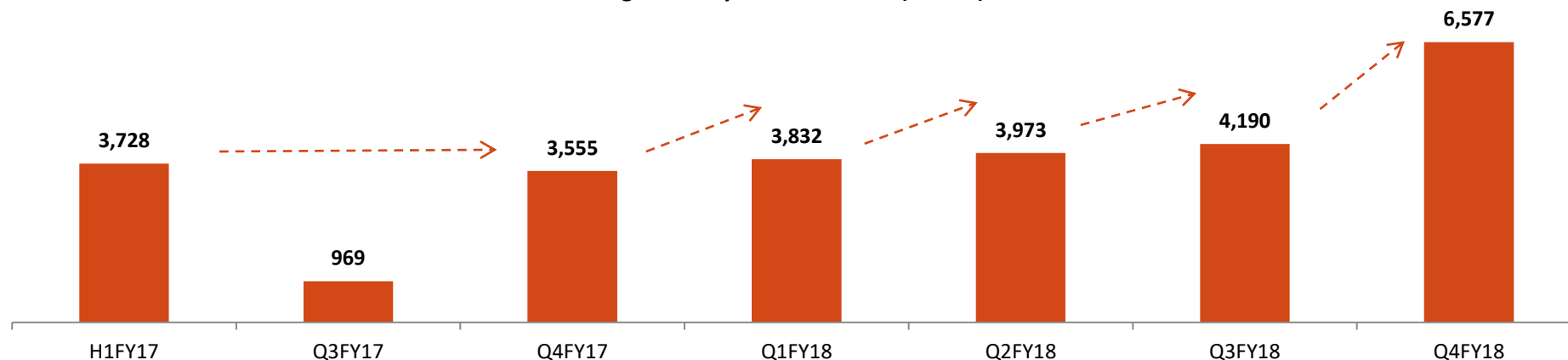
(1) On a standalone basis;  
GNPA and NNPA are on Gross AUM

# Strong Client Demand resulting in Rebound in Disbursements, along with Rapid scaling up of Cashless Disbursements



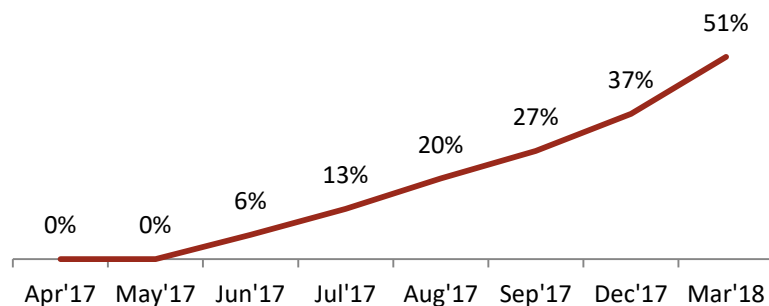
Return to Normal Disbursement Levels from Q4FY17 onwards

Avg. Monthly Disbursements (Rs. mn)

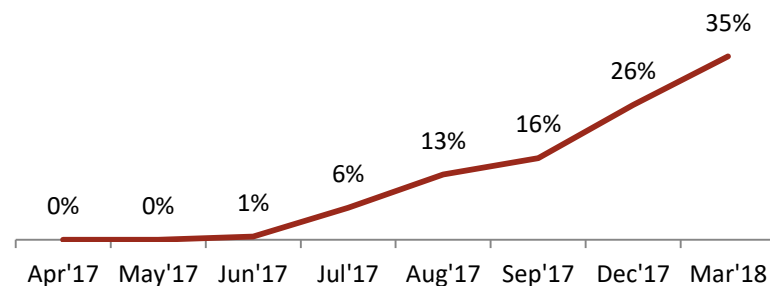


Digitization efforts that were started during demonetization are showing results

% of branches where Cashless disbursements have started\*



Cashless disbursements as % of total disbursements\*

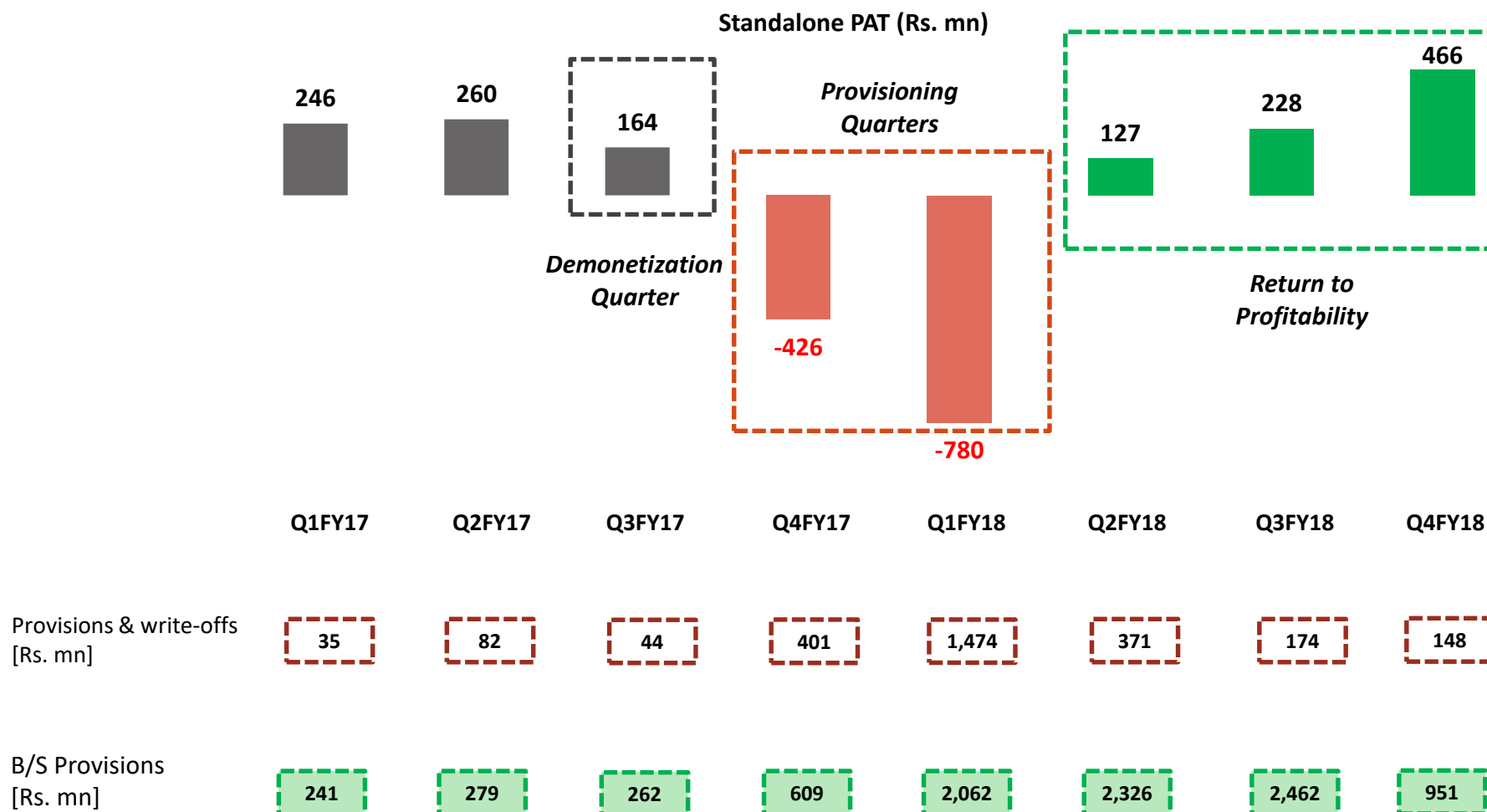


Note: All charts above are on standalone basis; \* Data for microfinance only

### 3 Robust Fundamentals



Satin has effected a swift turn around from Q2FY18<sup>(1)</sup> onwards



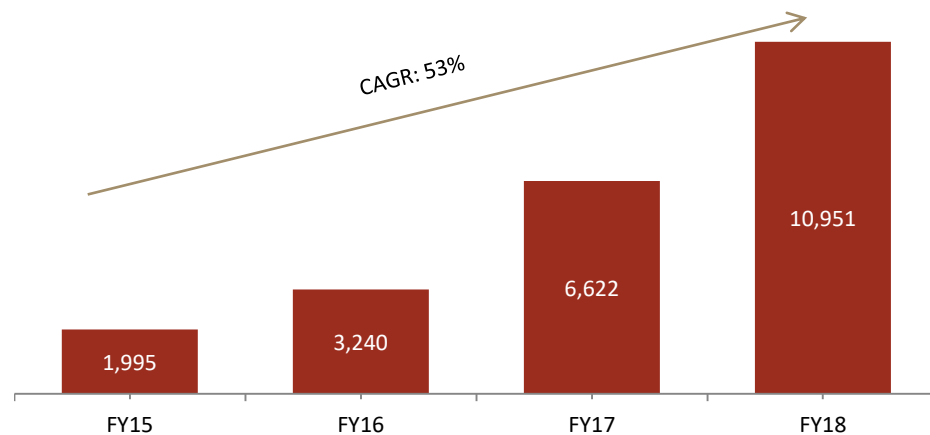
(1) On a standalone basis

# Strong Capitalization

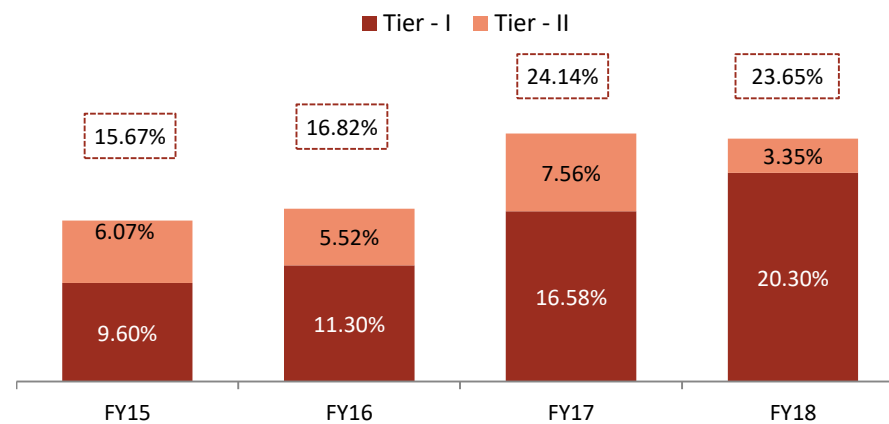


Healthy CRAR to help Capitalize on Growth Opportunities

Net Worth<sup>1</sup> (Rs. Mn)



CRAR (Tier I + Tier II)

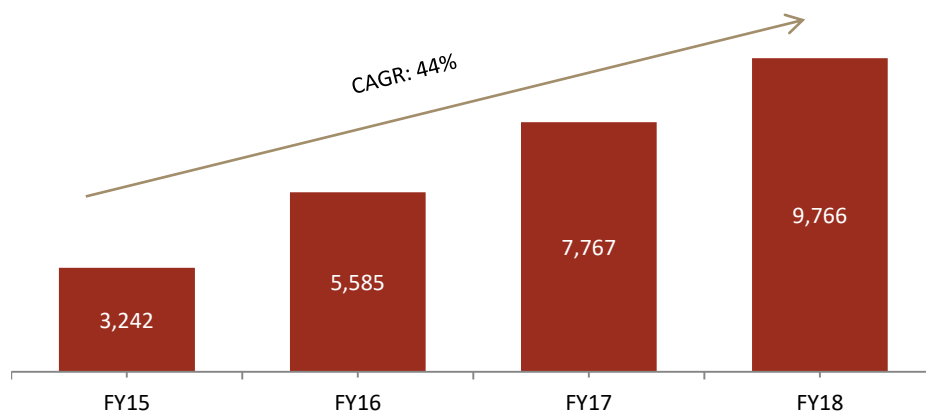


- Business tie-up with IndusInd Bank for business correspondence activities will reduce the capital requirement for business growth

# Track Record of Delivering Growth

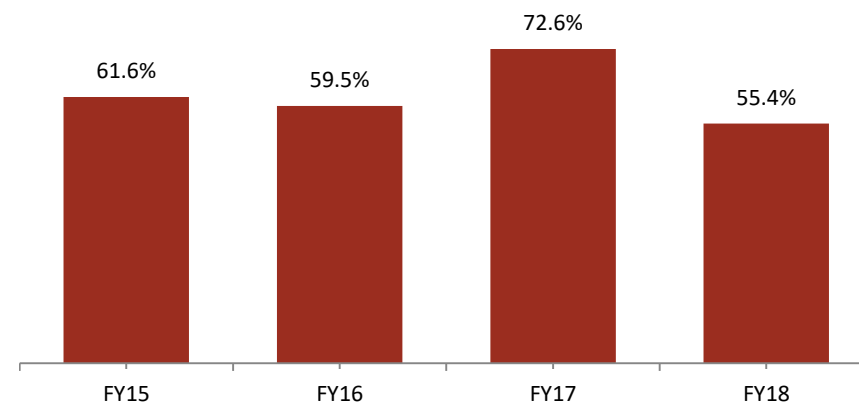


Gross Income (Rs. Mn)

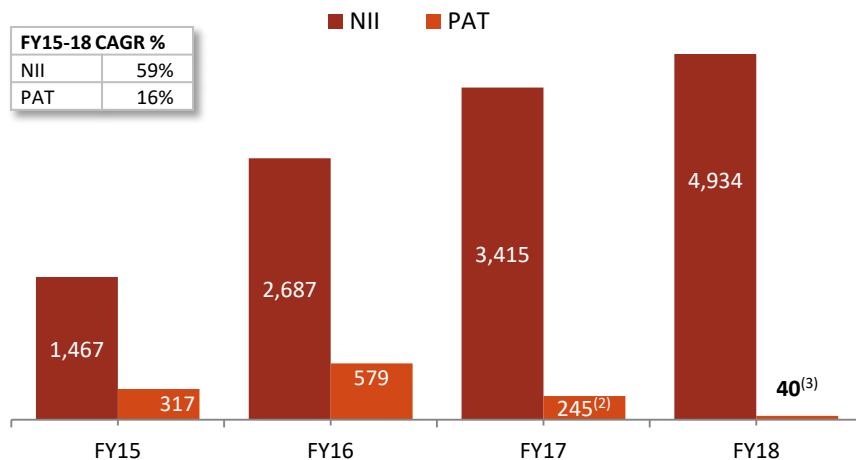


Cost to Income Ratio (%)

■ Cost to Income Ratio

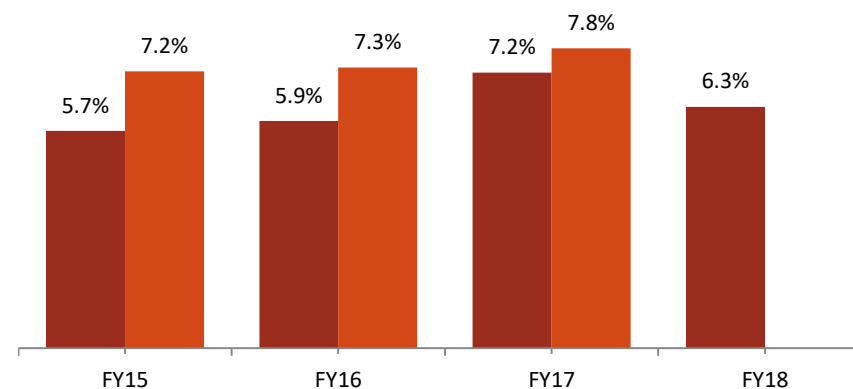


NII<sup>1</sup> and PAT (Rs. mn)



Opex to GLP<sup>4</sup> (%)

■ Satin ■ Industry Average

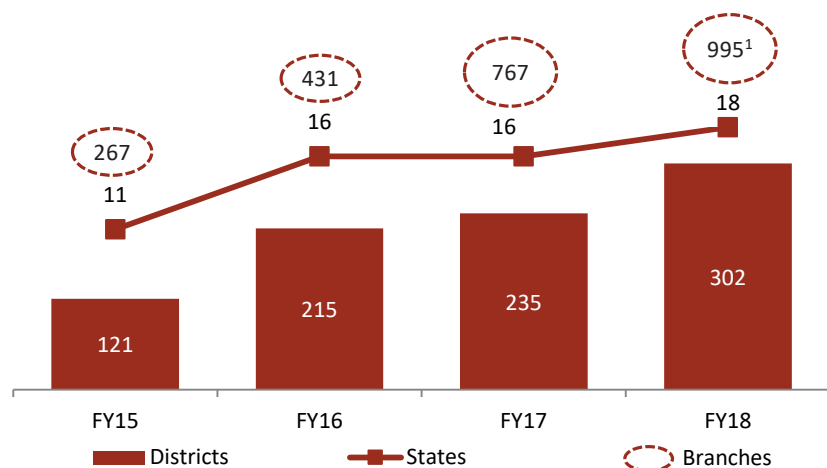


Note: Data on standalone basis; (1) Represents total income less interest expense; (2) Reversal of unrealized interest in FY17 of 307.50 mn and change in provisioning policy resulted in Rs. 259.88 mn of additional provision for FY17 impacting profitability for the year; (3) Provision / W.off's of Rs 2167 on sub-standard/ standard assets have impacted the profitability for the year (4) Source for Industry data – CRISIL Report;

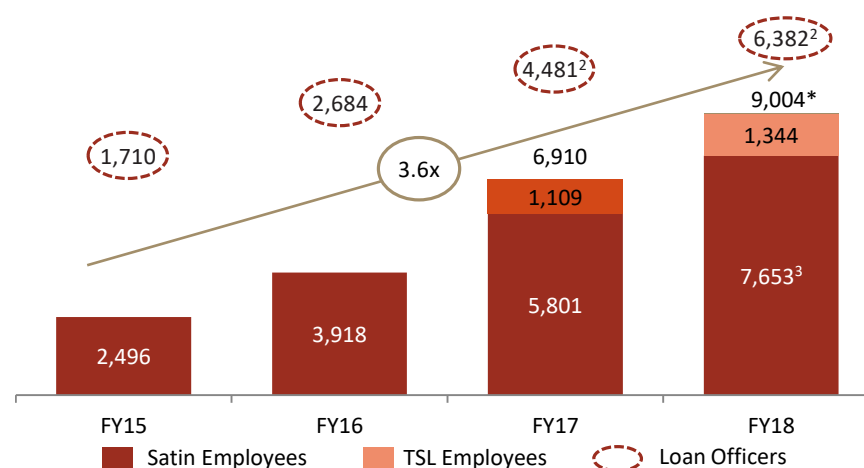
# Operational Highlights (1/3)



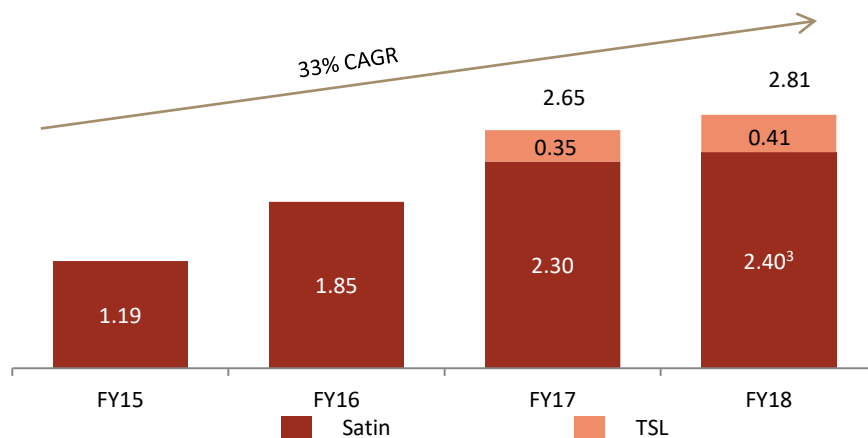
## Districts, States and Branches



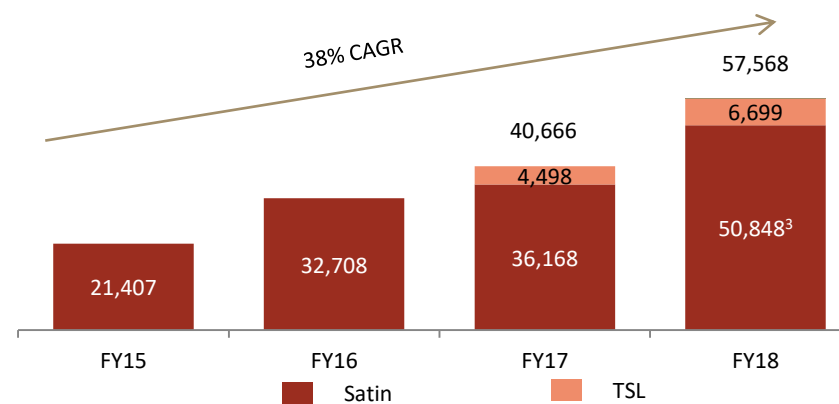
## Employees & Loan Officers



## Active Clients (mn)



## Gross Loan Portfolio (Rs. mn)

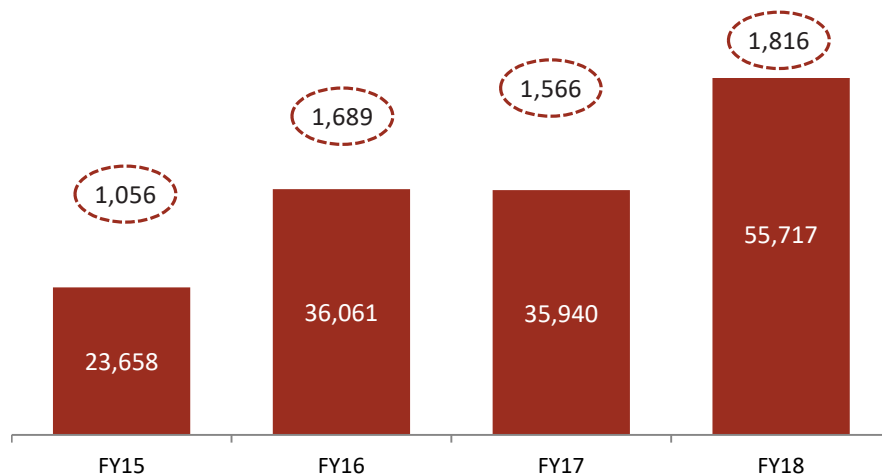


Note: (1) Data on a consolidated basis - On a standalone basis, the number of branches were 809 (FY18); (2) Data on a consolidated basis - On a standalone basis the number of loan officers were 7,653 (FY18)); (3) On standalone basis; (4) Consolidated figures includes Satin Housing Finance Limited figures - As on 31<sup>st</sup> Mar 2018, AUM - Rs 21.11 mn, 7 employees, 1 loan officer & 16 clients

# Operational Highlights (2/3)

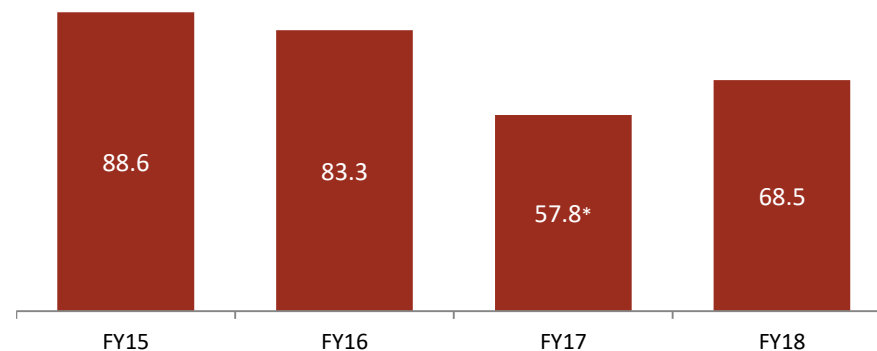


Disbursements<sup>1</sup> (Rs. mn) & No. of Loans<sup>1</sup> ('000)



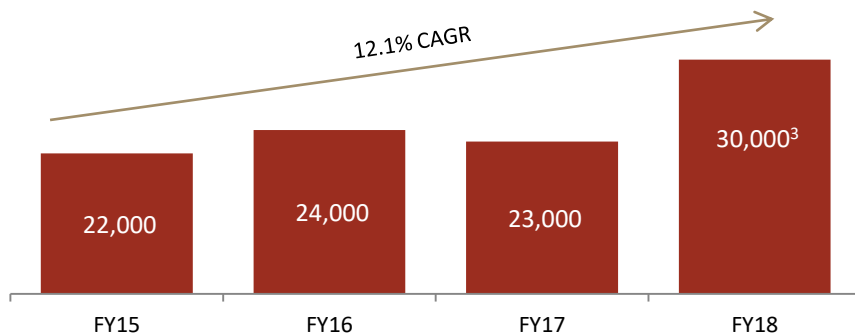
No. of Loans

Disbursement Per Branch<sup>2</sup> (Rs. Mn)

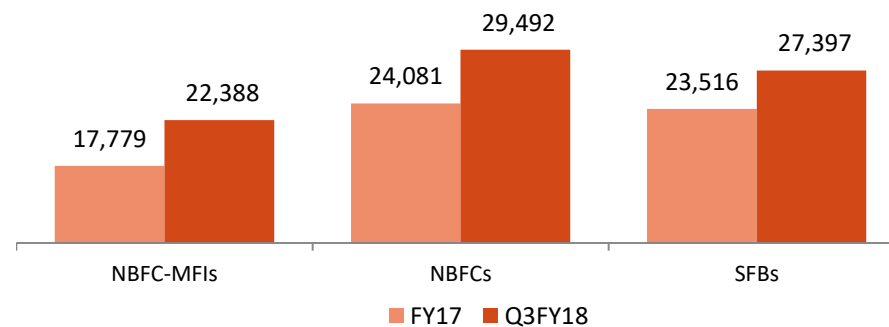


\*Disbursements during FY17 impacted on account of demonetization  
No. of Branches increased from 431 in FY16 to 809 in FY18

Satin JLG loans - Average Ticket Size<sup>3</sup> (Rs)



Industry Average Ticket Size<sup>4</sup> (Rs)

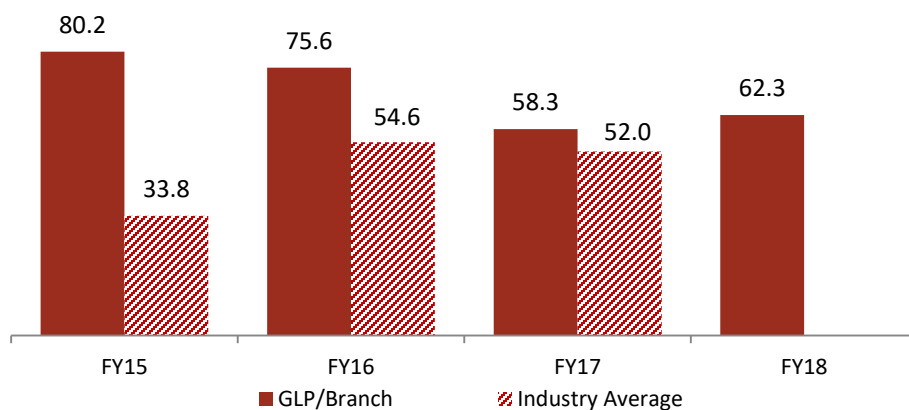


Note: (1) Standalone basis; (2) For MFI lending; (3) TSL's average ticket size was 24,300 (FY18) (4) Source for industry averages is MFIN, Micrometer report

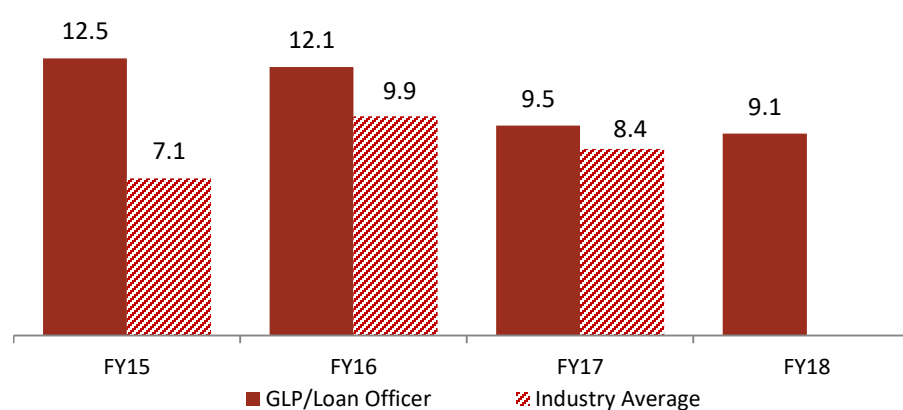
# Operational Highlights (3/3)



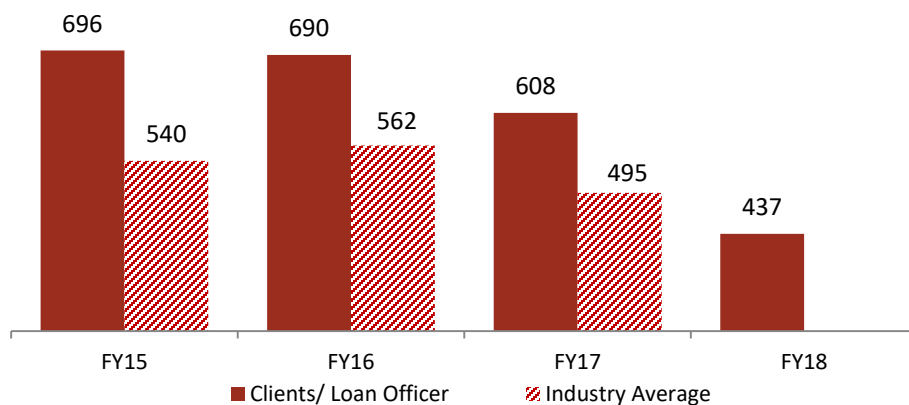
GLP/Branch – MFI Lending<sup>1</sup> (Rs. Mn)



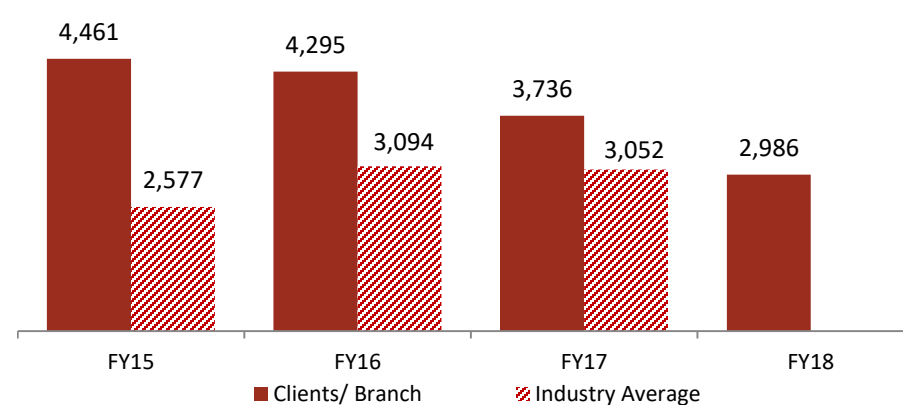
GLP/Loan Officer – MFI Lending<sup>1</sup> (Rs. Mn)



No. of Clients/ Loan Officer – MFI Lending<sup>1</sup>



No. of Clients/ Branch – MFI Lending<sup>1</sup>



(1) On standalone basis for JLG; Note: FY15-17 Industry data from MFIN Micrometer publication - Mar'17,

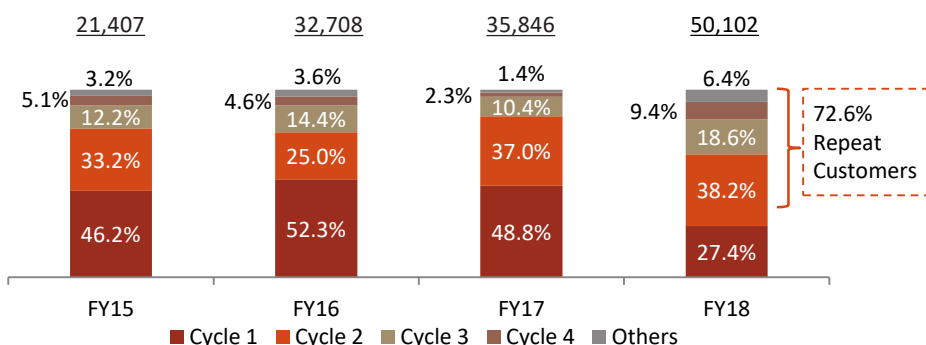
# 4 Strong Client Relationships with Transparent Operations



## Trend in Loan Cycle

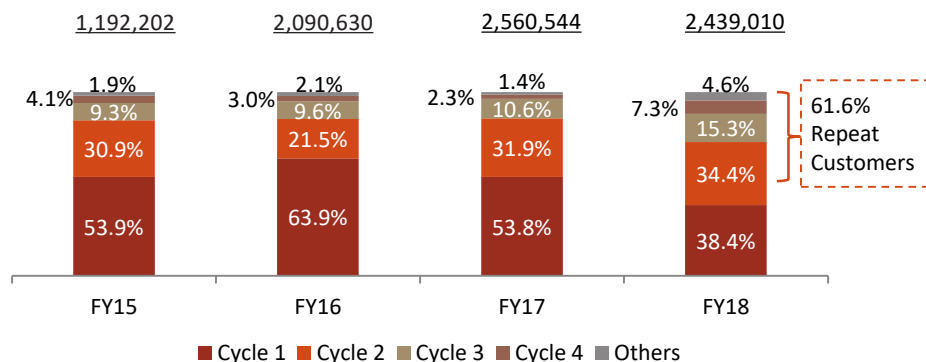
- Focus on further strengthening client relationships - Clients can graduate from being the first cycle borrowers under JLG Model to subsequent loan cycles

By GLP (Rs. mn)



Note: Data above excludes MSME segment

By No. of Loan Accounts



Note: Data above excludes MSME segment

Note: Data on a standalone basis; (1) As on 31 Mar'18

## Transparent Operations

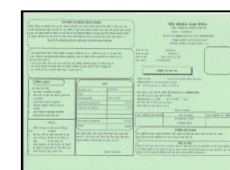
Smart Campaign – Client Protection Certification



Pricing Transparency Award by MF Transparency



Loan Card with transparent terms and conditions



## Strong Internal Audit Processes and Systems ensure portfolio quality

Full fledged in-house Internal Audit department for Group Lending and MSME

### Team Strength

- 5 member supervisory/support team at Head Office and a strong field team
- All branches and regional offices are audited quarterly

### Scope

- Branches – 809<sup>(1)</sup>
- Branches per Internal Audit staff – 8 to 9
- Regional offices – 47<sup>(1)</sup>

Various Audits conducted	Frequency
Branch Audit	Quarterly
Regional Office Audit	Quarterly
Social Audit	Quarterly
Compliance Audit	Varies depending on feedback from other audits

## 5 Diversification – By Product



Existing Product	New Products with Large Target Markets			
 <p><b>MFI</b></p> <p><b>Started in FY09</b></p> <ul style="list-style-type: none"> <li>Total GLP under MFI Lending has reached Rs. 50,102 mn as of Mar'18</li> <li>Presence across 18 states and Union Territories as on Mar'18, with expansion into Orissa &amp; Assam during 1HFY18</li> <li>Active client base stood at ~2.40 mn as of Mar'18</li> </ul>	 <p><b>MSME</b></p> <p><b>Started in FY17</b></p> <ul style="list-style-type: none"> <li>Launched in Apr'16</li> <li>Operations in Delhi/NCR, Punjab, Haryana and Maharashtra</li> <li>As of Mar'18, AUM stood at Rs. 746 mn</li> <li>Operating from 29 branches as of Mar'18</li> </ul>	 <p><b>BC Services</b></p> <p><b>Acquired in FY17</b></p> <ul style="list-style-type: none"> <li>On Sep 1, 2016, Satin acquired a majority stake in TSL which acts as a business correspondent offering both microfinance and small business loans in rural and semi-urban areas</li> <li>184 branches with gross loans aggregating to Rs. 6,699 mn as of Mar'18</li> </ul>	 <p><b>Affordable Housing</b></p> <p><b>Started operations: Feb'18</b></p> <ul style="list-style-type: none"> <li>A wholly-owned subsidiary Housing Finance Company incorporated in Apr'17 for servicing housing loans</li> <li>In Nov'17, received license from NHB to start housing finance business</li> <li>2 branches with gross loans aggregating to Rs 21.11 mn as of Mar'18</li> </ul>	 <p><b>Strategic Tie-Ups</b></p> <p><b>1. Tie-up with IndusInd</b></p> <ul style="list-style-type: none"> <li>To act as BC for MFI products for IndusInd Bank since Dec'17</li> <li>Pilot completed; business being scaled up</li> </ul> <p><b>2. Tie-up with Large NBFC</b></p> <p><b>Pilot Started: Q3FY18</b></p> <ul style="list-style-type: none"> <li>Strategic tie up with large NBFC to distribute its non-MFI financial products</li> <li>Incorporating learnings from the pilot phase</li> </ul>

# Company's Product Mix - MSME started in FY17, has gained traction



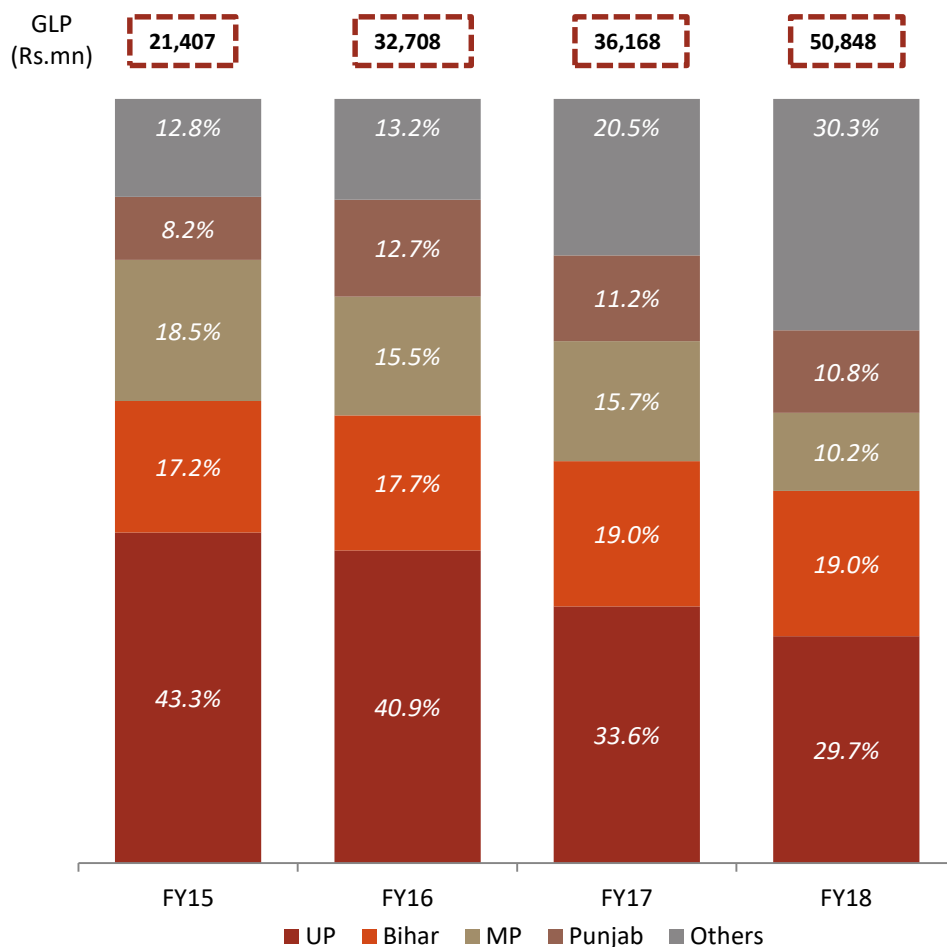
	MFI Segment <sup>(1)</sup>	Non-MFI Segment	Business Correspondent services	Housing Finance
Product features as on Mar'18	MFI Lending	Loans to MSME <sup>(2)</sup>	TSL <sup>(3)</sup>	Satin Housing Finance Ltd <sup>(4)</sup>
Start Date	May'08 (JLG)	Apr'16	May'12 <sup>(3)</sup>	Feb'18
Ticket Size Range	Rs. 5,000 – Rs. 50,000	Rs. 100,000 – Rs. 1,500,000	Rs. 15,000 – Rs. 35,000 (JLG - Microfinance)	Rs 300,000 – Rs 1,500,000
Tenure	12 - 24 months	24 – 60 months	12 - 24 months	24 – 240 months
Frequency of Collection	Bi-Weekly / 2 Bi-Weekly *All new loans are Bi-weekly only	Monthly	Bi-Weekly / 2 Bi-Weekly	Monthly
No. of States/UTs	18	5	8	1
No. of Branches	804*	29*	184	2
Gross Loan Portfolio (Rs. mn)	50,102	746	6,699	21
No. of loan accounts	2,439,010	971	413,913	16
Avg. Ticket Size during FY18	Rs. 30,000 (JLG)	Rs. 870,000	Rs. 24,300	Rs. 1,300,000

**Notes** - (1) As on Mar'18, MFI Segment included MFI Lending (loans under JLG model, water & sanitation loans and loans to individual businesses) and Product Financing (Loans for solar lamps); (2) MSME: Micro, Small & Medium Enterprises; (3) TSL acquisition is effective Sep 1, 2016; (4) Satin Housing Finance Ltd was incorporated on April 17, 2017

# Diversification – By Geography



## Management Focus is on Geographic Diversification<sup>1</sup>



Note: Data on a standalone basis

## Areas of operations – Reducing Geographic concentration

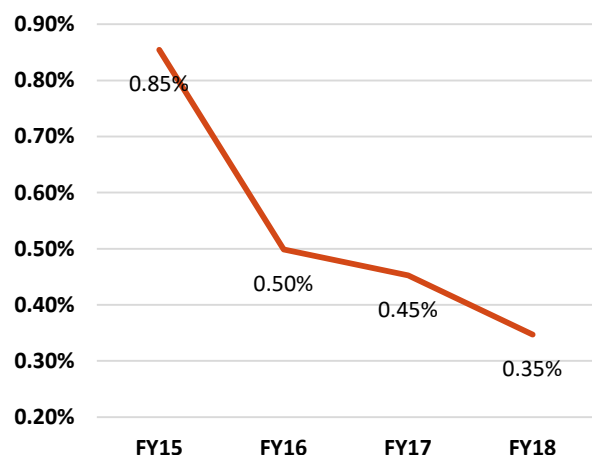
States	GLP - FY18 (Rs. mn)	FY18 % mix	FY15 % mix	Change	FY15 – FY18 CAGR %
Uttar Pradesh	15,109	29.7%	43.3%	↓	18%
Bihar	9,669	19.0%	17.2%	↑	38%
Madhya Pradesh	5,164	10.2%	18.5%	↓	9%
Punjab	5,488	10.8%	8.2%	↑	46%
West Bengal	2,676	5.3%	-	↑	-
Haryana	1,847	3.6%	1.1%	↑	100%
Rajasthan	2,211	4.3%	1.6%	↑	85%
Uttarakhand	1,273	2.5%	4.0%	↓	14%
Maharashtra	1,023	2.0%	0.9%	↑	77%
Assam	2,417	4.8%	-	↑	-
Orissa	1,809	3.6%	-	↑	-
Gujarat	604	1.2%	-	↑	-
Jharkhand	552	1.1%	-	↑	-
Delhi & NCR	414	0.8%	5.1%	↓	(27%)
Chhattisgarh	493	1.0%	-	↑	-
Himachal Pradesh	48	0.1%	-	↑	-
Jammu & Kashmir	49	0.1%	0.1%	↔	23%
Chandigarh	2	0.0%	0.0%	↓	(16%)
<b>Total</b>	<b>50,848</b>	<b>100%</b>	<b>100%</b>		<b>33%</b>

Note: 1. Loan portfolio in each state as a % of Gross Loan Portfolio on a standalone basis

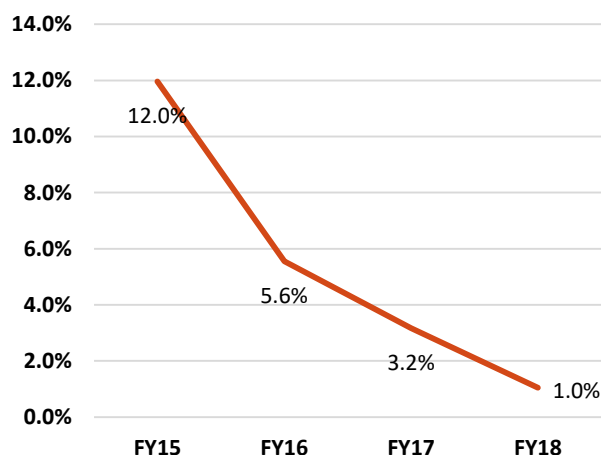
# Diversification – By District



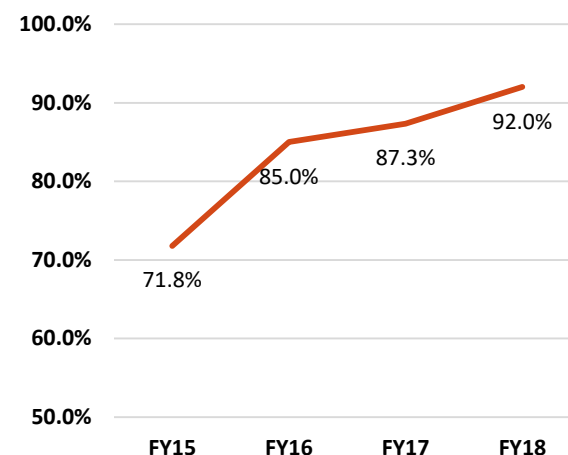
**Average exposure per district %**



**% of Districts with >2% exposure**



**% of Districts with <1% exposure**



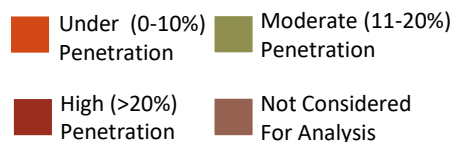
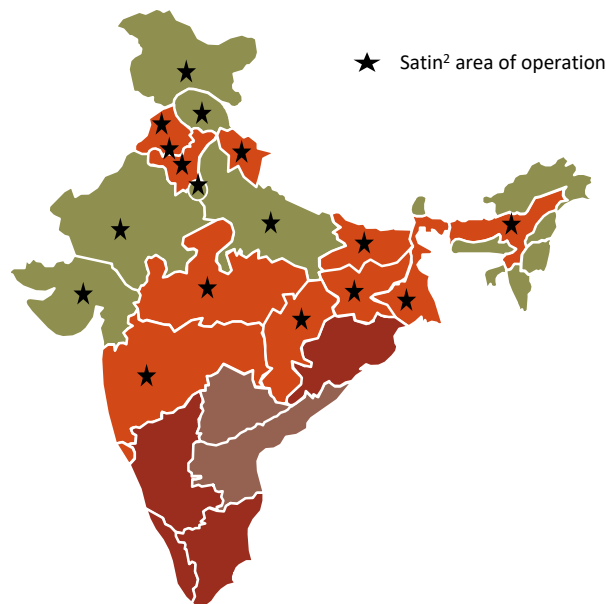
Particulars	FY15			FY16			FY17			FY18		
No. of Districts - JLG	117			180			221			288		
Average exposure per district %	0.85%			0.50%			0.45%			0.35%		
Top 3 district with highest exposure %	J.P.NAGAR	U.P.	5.19%	BULANDSHAHR	U.P.	4.28%	BULANDSHAHR	U.P.	3.59%	BULANDSHAHR	U.P.	3.22%
	GHAZIABAD	U.P.	4.84%	J.P. NAGAR	U.P.	2.62%	SAMASTIPUR	BIHAR	2.68%	SAMASTIPUR	BIHAR	2.47%
	BULANDSAHAR	U.P.	4.35%	BEGUSARAI	BIHAR	2.40%	BEGUSARAI	BIHAR	2.48%	BEGUSARAI	BIHAR	2.38%
% of Districts with <1% exposure	71.8%			85.0%			87.3%			92.0%		
% of Districts with 1-1.5% exposure	12.0%			6.7%			7.2%			4.9%		
% of Districts with 1.5%-2% exposure	4.3%			2.8%			2.3%			2.1%		
% of Districts with >2%	12.0%			5.6%			3.2%			1.0%		

# Strong Presence in Underpenetrated MFI Regions



## Satin is Present Predominantly in States of Low MFI Penetration

- With presence in 18 states<sup>1</sup>, Satin is steadily building a pan India presence
- Established presence in underserved geographies leading to significant growth opportunities
- Further strengthening presence in underserved geographies through acquisition of TSL



## Top States with Highest MFI Client Concentration

Region	MFI Clients FY17 <sup>3</sup> (Lakh)	Population FY17 <sup>4</sup> (Cr)	MFI penetration FY17 <sup>5</sup> (%)	Satin's market share FY18 <sup>6,8</sup>	YoY growth % FY17 <sup>7,8</sup> (Industry GLP)	Satin YoY Growth % FY17	Q4FY18 GLP <sup>2</sup> (Rs. mn)	Q4FY18 GLP% mix
Tamil Nadu	31	8	27%	-	60.3%	-	-	-
Karnataka	36	6	35%	-	24.1%	-	-	-
Kerala	7	3	23%	-	68.5%	-	-	-
UP	32	22	9%	34.6%	0.5%	24.26%	15,109	29.7%
Bihar	22	12	14%	24.0%	53.6%	40.68%	9,669	19.0%
MP	25	7	20%	14.6%	11.1%	(8.99%)	5,164	10.2%
Punjab	7	3	15%	51.4%	29.3%	35.92%	5,488	10.8%
West Bengal	17	9	12%	8.3%	51.3%	649.94%	2,696	5.3%
Haryana	6	3	16%	25.5%	20.4%	29.64%	1,847	3.6%
Rajasthan	7	8	6%	19.2%	18.4%	63.58%	2,211	4.3%
Uttarakhand	3	1	18%	38.9%	(6.9%)	20.48%	1,273	2.5%
Maharashtra	28	12	17%	2.5%	20.4%	4.37%	1,023	2.0%
Assam	7	3	12%	34.4%	60.4%	-	2,417	4.8%
Orissa	20	5	27%	3.9%	32.4%	-	1,809	3.6%
Gujarat	10	7	10%	9.0%	15.2%	4.76%	604	1.2%
Jharkhand	7	3	14%	4.5%	50.1%	(24.72%)	552	1.1%
Delhi	1	2	-	51.1%	(24.2%)	5.51%	414	0.8%
Chhattisgarh	7	3	15%	5.0%	36.2%	5.70%	493	1.0%
Himachal Pradesh	-	1	-	-	-	3.09%	48	0.1%
J & K	-	1	-	-	-	45.25%	49	0.1%
Chandigarh	-	0	-	-	-	(63.55%)	2	0.0%

## Satin States of Operations

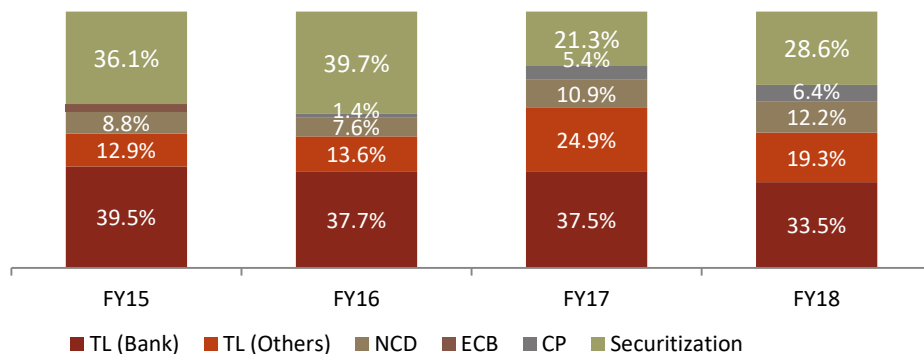
- Satin is present mostly in states of low MFI penetration
- It has significant presence in under-penetrated and high growing markets

## 6 Improving Liability Profile and Strong Liquidity Position



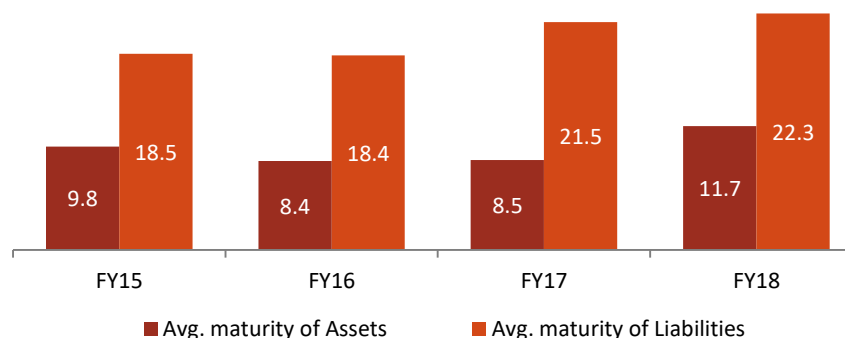
### Diversification of funding mix

Source of debt funds raised during the period



### Benefit of positive ALM continues

ALM (No. of Months)<sup>1</sup>

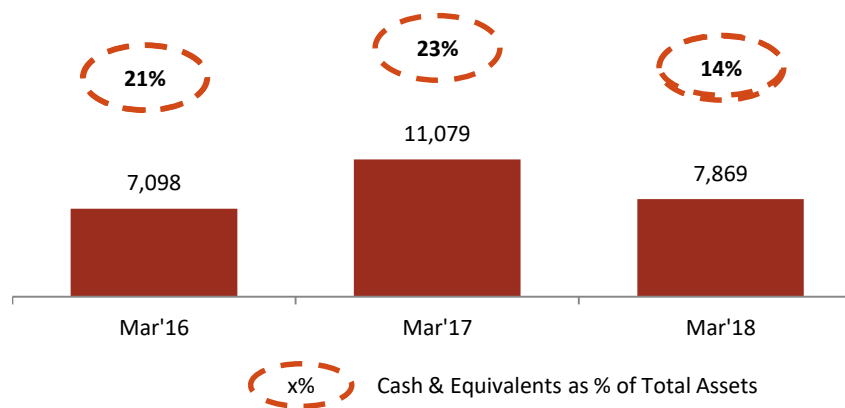


### Diversified sources of on-Balance Sheet Debt Funds

Top 10 Lenders - basis on-Balance Sheet debt funds	Share (%) as on 31 Mar 2018
NABARD	11%
Bandhan Bank Limited	8%
Indostar Capital Finance Limited	5%
HSBC	5%
responsAbility	3%
Mahindra & Mahindra Financial Services Limited	3%
MAS Financial Services Limited	3%
AAV S.A.R.L	2%
IndusInd Bank	2%
Northern Arc Capital Limited	2%
<b>Top 10 lenders</b>	<b>44%</b>

### Strong Liquidity Position to Sustain Growth

Liquidity<sup>2</sup> (Rs. mn)



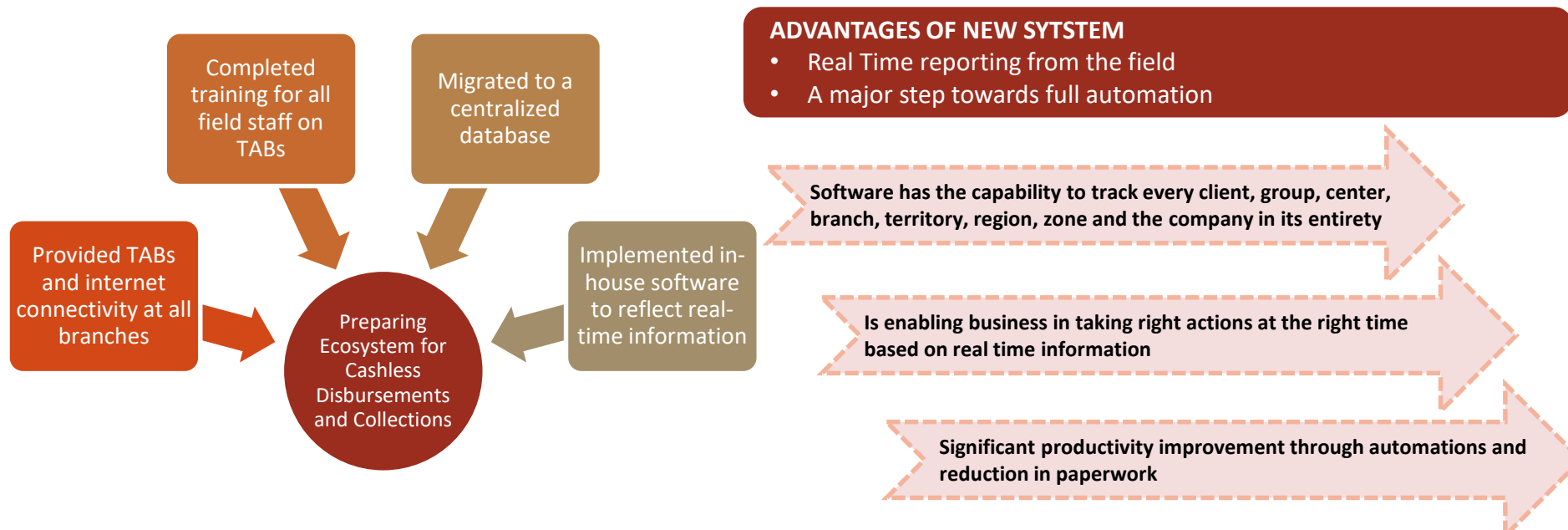
Note: All data on a standalone basis unless stated otherwise

(1) ALM data excludes Securitized & Assignment portfolio ; (2) Includes cash on hand, bank balance in current accounts and term deposits with maturity up to 1 year

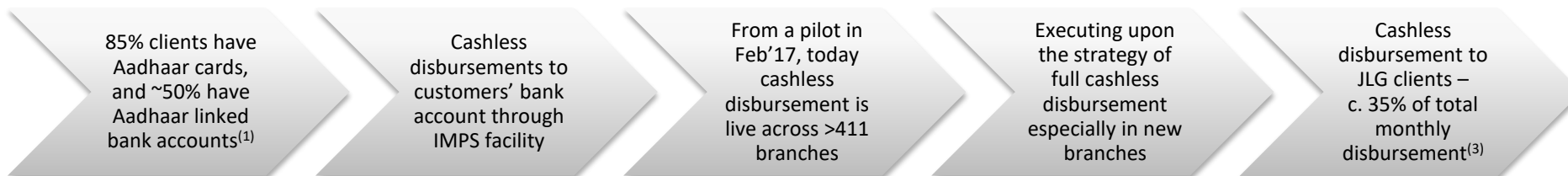
## 7 Operational Capabilities Backed by Robust IT Infrastructure



Digital transformation implemented across all branches in less than 3 months (From 21 Apr'17 to 03 Jul'17)



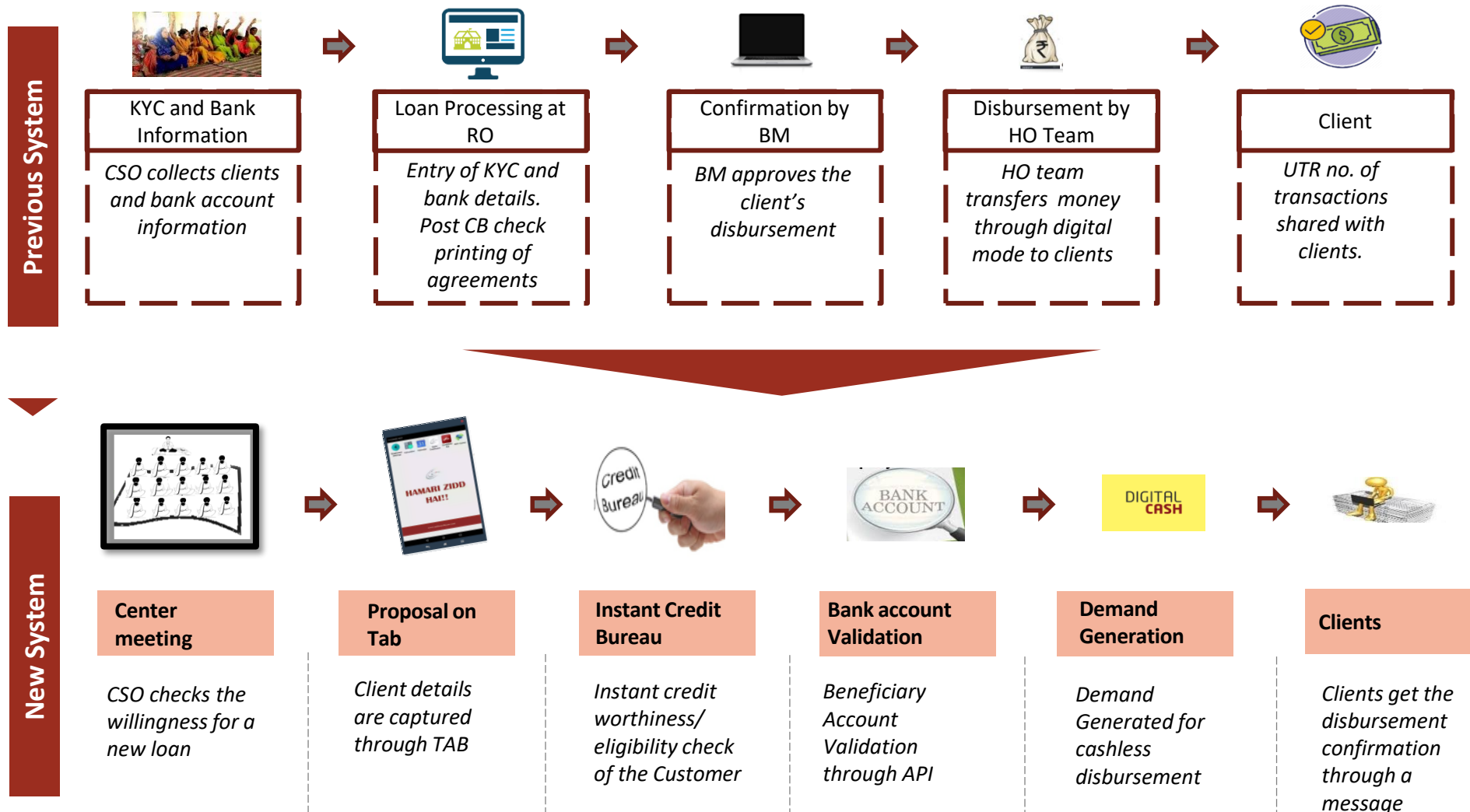
### Cashless Disbursements Strategy



# Technology Revamp– To help realize operational efficiencies



Significant reduction in disbursement turnaround time to existing customers post migration to new system

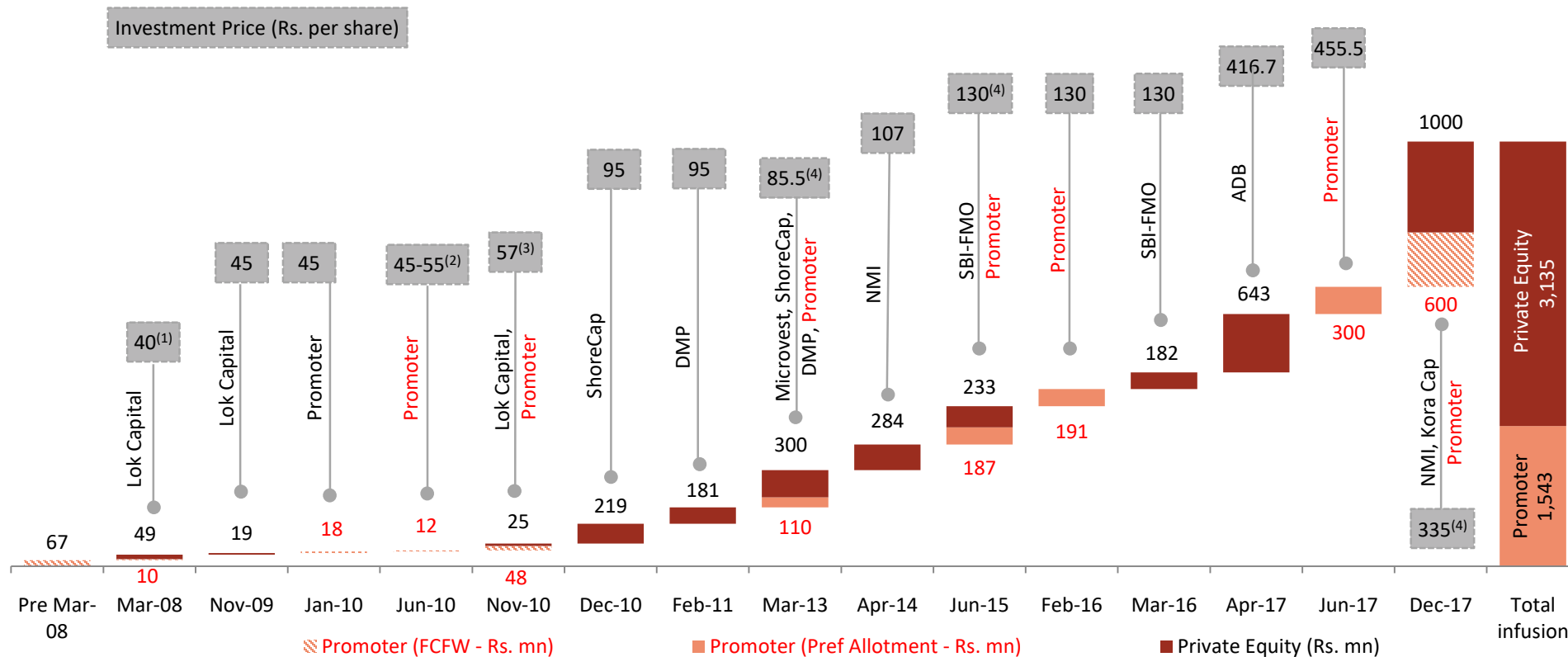


## Investor confidence

- 7 rounds of equity capital raise with marquee investors with complete profitable exits to 3 investors
- Raised Rs. 2,500 mn from marquee institutions via QIP in Oct 2016. Further raised Rs. 1,500 mn in Oct 2017 via QIP from large domestic mutual funds.
- Adequate board representation – There are 4 Nominee Directors on the board representing the Investors
- Promoter stake in Satin is the highest among listed MFIs having invested at regular intervals at par with incoming PE investors

## Promoter Commitment

### Private Equity Financing Rounds supported by Promoters Investing at Par with Incoming PE investors (Rs. mn)



Note: Each funding round is flagged with Issue Share Price in Rs.; (1) Issue price for Lok Capital of Rs. 40, and Issue price for Promoter of Rs. 10; (2) Rs. 5 mn investment at issue price of Rs. 45, and Rs. 6.7 mn investment at issue price of Rs. 55; (3) Issue price for Lok Capital: Rs. 57, Issue price for Promoter: Rs. 55; (4) Same Issue price for PE investor and Promoter;



**Mr. HP Singh**, Chairman cum Managing Director

- Has over 3 decade of retail microfinance experience
- Law graduate and a fellow of the Institute of Chartered Accountants of India since 1984



**Mr. Sanjeev Vij**, CEO, Taraashna Services Limited

- 27 years of experience having previously worked at Tata Motor Finance Sols., Bajaj Finance, RBS, Citicorp Finance India Limited, Alpico Finance, 20th Century Finance etc.
- Rank holder Chartered Accountant, Bachelor of Commerce and Master of Commerce degrees from University of Delhi



**Mr. Jugal Kataria** Chief Financial Officer

- Cost Accountant, Chartered Accountant and Company Secretary along with 25+ years of experience in the field of accounts, finance, audit, taxation and compliance etc.
- Worked with Apollo Tyres Limited, Berger Paints (India) Limited before joining SCNL in 2000.



**Mr. Amit Sharma**, CEO, Satin Housing Finance Limited

- 15+ years of experience having previously worked at Karvy, Religare Group, P.N.Vijay Financial Services, Abhipra Capital and the Association of National Exchange Members of India
- CS from ICSI, B.Com (Hons) and LLB from Delhi University, DIFC (Dubai) Certification



**Mr. Dev Verma**, Chief Operating Officer

- 15+ years of experience in various industries
- Worked National Panasonic India Ltd, Citi Financial Consumer Finance India Ltd, Max Life Insurance and SKS Microfinance



**Mr. Subir Roy Chowdhury**, Head - Human Resources

- Experience of 17 years in HR functions
- Previously worked with Magma Fincorp, ICICI Securities Ltd, ICICI Prudential Life Insurance Company Ltd, Magma Leasing Ltd, Wacker Metroark Chemicals Ltd. and Kotak Securities.



**Mr. Sanjay Mahajan**, Chief Information Officer

- Experience of over 25 years in Information Technology across the Globe
- Previously worked with Bata International Group, Yum Restaurants, Procter & Gamble for India & Singapore, Gillette India Ltd., Eicher Tractors Limited



**Mr. Ashish Chandorkar**, Business Head - SME

- Experience of 20 years in NBFC, Housing Finance & MFI
- Previously worked with Citi Group, Chola Mandalam DBS, Tata Capital, ICICI Securities and Svasti Microfinance.
- MBA – Marketing, Indore University

## Future Business Strategy

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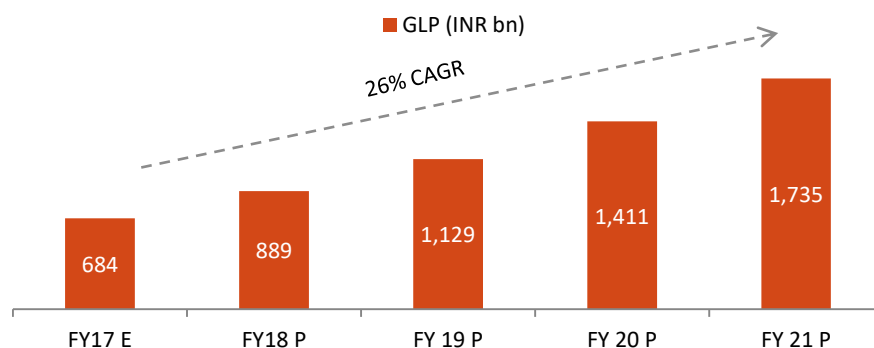
# Future Business Strategy



## Core operations (MFI Lending)

### Market size<sup>(1)</sup>

Rs. 684 bn market; expected to grow at 26% CAGR over next 4 years



- Focus on improving collections and GLP growth momentum
- Geographic diversification – Broad base operations and reduce any geographic concentration in states such as Uttar Pradesh
- Increase penetration in existing states – through existing branches and by establishing new branches across Northern, Eastern and Central India
- Expand operations to new geographies
  - Started operations in Assam and Orissa in Q1FY18 and Q2FY18 respectively
- Scale up BC operations with IndusInd Bank to ensure smooth availability of funds and reduce capital requirement

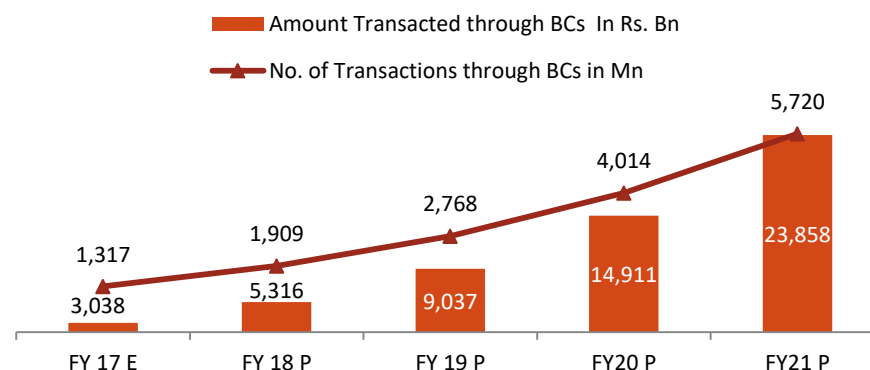
## New Products

### Product Financing

- Continue to explore product financing of need based items relevant to company's existing clients by innovating and designing new products for them

### BC Operations and Allied Services

#### Market size



- In Aug'16, Satin acquired majority stake in TSL for Rs. 497.86 Mn under a share-swap arrangement with a view to leverage on its expertise in financial sector and diversify revenue stream to include fee income
- TSL seeks to enter into arrangements with various other banks and financial institutions to scale the business correspondent and allied services business

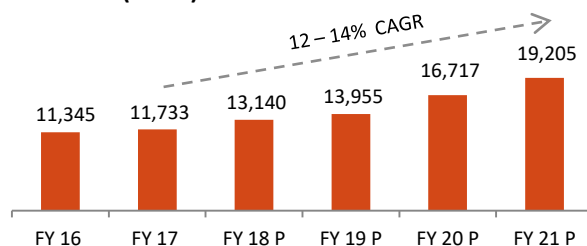
# Future Business Strategy



## New Products

### MSME

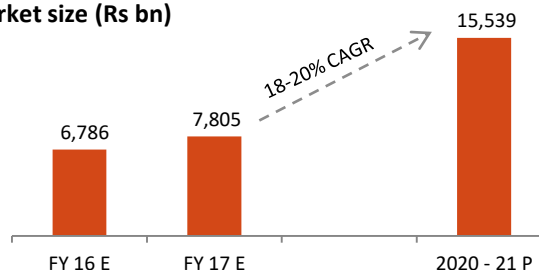
Market size (Rs bn)



- Expand operations to new geographies – Presently operating in Delhi NCR, Haryana, Punjab and Maharashtra
- Focus on portfolio quality

### Housing Finance

Market size (Rs bn)



- Aspire to be a niche housing finance player in tier II, III and IV cities and towns
- Focus on portfolio quality

### Large NBFC Tie Up

- Strategic tie up with large NBFC to distribute its non-MFI financial products across the branch network of Satin
- Focus on non-microfinance products as a part of the strategic tie-up

## Focus on Digital Transformation



Real Time Tracking



Cashless Disbursement



Cashless Collection



IT Infrastructure



Risk Management

- Key technological initiatives include e-KYC authentication, digitization of client supporting documents, visibility of client's credit history, biometric authentication, real-time integration with credit agencies, centralized repository of information, integration of employee management and HR system, etc.
- Partnered with ItzCash and Mimo to move towards cashless collections

## Conclusion

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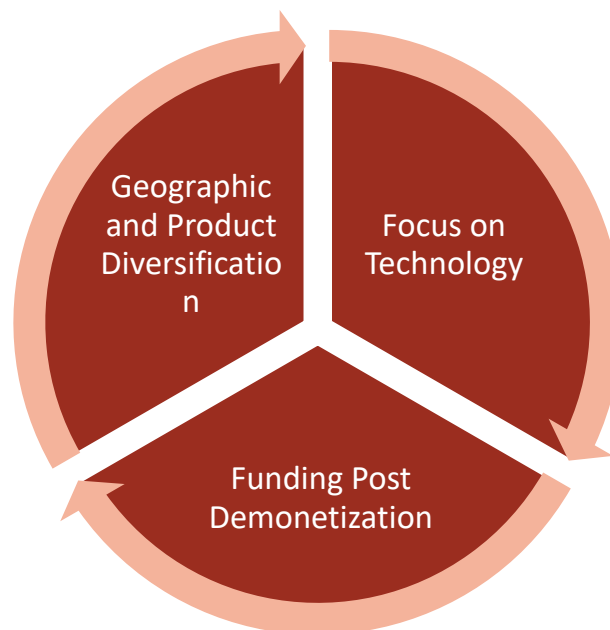
# Shaping up of a Future ready Business model



*While the industry was grappling with collections and significant portion of our AUM was in affected geographies, our efforts persisted on several other fronts*

## Focus on Product Portfolio

- Satin Housing Finance, incorporated in Apr'17, disbursed its first loan Feb'18 – Focus is on monetization of rural assets. Satin Housing Finance had received the NHB license in Nov'17.
- Collection efficiency of newly acquired clients since Jan'17 is at 99.7%
- Tied up with IndusInd in Q3FY18 for Microfinance loan products
  - To spur growth in microfinance portfolio and ease capital adequacy requirement
- MSME is scaling up well with focus on secured financing and high portfolio quality
- Recent tie up with a large NBFC – Pilot started in Q3FY18. Access to a significantly larger balance sheet (c. 3% equity stake in the form of OCRPS)
  - With this strategic tie-up, product portfolio will expand to products other than microfinance
- Average monthly disbursement has increased to Rs 6,577 <sup>(1)</sup>mn as compared to Rs 4190 mn as on previous quarter
- All fresh JLG disbursement is Bi-weekly. Mix of monthly collections in our AUM has reduced from 33%<sup>(1)</sup> at the time of Demonetization (Nov'16) to ~1% today



## Investor Confidence and Promoter Commitment

- During FY18, Satin<sup>(1)</sup> has raised:
  - Rs. 38,879 Mn via Term Loans from banks & FIs, Non-convertible debentures, commercial paper and securitization transactions
  - Rs 3593 Mn by way of equity shares and convertible warrants from the promoters, ADB, NMI, Kora Investments etc
  - Rs 800 mn via issue of optionally convertible cumulative redeemable preference shares from IndusInd Bank and a leading NBFC

## Technology revamp leading to operational efficiencies

- Saved significant cost by building technology in-house vs. buying off-the-shelf
- Digital transformation implemented across all branches in less than 3 months (From 21 Apr'17 to 03 Jul'17)
  - Real time reporting and decision making
  - Complete last mile connectivity across all branches and upto each loan officer
  - All loan officers have TABs with data connectivity
- Cost to income reduced to 55% from 72% in FY17<sup>(1)</sup> due to operational efficiencies
- Cashless disbursements is at 35%<sup>(1)</sup> of total disbursements in Mar'18

## Geographic Expansion

- Started operations in two more states post demonetization
  - Assam in Q1FY18 and Orissa in Q2FY18
- Opened 228 new branches between Mar'17 to Mar'18

## Guidance for FY19<sup>(1)</sup>

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AUM growth  
40%+



ROA 2.3%+

## Annexure

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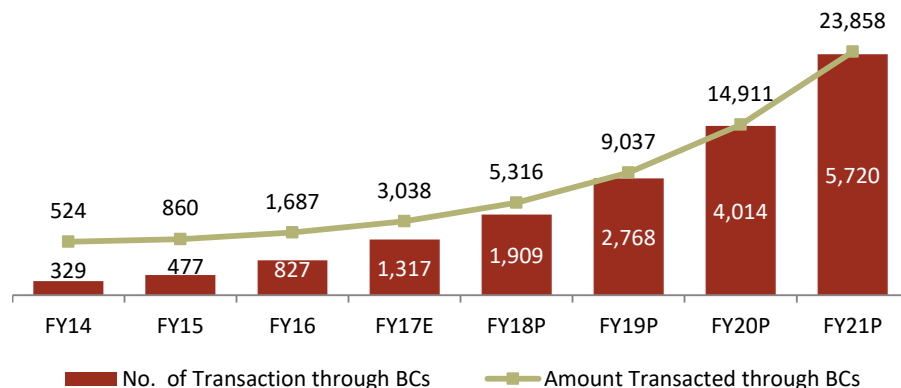
### Industry Overview -BC Operations, MSME Finance and Small Ticket Housing Finance

# BC Operations



## Number of BC transactions to soar given lower cost of operations

BC Transactions – Value (Rs. Bn) and Volume (Mn)

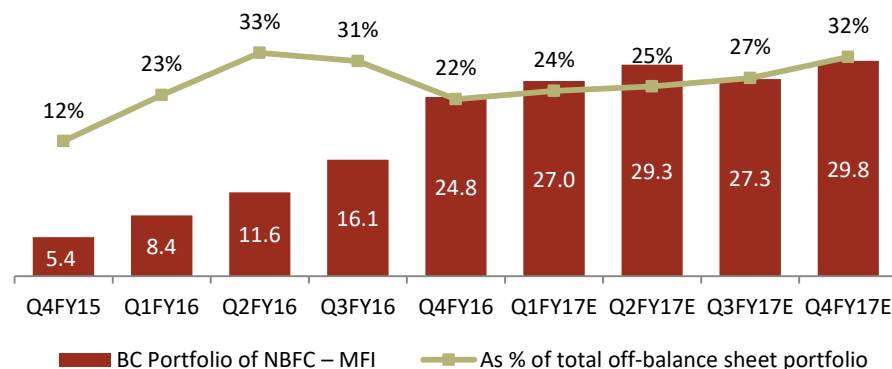


## Massive growth potential for growth of BC portfolio of NBFC-MFIs

- BC portfolio to witness healthy growth as overall banking credit growth recovers, MFI industry stabilizes and competition from SFBs reduces
- Micro-lending through BCs have attracted banks due to several benefits such as:
  - Meeting of PSL targets without any direct involvement of banks as loans are sourced by MFIs, who are in direct contact with the borrower
  - Better resource utilisation for banks as rural branches get relieved from a significant part of low-ticket size micro-lending obligations
  - Improved portfolio quality - NBFC-MFIs have expertise in micro-lending as part of their core portfolio, unlike banks who primarily focus on industrial and other higher ticket-size lending

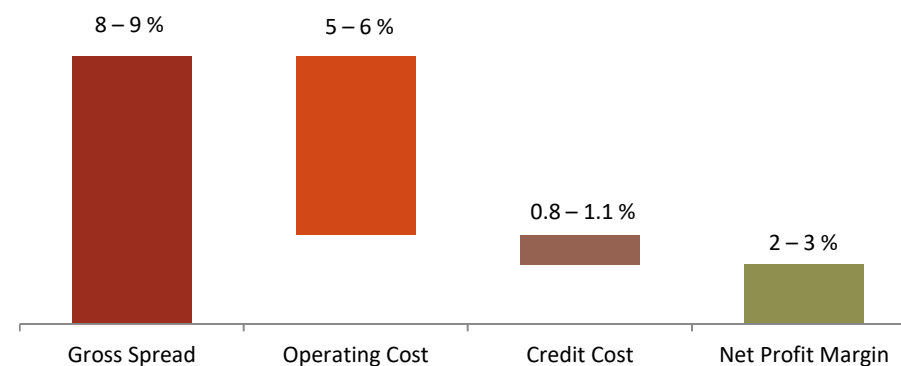
## BC portfolio of NBFC-MFIs on the rise

BC Portfolio of NBFC – MFI (Rs. Bn)



## Higher margins and attractive RoA makes BC business lucrative even for MFIs

Estimated Costs and Ratios BC Business

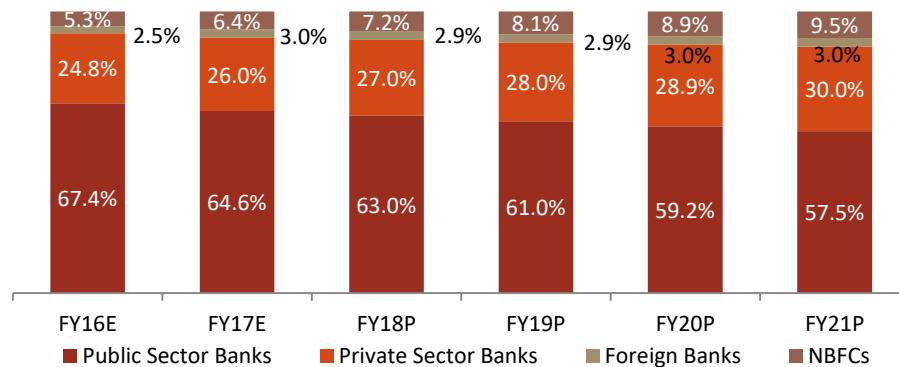


# Micro, small and medium enterprise (MSME) finance



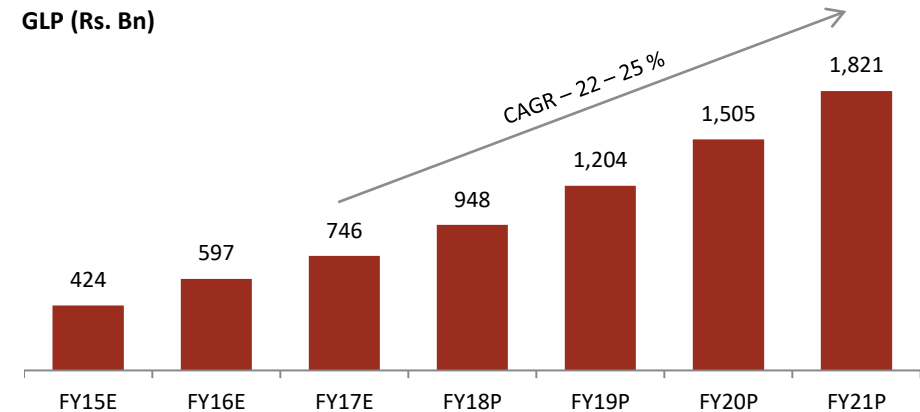
## Share of NBFCs and private banks to increase in MSMSE credit

Share of MSME Finance By Institutions



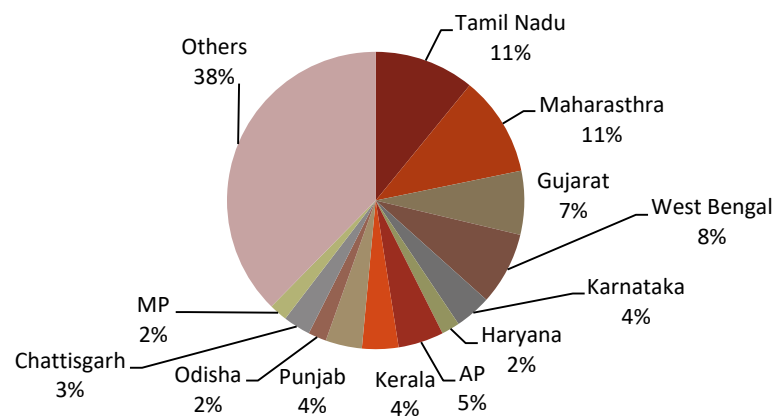
## NBFCs' MSME credit to sustain impressive growth

GLP (Rs. Bn)



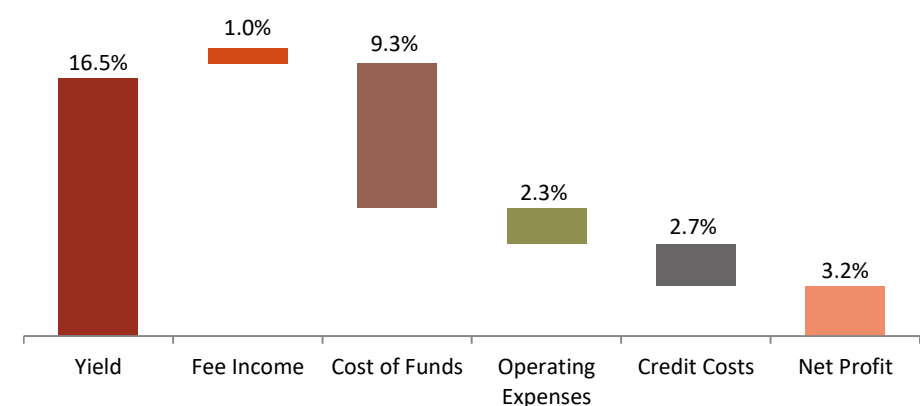
## Southern, western states contributing to majority of MSME loan outstanding with banks

Statewise FY17 GLP (Rs. Bn)



## Profitability of NBFC lending

Profitability of NBFC SME Lending

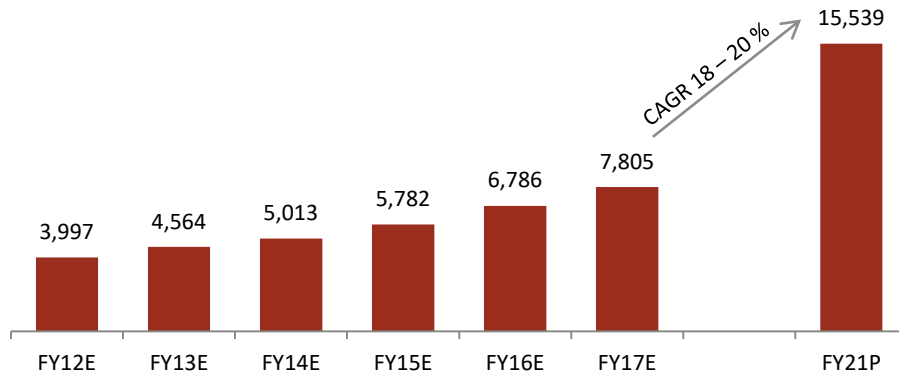


# Small Ticket Housing Finance



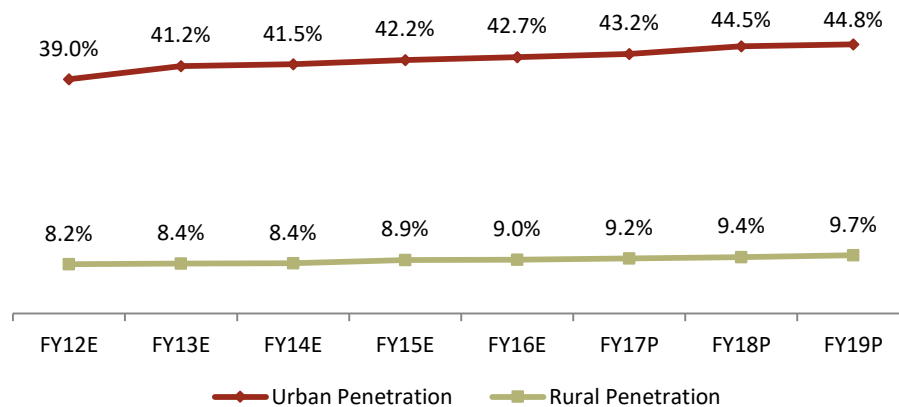
## Healthy growth expected in low ticket housing finance segment

Loan book – less than Rs. 2.5 Million



## Rise in finance penetration to drive industry growth

Finance penetration in rural and urban areas (overall housing finance)

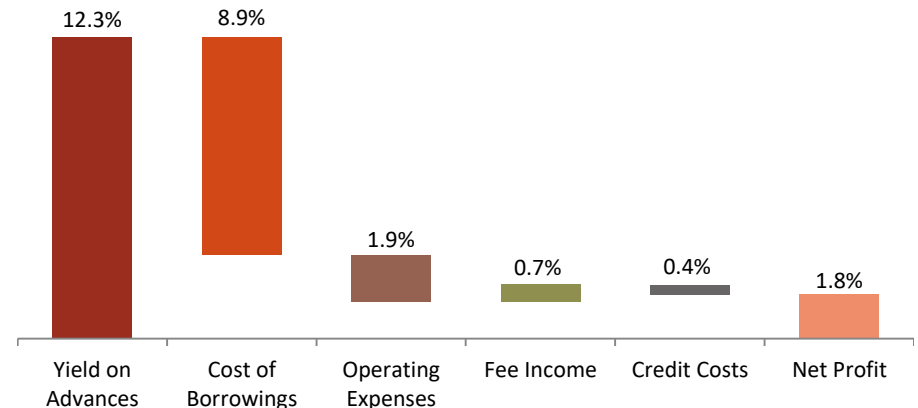


## Key Growth Drivers

- Thrust on low ticket housing with Govt. initiatives like 'Housing for All' to boost growth and help increase share
- Pradhan Mantri Awas Yojana – Credit linked subsidy scheme: Subsidy to be provided on home loans taken by eligible urban population
- Revision of interest spread cap to 3.5% for Rural Housing Fund (RHF)
- Lower risk-weights and higher LTV for low ticket loans to boost disbursements
  - LTV on loans between Rs 30-75L increased to 80% from 75% and risk weights reduced to 35% from 50%
- Infra status to affordable housing companies to push more developers to enter this sector
- Urbanisation to increase at a CAGR of 2.0-2.5% between 2017-2022

## Profitability of HFCs

Profitability of HFCs



## Annexure

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### Financial & Operational Details – Consolidated

# Business Details – Consolidated



PARTICULARS	FY18	FY17	YoY %	Q3FY18	QoQ %
<b>AUM (Rs. mn)</b>	<b>57,568</b>	<b>40,666</b>	<b>41.6%</b>	<b>48,815</b>	<b>17.9%</b>
On-Book AUM (Rs. mn)	43,028	31,992	34.5%	38,747	11.0%
Securitization/ Assignment (Rs. mn)	7,820	4,177	87.2%	4,297	82.0%
TSL - Business Correspondence (Rs. mn)	6,699	4,497	48.9%	5,771	16.1%
SHFL – Housing Finance	21	-	-	-	-
<b>AUM Mix (Rs. mn)</b>	<b>57,568</b>	<b>40,666</b>	<b>41.6%</b>	<b>48,815</b>	<b>17.9%</b>
MFI Lending (Rs. mn)	50,100	35,845	39.8%	42,361	18.3%
Product Financing (Rs. mn)	1	1	10.5%	0.4	259.4%
MSME (Rs. mn)	746	322	131.8%	683	9.3%
TSL - Business Correspondence (Rs. mn)	6699	4,498	48.9%	5,771	16.1%
SHFL – Housing Finance	21	-	-	-	-
<b>No. of branches</b>	<b>995</b>	<b>767</b>	<b>29.7%</b>	<b>898</b>	<b>10.8%</b>
SCNL	809	618	30.9%	728	11.1%
TSL	184	149	23.5%	170	8.2%
SHFL	2	-	-	-	-
<b>No. of Employees</b>	<b>9,004</b>	<b>6,910</b>	<b>30.3%</b>	<b>8,384</b>	<b>7.4%</b>
SCNL	7,653	5,801	31.9%	7,121	7.5%
TSL	1,344	1,109	21.2%	1,259	6.8%
SHFL	7	-	-	4	-
<b>No. of Loan Officers</b>	<b>6,382</b>	<b>4,481</b>	<b>42.4%</b>	<b>5,978</b>	<b>6.8%</b>
SCNL	5,493	3,781	45.3%	5,125	7.2%
TSL	888	700	26.9%	853	4.1%
SHFL	1	-	-	-	-

# Business Details – Consolidated (Contd)



PARTICULARS	FY18	FY17	YoY %	Q3FY18	QoQ %
<b>No. of Active Customers</b>	<b>2,815,582</b>	<b>2,647,185</b>	<b>6.4%</b>	<b>2,713,750</b>	<b>3.8%</b>
SCNL	2,401,701	2,298,095	4.5%	2,326,567	3.2%
TSL	413,865	349,090	18.6%	387,183	6.9%
SHFL	16	-	-	-	-
<b>Average Ticket Size</b>					
MFI Lending (SCNL)	30,000	23,000	30.4%	30,000*	0.0%
Product Financing (SCNL)	2,434	695	250.2%	2,495*	-2.4%
MSME (SCNL)	870,000	1,050,000	-17.1%	900,000*	-3.3%
TSL	24,000	22,500	6.7%	23,600*	1.7%
SHFL	1,300,000	-	-	-	-

\*Represents average ticket size for the cumulative months in the financial year upto the corresponding period;

# Balance Sheet – Consolidated



PARTICULARS (Rs. mn)	FY18	FY17	YoY %	Q3FY18	QoQ %
<i>Equity<sup>(1)</sup></i>	10,611	6,376	66.4%	10,185	5.7%
<i>Preference shares</i>	276	250	10.3%	276	0.0%
<b>Net Worth</b>	<b>10,887</b>	<b>6,626</b>	<b>64.3%</b>	<b>10,461</b>	<b>5.6%</b>
<b>Minority Interest</b>	<b>21</b>	<b>23</b>	<b>-6.5%</b>	<b>24</b>	<b>-10.2%</b>
<i>Long Term Borrowings</i>	21,617	20,233	6.8%	20,534	5.3%
<i>Long Term Provisions</i>	288	273	5.5%	149	93.2%
<b>Total Non Current Liabilities</b>	<b>21,904</b>	<b>20,506</b>	<b>6.80%</b>	<b>20,683</b>	<b>5.9%</b>
<i>Short Term Borrowings</i>	1,412	1,699	-16.9%	1,964	-28.1%
<i>Other Current Liabilities</i>	23,346	18,483	26.3%	19,727	18.3%
<i>Short Term Provisions</i>	867	440	97.3%	2,965	-70.7%
<b>Total Current Liabilities</b>	<b>25,626</b>	<b>20,622</b>	<b>24.3%</b>	<b>24,656</b>	<b>3.9%</b>
<b>Total Liabilities</b>	<b>58,439</b>	<b>47,777</b>	<b>22.3%</b>	<b>55,823</b>	<b>4.7%</b>
<i>Tangible Assets</i>	380	355	7.1%	362	4.9%
<i>Intangible Assets</i>	33	36	-8.1%	33	-0.3%
<i>Capital Work-in-progress</i>	161	98	64.6%	147	9.1%
<i>Intangible Assets under Development</i>	1	24	-94.3%	-	-
<i>Goodwill on Consolidation</i>	339	337	0.7%	339	-
<i>Non Current Investments</i>	1	1	0.0%	1	-
<i>Deferred Tax Assets (Net)</i>	416	231	80.2%	912	-54.4%
<i>Long Term Loans and Advances</i>	16,267	8,319	95.5%	12,641	28.7%
<i>Other Non Current Assets</i>	1,496	1,632	-8.3%	985	51.8%
<b>Total Non Current Assets</b>	<b>19,094</b>	<b>11,032</b>	<b>73.1%</b>	<b>15,421</b>	<b>23.8%</b>
<i>Current Investments*</i>	2,201	205	976.3%	1,491	47.7%
<i>Trade Receivables</i>	118	60	96.4%	94	24.9%
<i>Cash and cash equivalents</i>	8,209	11,298	-27.3%	11,056	-25.8%
<i>Short Term Loans and Advances</i>	28,168	24,516	14.9%	27,174	3.7%
<i>Other Current Assets</i>	649	667	-2.7%	588	10.3%
<b>Total Current Assets</b>	<b>39,345</b>	<b>36,745</b>	<b>7.1%</b>	<b>40,403</b>	<b>-2.6%</b>
<b>Total Assets</b>	<b>58,439</b>	<b>47,777</b>	<b>22.3%</b>	<b>55,823</b>	<b>4.7%</b>
<b>Book Value Per Share (INR)</b>	<b>222.78</b>	<b>169.98</b>	<b>30.8%</b>	<b>213.84</b>	<b>4.0%</b>

(1) Includes equity share capital, share warrants, warrants application money and reserves & surplus;

\*Represents investments in money market instruments with maturity of less than one year;

# P&L Statement – Consolidated (Quarterly)



PARTICULARS (Rs. mn)	4Q FY18	4Q FY17	YoY %	3Q FY18	QoQ %
<b>Total Revenue</b>					
Interest income on Portfolio Loans	2097	1,410	48.7%	2,072	1.2%
Income from securitization	384	88	336.1%	251	52.7%
Processing Fee income	199	105	90.6%	127	56.6%
Income from BC operations	157	91	72.3%	131	19.7%
Other Operating Income	89	54	51.9%	45	82.2%
Other Income	0	4	-110.5%	0	-
Interest on Housing & other loans	0	-	-	-	-
<b>Total Revenue</b>	<b>2,916</b>	<b>1,752</b>	<b>66.6%</b>	<b>2,627</b>	<b>11.1%</b>
Interest Expense	1,211	1,201	0.8%	1,233	-1.8%
Personnel Expenses	538	515	4.6%	593	-9.2%
Credit cost (Provisions for NPAs, Write-offs, etc.)	250	417	-40.0%	214	16.8%
Administration & Other Expenses	253	234	8.0%	208	21.7%
Depreciation	40	22	80.5%	36	9.3%
<b>Total Expenses</b>	<b>2,292</b>	<b>2,389</b>	<b>-4.1%</b>	<b>2,284</b>	<b>0.3%</b>
<b>Profit before tax</b>	<b>627</b>	<b>-637</b>	<b>-198.4%</b>	<b>343</b>	<b>82.6%</b>
Tax Expense	190	-206	-192.4%	128	48.8%
<b>Profit after tax</b>	<b>437</b>	<b>-431</b>	<b>-201.3%</b>	<b>215</b>	<b>102.7%</b>
Minority Interest	-4	-1	498.1%	-1	291.9%
<b>Profit after tax (post Minority Interest)</b>	<b>441</b>	<b>-430</b>	<b>-202.4%</b>	<b>216</b>	<b>103.6%</b>
<b>EPS – Basic</b>	<b>10.76</b>	<b>-13.06</b>	<b>-182.4%</b>	<b>5.34</b>	<b>101.5%</b>
<b>EPS – Diluted</b>	<b>10.76</b>	<b>-13.06</b>	<b>-182.4%</b>	<b>5.34</b>	<b>101.5%</b>

## Annexure

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### Financial & Operational Details – Standalone

# Operational Details – Standalone (Quarterly)



PARTICULARS	Q4FY18	Q3FY18	Q4FY17	YoY %	QoQ %
<b>Gross AUM (Rs. mn)</b>	<b>50,848</b>	<b>43,044</b>	<b>36,168</b>	<b>40.6%</b>	<b>18.1%</b>
No. of districts	302	280	235	28.5%	7.9%
No. of branches	809	728	618	30.9%	11.1%
No. of States of operation	18	18	16	12.5%	-
No. of Employees	7,653	7,121	5,801	31.9%	7.5%
No. of Loan Officers	5,493	5,125	3,781	45.3%	7.2%
No. of Active Customers	2,401,701	2,326,567	2,298,095	4.5%	3.2%
No. of Loan Accounts	2,439,981	2,448,386	2,560,873	-4.7%	-0.3%
Disbursement during the period (Rs. mn)	19,731	12,570	10,666	85.0%	57.0%
No. of loans disbursed during the period	633,379	425,037	473,046	33.9%	49.0%
<b>MFI Lending (excl. Prod. Financing &amp; MSME)</b>					
<b>Gross AUM (Rs. mn)</b>	<b>50,100</b>	<b>42,361</b>	<b>35,845</b>	<b>39.8%</b>	<b>18.3%</b>
No. of branches	804	723	615	30.7%	11.2%
No. of Employees	7,578	7,063	5,772	31.3%	7.3%
No. of Loan Accounts	2,438,278	2,447,410	2,553,049	-4.4%	-0.4%
Disbursement during the period (Rs. mn)	19,568	12,448	10,424	87.7%	57.2%
No. of loans disbursed during the period	632,591	424,721	472,912	33.8%	48.9%
<b>Productivity Metrics for MFI Lending</b>					
Gross AUM/ Branch (Rs. mn)	62.3	58.6	17.00	6.6%	6.4%
Gross AUM/ Loan Officer (Rs. mn)	9.1	8.3	1.80	-3.8%	10.3%
Disbursement/ Branch (Rs. mn)	24.3	17.2	58.5	43.1%	41.4%
Disbursement/ Loan Officer (Rs. mn)	3.6	2.4	9.5	29.2%	46.7%
No. of Clients/ Branch	2,986	3,217	3,748	-20.3%	-7.2%
No. of Clients/ Loan Officer	437	454	608	-28.1%	-3.7%
Average Ticket Size (Rs.)	30,000*	30,000*	23,000*	30.4%	0.0%

(1) On standalone basis;

\*Represents average ticket size for the cumulative months in the financial year up-to the corresponding period.;

# Operational Details - Standalone (Quarterly contd...)



PARTICULARS	Q4FY18	Q3FY18	Q4FY17	YoY %	QoQ %
<b>Product Financing</b>					
Gross AUM (Rs. mn)	1.35	0.4	1.22	10.5%	259.4%
No. of Loan Accounts	732	174	7,495	-90.2%	320.7%
Disbursement during the period (Rs. mn)	1.8	0.4	-	-	372.5%
No. of loans disbursed during the period	581	151	-	-	284.8%
Average Ticket Size (Rs.)	2,434*	2,495*	-	-	-2.4%
<b>MSME</b>					
Gross AUM (Rs. mn)	746	683	91	131.5%	9.3%
No. of branches	29	29	5	437.5%	48.3%
No. of employees	75	58	27	158.6%	29.3%
No. of Loan Accounts	971	802	194	195.1%	21.1%
Disbursement during the period (Rs. mn)	162	122	4	-33.2%	32.9%
No. of loans disbursed during the period	207	165	17	54.5%	25.5%
Average Ticket Size (Rs.)	870,000*	900,000*	540,000*	-17.1%	-3.3%

(1) On standalone basis;

\*Represents average ticket size for the cumulative months of the corresponding period;

# Financial Performance – Standalone (Quarterly)



RoE Tree	4Q FY18	4Q FY17	3Q FY18
Gross Yield <sup>(1)</sup>	23.48%	18.94%	24.01%
Financial Cost Ratio <sup>(2)</sup>	10.27%	13.80%	11.88%
Net Interest Margin <sup>(3)</sup>	13.21%	5.14%	12.13%
Operating Expense ratio <sup>(4)</sup>	6.26%	7.78%	6.92%
Loan Loss Ratio <sup>(5)</sup>	1.26%	4.61%	1.68%
<b>RoA <sup>(6)</sup></b>	<b>3.28%</b>	<b>-3.63%</b>	<b>1.75%</b>
Leverage (Total Debt / Total Net Worth)	4.12x	6.05x	4.0x
<b>RoE <sup>(7)</sup></b>	<b>16.70%</b>	<b>-25.90%</b>	<b>10.71%</b>
Cost to Income Ratio	47.40%	151.18%	57.48%

Capital Adequacy and Asset Quality	Mar'18	Mar'17	Dec'17
<b>CRAR</b>	<b>23.65</b>	<b>24.14</b>	<b>26.60</b>
Tier-I	20.30	16.58	21.97
Tier-II	3.35	7.56	4.63

<b>GNPA*</b>			
GNPA (Rs. mn)	2256.78	5224.79	3,947.8
GNPA %	4.44%	14.45%	9.17%
No. of Clients	126,451	355,508	251,552

<b>NNPA*</b>			
NNPA (Rs. mn)	1309.15	4616.24	1,488.17
NNPA %	2.62%	12.76%	3.67%

1. Gross Yield represents the ratio of Total Income in the relevant period to the Average AUM
2. Financial Cost Ratio represents the ratio of Interest Expense in the relevant period to the Average AUM
3. Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio
4. Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding Credit Cost and Interest Expense) to the Average Gross AUM
5. Loan Loss Ratio represents the ratio of Credit Cost to the Average AUM
6. RoA is annualized and represents ratio of PAT to the Average Total Assets
7. RoE is annualized and represents PAT (post Preference Dividend) to the Average Equity (i.e., net worth excluding preference share capital)

\*Note: Gross and Net NPA represent PAR 90;

# Balance Sheet – Standalone



PARTICULARS (Rs. mn)	FY18	FY17	YoY %	Q3FY18	QoQ %
<i>Equity<sup>(1)</sup></i>	10,675	6,372	67.5%	10,223	4.4%
<i>Preference shares</i>	276	250	10.3%	276	0.0%
<b>Net Worth</b>	<b>10,951</b>	<b>6,622</b>	<b>65.4%</b>	<b>10,499</b>	<b>5.8%</b>
<i>Long Term Borrowings</i>	21,571	20,201	6.8%	20,522	5.1%
<i>Long Term Provisions</i>	278	263	5.4%	130	114.0%
<b>Total Non Current Liabilities</b>	<b>21,849</b>	<b>20,464</b>	<b>6.8%</b>	<b>20,652</b>	<b>5.8%</b>
<i>Short Term Borrowings</i>	1,411	1,676	-15.8%	1,964	-28.2%
<i>Other Current Liabilities</i>	22,997	18,289	25.7%	19,616	17.2%
<i>Short Term Provisions</i>	867	437	98.1%	2,901	-70.1%
<b>Total Current Liabilities</b>	<b>25,274</b>	<b>20,402</b>	<b>23.9%</b>	<b>24,481</b>	<b>3.2%</b>
<b>Total Liabilities</b>	<b>58,074</b>	<b>47,489</b>	<b>22.3%</b>	<b>55,632</b>	<b>4.4%</b>
<i>Tangible Assets</i>	360	343	4.9%	352	2.1%
<i>Intangible Assets</i>	32	35	-6.2%	32	0.3%
<i>Capital Work-in-progress</i>	161	98	64.6%	147	9.1%
<i>Intangible Assets under development</i>	1	24	-94.3%	-	-
<i>Non Current Investments</i>	768	498 <sup>(2)</sup>	54.1%	728	5.4%
<i>Deferred Tax Assets (Net)</i>	379	227	67.1%	888	-57.2%
<i>Long Term Loans and Advances</i>	16,245	8,317	95.3%	12,636	28.6%
<i>Other Non Current Assets</i>	1,332	1,547	-14.0%	940	41.6%
<b>Total Non Current Assets</b>	<b>19,278</b>	<b>11,090</b>	<b>73.8%</b>	<b>15,723</b>	<b>22.6%</b>
<i>Current Investments*</i>	2,201	205	976.3%	1,490	47.7%
<i>Trade Receivables</i>	2	0	2737.5%	3	-38.7%
<i>Cash and cash equivalents</i>	7,869	11,079	-29.0%	10,749	-26.8%
<i>Short Term Loans and Advances</i>	28,077	24,456	14.8%	27,096	3.6%
<i>Other Current Assets</i>	646	659	-2.1%	571	13.0%
<b>Total Current Assets</b>	<b>38,795</b>	<b>36,399</b>	<b>6.4%</b>	<b>39,909</b>	<b>2.8%</b>
<b>Total Assets</b>	<b>58,073</b>	<b>47,489</b>	<b>22.3%</b>	<b>55,632</b>	<b>4.4%</b>
<b>Book Value Per Share (INR)</b>	<b>224.11</b>	<b>169.87</b>	<b>31.9%</b>	<b>214.65</b>	<b>4.4%</b>

(1) Includes equity share capital, share warrants, warrants application money and reserves & surplus;

\*Represents investments in money market instruments with maturity of less than one year;

# P&L Statement – Standalone (Quarterly)



PARTICULARS (Rs. mn)	4Q FY18	4Q FY17	YoY %	3Q FY18	QoQ %
<b>Total Revenue</b>					
Interest income on Portfolio Loans	2093	1,401	49.4%	2,065	1.4%
Income from securitization	384	88	336.1%	251	52.7%
Processing Fee income	199	105	90.1%	127	56.6%
Income from BC operation	0	-	-	-	-
Other Income	79	54	46.6%	45	75.7%
<b>Total Revenue</b>	<b>2,755</b>	<b>1,648</b>	<b>67.2%</b>	<b>2,488</b>	<b>10.7%</b>
Interest Expense	1,205	1,201	0.4%	1,231	-2.1%
Personnel Expenses	474	448	6.0%	509	-6.7%
Credit cost (Provisions for NPAs, Write-offs, etc.)	148	401	-63.1%	174	-15.0%
Administration & Other Expenses	218	207	4.9%	179	21.8%
Depreciation	38	21	82.0%	35	8.2%
<b>Total Expenses</b>	<b>2,083</b>	<b>2,278</b>	<b>-8.6%</b>	<b>2,128</b>	<b>-2.1%</b>
<b>Profit before tax</b>	<b>672</b>	<b>-630</b>	<b>-206.7%</b>	<b>360</b>	<b>86.6%</b>
Tax Expense	207	-205	-201.0%	132	56.1%
<b>PAT</b>	<b>466</b>	<b>-426</b>	<b>-209.4%</b>	<b>228</b>	<b>104.2%</b>
<b>EPS – Basic</b>	<b>11.48</b>	<b>-12.92</b>	<b>-188.9%</b>	<b>6.36</b>	<b>80.7%</b>
<b>EPS – Diluted</b>	<b>11.48</b>	<b>-12.92</b>	<b>-11.1%</b>	<b>6.36</b>	<b>80.5%</b>

## Annexure

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### Financial & Operational Details - TSL

# Operational Details – TSL



PARTICULARS	4Q FY18	4Q FY17	YoY %	3Q FY18	QoQ %
<b>Gross AUM (Rs. mn)</b>	6699	4,497	<b>48.9%</b>	5,771	<b>16.1%</b>
No. of districts	95	87	<b>9.2%</b>	84	<b>13.1%</b>
No. of branches	184	149	<b>23.5%</b>	170	<b>8.2%</b>
No. of Regional Offices (RO)	7	7	<b>0.0%</b>	7	<b>0.0%</b>
No. of States of operation	8	8	<b>0.0%</b>	8	<b>0.0%</b>
No. of Employees	1,344	1,109	<b>21.2%</b>	1,259	<b>6.8%</b>
No. of Loan Officers	888	700	<b>26.9%</b>	853	<b>4.1%</b>
No. of Active Customers	413,865	349,074	<b>18.6%</b>	387,183	<b>6.9%</b>
Disbursement during the quarter (Rs. mn)	2,585.99	1,709.08	<b>51.3%</b>	2,076.49	<b>24.5%</b>
No. of loans disbursed during the quarter	99,106	70,873	<b>39.8%</b>	80,287	<b>23.4%</b>
<b>Productivity Metrics</b>					
Disbursement/ Branch (Rs. mn)	14.1	11.47	<b>22.5%</b>	4.93	<b>15.1%</b>
Disbursement/ Employee (Rs. mn)	5.0	1.54	<b>223.4%</b>	0.66	<b>8.6%</b>
GLP/ Branch (Rs. mn)	36.4	30.19	<b>20.6%</b>	26.16	<b>7.2%</b>
GLP/ Loan Officer (Rs. mn)	7.5	6.43	<b>17.4%</b>	5.30	<b>6.7%</b>
No. of Clients/ Branch	2,249	2,343	<b>-4.0%</b>	2,104	<b>-1.2%</b>
No. of Clients/ Loan Officer	466	499	<b>-6.5%</b>	426	<b>-1.8%</b>
Average Ticket size (Rs.)	26,000*	22,500*	<b>15.6%</b>	23,600*	<b>0.8%</b>

\*Represents average ticket size for the cumulative months in the financial year upto the corresponding period;

# Balance Sheet – TSL



PARTICULARS (Rs. mn)	FY18 <sup>(A)</sup>	FY17	YoY %	Q3FY18	QoQ %
<i>Share Capital</i>	124	91	37.0%	124	-
<i>Reserves and Surplus</i>	116	96	19.7%	143	-19.2%
<b>Net Worth</b>	<b>240</b>	<b>187</b>	<b>28.1%</b>	<b>267</b>	<b>-10.3%</b>
<i>Long Term Borrowings</i>	45	32	42.1%	12	-273.2%
<i>Long Term Provisions</i>	10	10	1.6%	19	-49.3%
<b>Total Non Current Liabilities</b>	<b>55</b>	<b>42</b>	<b>32.8%</b>	<b>31</b>	<b>75.9%</b>
<i>Short Term Borrowings</i>	1	24	-96.3%	-	-
<i>Trade payables</i>	261	141	84.3%	3	7704.6%
<i>Other Current Liabilities</i>	90	53	71.0%	106	-15.0%
<i>Short Term Provisions</i>	1	2	-45.8%	64	-98.0%
<b>Total Current Liabilities</b>	<b>353</b>	<b>220</b>	<b>60.3%</b>	<b>173</b>	<b>103.5%</b>
<b>Total Liabilities</b>	<b>648</b>	<b>449</b>	<b>44.3%</b>	<b>472</b>	<b>37.3%</b>
<i>Tangible Assets</i>	20	12	73.1%	10	101.3%
<i>Intangible Assets</i>	0	1	-63.1%	0	-29.8%
<i>Capital Work-in-progress</i>	-	-	-	-	-
<i>Deferred Tax Assets (Net)</i>	35	4	824.8%	25	42.2%
<i>Long Term Loans and Advances</i>	2	2	-25.7%	4	-65.0%
<i>Other Non Current Assets</i>	165	84	96.4%	45	264.4%
<b>Total Non Current Assets</b>	<b>222</b>	<b>103</b>	<b>116.4%</b>	<b>84</b>	<b>162.7%</b>
<i>Trade Receivables</i>	116	60	93.5%	91	27.1%
<i>Cash and cash equivalents</i>	219	218	0.4%	202	8.3%
<i>Short Term Loans and Advances</i>	88	60	46.4%	78	13.7%
<i>Other Current Assets</i>	3	8	-65.3%	17	-83.3%
<b>Total Current Assets</b>	<b>426</b>	<b>346</b>	<b>23.0%</b>	<b>388</b>	<b>9.9%</b>
<b>Total Assets</b>	<b>648</b>	<b>449</b>	<b>44.3%</b>	<b>472</b>	<b>37.3%</b>

# P&L Statement – TSL



PARTICULARS (Rs. mn)	4Q FY18	4Q FY17	YoY %	3Q FY18	QoQ %
<b>Total Revenue</b>	<b>173</b>	<b>104</b>	<b>66.3%</b>	<b>138</b>	<b>25.7%</b>
Interest Expense	6	-2	-477.1%	2	168.6%
Personnel Expenses	72	67	5.7%	81	-13.1%
Credit cost (Provisions for NPAs, Write-offs, etc.)	107	16	593.6%	40	167.2%
Administration & Other Expenses	30	26	15.7%	28	8.4%
Depreciation	2	1	73.4%	2	46.1%
<b>Total Expenses</b>	<b>217</b>	<b>108</b>	<b>100.1%</b>	<b>153</b>	<b>41.3%</b>
<b>Profit before tax</b>	<b>-44</b>	<b>-4</b>	<b>923.5%</b>	<b>-16</b>	<b>178.2%</b>
Extraordinary Items and CSR	-	2	-100.0%	-	-
<b>Profit before tax (after Extraordinary items)</b>	<b>-44</b>	<b>-6</b>	<b>559.6%</b>	<b>-16</b>	<b>178.2%</b>
Tax Expense	-28	-1	2241.0%	-4	529.7%
<b>PAT</b>	<b>-16</b>	<b>-5</b>	<b>198.0%</b>	<b>-11</b>	<b>43.2%</b>

Annexure

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## **Financial & Operational Details – Satin Housing Finance Limited (SHFL)**

# Financial & Operational Details – SHFL\*



PARTICULARS (Rs. mn)	Mar'18
Share Capital	149.60
Reserves and Surplus	(4.68)
<b>Net Worth</b>	<b>144.92</b>
Long Term Provisions	0.53
<b>Total Non Current Liabilities</b>	<b>0.53</b>
Trade payables	0.12
Other Current Liabilities	0.17
Short Term Provisions	0.01
<b>Total Current Liabilities</b>	<b>0.29</b>
<b>Total Liabilities</b>	<b>145.74</b>
Deferred Tax Assets (Net)	1.70
Long Term Loans and Advances	20.74
<b>Total Non Current Assets</b>	<b>22.44</b>
Cash and cash equivalents	120.49
Short Term Loans and Advances	2.06
Other Current Assets	0.76
<b>Total Current Assets</b>	<b>123.20</b>
<b>Total Assets</b>	<b>145.74</b>

PARTICULARS (Rs. mn)	FY18
<b>Total income (Rs. Mn)</b>	
Revenue from operations	6.86
<b>Total Revenue</b>	<b>6.86</b>
<b>Total expenses (Rs. Mn)</b>	
Employee benefits expense	8.39
Other expenses	4.86
	<b>13.24</b>
<b>Profit before tax</b>	<b>-6.39</b>
Tax Expense – Deferred Tax Benefit	-1.70
<b>Profit/(loss) after tax (Rs. Mn)</b>	<b>-4.68</b>
PARTICULARS	FY18
<b>Gross AUM (Rs. mn)</b>	<b>21.11</b>
No. of Branches	2
No. of States of operation	3
No. of Employees	7
No. of Loan Officers	1
No. of Active Customers	16
Disbursement during the year (Rs. mn)	21.11
Average Ticket size (Rs.)	1,300,000

## Annexure

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### Financial & Operational Details - FY16 to FY18

# Operational Details – Consolidated



PARTICULARS	CAGR% (FY16-FY18)	FY16	FY17 <sup>(A)</sup>	FY18 <sup>(A)</sup>	YoY% (FY17-FY18)
<b>Gross AUM (Rs. mn)</b>	<b>32.7%</b>	<b>32,708</b>	<b>40,667</b>	<b>57,568</b>	<b>41.6%</b>
On-Book AUM (Rs. mn)	37.5%	22,747	31,992	43,028	34.5%
Securitization/ Assignment (Rs. mn)	-11.4%	9,960	4,177	7,820	87.2%
TSL - Business Correspondence (Rs. mn)	-	-	4,498	6,699	48.9%
SHFL – Housing Finance	-	-	-	21	-
<b>Gross AUM Mix (Rs. mn)</b>	<b>32.7%</b>	<b>32,708</b>	<b>40,667</b>	<b>57,568</b>	<b>41.6%</b>
MFI Lending (Rs. mn)	24.0%	32,595	35,845	50,100	39.8%
Product Financing (Rs. mn)	-89.1%	113	1	1	10.5%
MSME (Rs. mn)	-	-	322	746	131.5%
TSL - Business Correspondence (Rs. mn)	-	-	4,498	6699	48.9%
SHFL – Housing Finance	-	-	-	21	-
<b>No. of districts<sup>(B)</sup></b>					
SCNL	18.5%	215	235	302	28.5%
TSL	-	-	87	95	9.2%
SHFL	-	-	-	3	-
<b>No. of branches</b>	<b>51.9%</b>	<b>431</b>	<b>767</b>	<b>995</b>	<b>29.7%</b>
SCNL	37.0%	431	618	809	30.9%
TSL	-	-	149	184	23.5%
SHFL	-	-	-	2	-
<b>No. of Employees</b>	<b>51.6%</b>	<b>3,918</b>	<b>6,910</b>	<b>9,004</b>	<b>30.3%</b>
SCNL	39.8%	3,918	5,801	7,653	31.9%
TSL	-	-	1,109	1,344	21.2%
SHFL	-	-	-	7	-

(A) On consolidated basis, as TSL acquisition was effective Sep 1, 2016 and SHFL incorporated on April 17, 2017; (B) There are some district where SCNL & TSL are working;

\*Represents average ticket size for the cumulative months in the financial year upto the corresponding period;

# Business Details – Consolidated (Contd)



PARTICULARS	CAGR% (FY16-FY18)	FY16	FY17 <sup>(A)</sup>	FY18 <sup>(A)</sup>	YoY% (FY17-FY18)
<b>No. of Loan Officers</b>	<b>54.2%</b>	<b>2,684</b>	<b>4,481</b>	<b>6,382</b>	<b>42.4%</b>
SCNL	43.1%	2,684	3,781	5,493	45.3%
TSL	-	-	700	888	26.9%
SHFL	-	-	-	1	-
<b>No. of Active Customers</b>	<b>23.3%</b>	<b>1,851,113</b>	<b>2,647,185</b>	<b>2,815,582</b>	<b>6.4%</b>
SCNL	13.9%	1,851,113	2,298,095	2,401,701	4.5%
TSL	-	-	349,090	413,865	18.6%
SHFL	-	-	-	16	-
<b>Average Ticket Size (Rs)</b>					
MFI Lending (SCNL)	11.8%	24,000	23,000	30000	30.4%
Product Financing (SCNL)	87.1%	695	695	2434	250.2%
MSME (SCNL)	-	-	1,050,000	870,000	-17.1%
TSL	-	-	22,700	24,000	6.7%
SHFL	-	-	-	1,300,000	-

(A) On consolidated basis, as TSL acquisition was effective Sep 1, 2016 and SHFL incorporated on April 17, 2017;

# Balance Sheet – Consolidated



PARTICULARS (Rs. mn)	CAGR% (FY16-FY18)	FY16	FY17 <sup>(A)</sup>	FY18 <sup>(A)</sup>	YoY% (FY17-FY18)
Equity <sup>(1)</sup>	81.0	3,240	6,376	10,611	66.4%
Preference shares		-	250	276	10.3%
<b>Net Worth</b>	<b>83.3%</b>	<b>3,240</b>	<b>6,626</b>	<b>10,887</b>	<b>64.3%</b>
<b>Minority Interest</b>		-	23	21	-6.5%
Long Term Borrowings	27.3%	13,335	20,233	21,617	6.8%
Long Term Provisions	215.8%	29	273	288	5.5%
<b>Total Non Current Liabilities</b>	<b>28.0%</b>	<b>13,364</b>	<b>20,506</b>	<b>21,904</b>	<b>6.80%</b>
Short Term Borrowings	-1.2%	1,447	1,699	1,412	-16.9%
Other Current Liabilities	25.8%	14,752	18,483	23,346	26.3%
Short Term Provisions	93.8%	231	440	867	97.3%
<b>Total Current Liabilities</b>	<b>24.9%</b>	<b>16,430</b>	<b>20,622</b>	<b>25,627</b>	<b>24.3%</b>
<b>Total Liabilities</b>	<b>33.0%</b>	<b>33,034</b>	<b>47,777</b>	<b>58,439</b>	<b>22.3%</b>
Tangible Assets	79.0%	119	355	380	7.1%
Intangible Assets	21.6%	22	36	33	-8.1%
Capital Work-in-progress	49.4%	72	98	161	64.6%
Intangible Assets under Development	-	-	24	1	-94.3%
Goodwill on Consolidation	-	-	337	339	0.7%
Non Current Investments	-0.0%	1	1	1	0.0%
Deferred Tax Assets (Net)	118.0%	87	231	416	80.2%
Long Term Loans and Advances	73.3%	5,420	8,319	16,267	95.5%
Other Non Current Assets	-9.8%	1,838	1,632	1,496	-8.3%
<b>Total Non Current Assets</b>	<b>58.9%</b>	<b>7,558</b>	<b>11,032</b>	<b>19,094</b>	<b>73.1%</b>
Current Investments*	-	-	205	2,201	976.3%
Trade Receivables	172.5%	16	60	118	96.4%
Cash and cash equivalents	7.5%	7,098	11,298	8,209	-27.3%
Short Term Loans and Advances	26.6%	17,576	24,516	28,168	14.9%
Other Current Assets	-9.2%	787	667	649	-2.7%
<b>Total Current Assets</b>	<b>24.3%</b>	<b>25,476</b>	<b>36,745</b>	<b>39,345</b>	<b>7.1%</b>
<b>Total Assets</b>	<b>33.0%</b>	<b>33,034</b>	<b>47,777</b>	<b>58,439</b>	<b>22.3%</b>
<b>Book Value Per Share (Rs.)</b>	<b>47.9%</b>	<b>101.73</b>	<b>169.98</b>	<b>222.78</b>	<b>30.8%</b>

(1) Includes equity share capital, share warrants, warrants application money and reserves & surplus;

(A) On consolidated basis, as TSL acquisition was effective Sep 1, 2016 and SHFL incorporated on April 17, 2017; \*Represents investments in money market instruments with maturity of less than one year;

# P&L Statement – Consolidated



PARTICULARS (Rs. mn)	CAGR% (FY16-FY18)	FY16	FY17 <sup>(A)</sup>	FY18 <sup>(A)</sup>	YoY % (FY17-FY18)
<b>Total Revenue</b>					
Interest Income	38.3%	4,275	6,158	8,176	32.8%
Excess Interest Spread on securitization	-3.1%	892	1,064	839	21.2%
Loan Processing Fee	26.3%	352	358	562	56.9%
Income from Business Correspondent Services	-	-	235	519	120.7%
Other Operating Income	80.2%	66	195	213	9.4%
Other Income	-	-	4	5	24.8
Interest on Housing & other loans	-	-	-	0.07	-
<b>Total Revenue</b>	<b>35.9%</b>	<b>5,585</b>	<b>8,015</b>	<b>10,314</b>	<b>28.7%</b>
Interest Expense	29.3%	2,899	4,358	4,847	11.2%
Personnel Expenses	58.0%	884	1,719	2,205	28.3%
Credit cost (Provisions for NPAs, Write-offs, etc.)	237.9%	208	588	2,375	316.8%
Administration & Other Expenses	8.7%	686	912	811	-12.8%
Depreciation	126.2%	29	61	147	143.6%
<b>Total Expenses</b>	<b>48.6%</b>	<b>4,705</b>	<b>7,637</b>	<b>10,386</b>	<b>36.0%</b>
<b>Profit before tax</b>	<b>-</b>	<b>880</b>	<b>378</b>	<b>(72)</b>	<b>(119.0%)</b>
Tax Expense	-	296	129	(37)	(129.1%)
<b>PAT before minority interest</b>	<b>-</b>	<b>579</b>	<b>249</b>	<b>(34)</b>	<b>(113.8%)</b>
Minority Interest	-	-	1	(-7)	(-1530.0%)
<b>PAT</b>	<b>-</b>	<b>579</b>	<b>249</b>	<b>(27)</b>	<b>(110.8%)</b>
Preference Dividend	-	6	-	-	-
<b>PAT (post Pref. Dividend and Minority Interest)</b>	<b>-</b>	<b>574</b>	<b>249</b>	<b>(27)</b>	<b>(110.8%)</b>
<b>EPS – Basic</b>	<b>-</b>	<b>20.28</b>	<b>7.24</b>	<b>-1.51</b>	<b>(120.9%)</b>
<b>EPS – Diluted</b>	<b>-</b>	<b>19.97</b>	<b>7.15</b>	<b>-1.51</b>	<b>(121.1%)</b>

(A) On consolidated basis, as TSL acquisition was effective Sep 1, 2016 and SHFL incorporated on April 17, 2017;

# Operational Details - Standalone



PARTICULARS	CAGR% (FY16-FY18)	FY16	FY17	FY18	YoY % (FY17-FY18)
<b>Gross AUM (Rs. mn)</b>	<b>25.5%</b>	<b>32,708</b>	<b>36,168</b>	<b>50,848</b>	<b>40.6%</b>
No. of districts	18.5%	215	235	302	28.5%
No. of branches	37.0%	431	618	809	30.9%
No. of States of operation	6.1%	16	16	18	12.5%
No. of Employees	39.8%	3,918	5,801	7,653	31.9%
No. of Loan Officers	43.1%	2,684	3,781	5,493	45.3%
No. of Active Customers	13.9%	1,851,113	2,298,095	2,401,701	4.5%
No. of Loan Accounts	8.0%	2,090,630	2,560,873	2,439,981	-4.7%
Disbursement during the period (Rs. mn)	24.3%	36,061	35,940	55,717	55.0%
No. of loans disbursed during the period	3.7%	1,688,914	1,566,368	1,816,335	16.0%
<b>MFI Lending (excl. Prod. Financing &amp; MSME)</b>					
<b>Gross AUM (Rs. mn)</b>	<b>24.0%</b>	<b>32,595</b>	<b>35,845</b>	<b>50,100</b>	<b>39.8%</b>
No. of Loan Accounts	13.3%	1,900,586	2,553,049	2,438,278	-4.6%
Disbursement during the period (Rs. mn)	23.8%	35,921	35,571	55,092	54.9%
No. of loans disbursed during the period	10.5%	1,487,039	1,533,535	1,814,884	18.3%
No. of branches	36.6%	431	615	804	30.7%
No. of Employees	39.1%	3,918	5,772	7,578	31.3%
<b>Productivity Metrics for MFI Lending</b>					
Gross AUM/ Branch (Rs. mn)	-9.2%	76	58	62	6.9%
Gross AUM/ Loan Officer (Rs. mn)	-13.3%	12	9	9	-3.8%
Disbursement/ Branch (Rs. mn)	-9.3%	83	58	69	18.5%
Disbursement/ Loan Officer (Rs. mn)	-13.4%	13.4	9.4	10	6.6%
Disbursement/ Employee (Rs. mn)	-10.5%	9	6	7	18.5%
No. of Clients/ Branch	-16.6%	4,295	3,736	2,986	-20.4%
No. of Clients/ Loan Officer	-20.4%	690	608	437	-28.1%
Average Ticket Size (Rs.)	11.8%	24,000	23,000	30,000	30.4%

# Operational Details - Standalone (Contd.)



PARTICULARS	FY16	FY17	FY18	YoY % (FY17-FY18)
<b>Product Financing</b>				
Gross AUM (Rs. mn)	113	1.22	1.35	10.5%
No. of Loan Accounts	190,044	7,495	732	-90.2%
Disbursement during the period (Rs. mn)	140	22.59	1.78	-92.1%
No. of loans disbursed during the period	201,875	32,504	732	-97.7%
<b>MSME</b>				
Gross AUM (Rs. mn)	-	322	746	131.5%
No. of Active Customers	-	329	971	195.1%
No. of branches	-	8	43	437.5%
No. of employees	-	29	75	158.6%
Disbursement during the period (Rs. mn)	-	347	623	79.7%
No. of loans disbursed during the period	-	329	719	118.5%
Average Ticket Size (Rs.)	-	1,050,000	870,000	-17.1%

# Financial Performance – Standalone



RoE Tree	FY16	FY17	FY18
Gross Yield <sup>(1)</sup>	20.64%	22.55%	22.45%
Financial Cost Ratio <sup>(2)</sup>	10.71%	12.64%	11.11%
Net Interest Margin <sup>(3)</sup>	9.93%	9.91%	11.34%
Operating Expense ratio <sup>(4)</sup>	5.91%	7.17%	6.28%
Loan Loss Ratio <sup>(5)</sup>	0.77%	1.63%	4.98%
<b>RoA<sup>(6)</sup></b>	<b>2.18%</b>	<b>0.61%</b>	<b>0.08%</b>
Leverage (Total Debt / Total Net Worth)	8.48x	6.05x	4.12x
<b>RoE<sup>(7)</sup></b>	<b>22.17%</b>	<b>5.10%</b>	<b>0.13%</b>
Cost to Income Ratio	59.49%	72.63%	55.35%

Capital Adequacy and Asset Quality	FY16	FY17	FY18
<b>CRAR</b>	<b>16.82</b>	<b>24.14</b>	<b>23.65</b>
Tier-I	11.3	16.58	20.30
Tier-II	5.52	7.56	3.35

<b>GNPA<sup>(8)</sup></b>			
GNPA on Gross AUM (Rs. mn)	55	5,225	2,257
GNPA as % of Gross AUM	0.17%	14.45%	4.44%
No. of Clients	4,294	355,508	126,451

<b>NNPA<sup>(8)</sup></b>			
NNPA on Gross AUM (Rs. mn)	27	4,616	1,309
NNPA as % of Gross AUM	0.09%	12.76%	2.62%

1. Gross Yield represents the ratio of Total Income in the relevant period to the Average AUM

2. Financial Cost Ratio represents the ratio of Interest Expense in the relevant period to the Average AUM

3. Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio

4. Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding Credit Cost and Interest Expense) to the Average Gross AUM

5. Loan Loss Ratio represents the ratio of Credit Cost to the Average AUM

6. RoA is annualized and represents ratio of PAT to the Average Total Assets

7. RoE is annualized and represents PAT (post Preference Dividend) to the Average Equity (i.e., net worth excluding preference share capital)

8. Gross and Net NPA represent PAR >90

# Balance Sheet – Standalone



PARTICULARS (Rs. mn)	CAGR (FY16-FY18)	FY16	FY17	FY18	YoY % (FY17-FY18)
Equity <sup>(1)</sup>	81.5%	3,240	6,372	10,675	67.5%
Preference shares	-	-	250	276	10.3%
<b>Net Worth</b>	<b>83.8%</b>	<b>3,240</b>	<b>6,622</b>	<b>10,951</b>	<b>65.4%</b>
Long Term Borrowings	27.2%	13,335	20,201	21,571	6.8%
Long Term Provisions	210.1%	29	263	278	5.4%
<b>Total Non Current Liabilities</b>	<b>27.9%</b>	<b>13,364</b>	<b>20,464</b>	<b>21,849</b>	<b>6.8%</b>
Short Term Borrowings	-1.2%	1,447	1,676	1,411	-15.8%
Other Current Liabilities	24.9%	14,752	18,289	22,997	25.7%
Short Term Provisions	93.7%	231	437	866	98.1%
<b>Total Current Liabilities</b>	<b>24.0%</b>	<b>16,430</b>	<b>20,402</b>	<b>25,274</b>	<b>23.9%</b>
<b>Total Liabilities and Equity</b>	<b>32.6%</b>	<b>33,034</b>	<b>47,489</b>	<b>58,073</b>	<b>22.3%</b>
Tangible Assets	74.2%	119	343	360	4.9%
Intangible Assets	20.8%	22	35	32	-6.2%
Capital Work-in-progress	49.4%	72	98	161	64.6%
Intangible Assets under development	-	-	24	1	-94.3%
Non Current Investments	3634.8%	1	498 <sup>(2)</sup>	768 <sup>(2)</sup>	54.1%
Deferred Tax Assets (Net)	108.2%	87	227	379	67.1%
Long Term Loans and Advances	73.1%	5,420	8,317	16,245	97.3%
Other Non Current Assets	-14.9%	1,838	1,574	1,331	-14.0%
<b>Total Non Current Assets</b>	<b>59.7%</b>	<b>7,558</b>	<b>11,090</b>	<b>19,278</b>	<b>73.8%</b>
Current Investments*	-	-	205	2,201	976.3%
Trade Receivables	65.6%	16	0	2	2737.5%
Cash and cash equivalents	5.3%	7,098	11,079	7,869	-29.0%
Short Term Loans and Advances	26.4%	17,576	24,456	28,078	14.8%
Other Current Assets	-9.4%	787	659	646	-2.1%
<b>Total Current Assets</b>	<b>23.4%</b>	<b>25,476</b>	<b>36,399</b>	<b>38,746</b>	<b>6.4%</b>
<b>Total Assets</b>	<b>32.6%</b>	<b>33,034</b>	<b>47,489</b>	<b>58,073</b>	<b>22.3%</b>
<b>Book Value Per Share (Rs.)</b>	<b>48.4%</b>	<b>101.73</b>	<b>169.87</b>	<b>224.11</b>	<b>31.9%</b>

(1) Includes equity share capital, share warrants, warrants application money and reserves & surplus; (2) Increase versus prior periods on account of investment in subsidiaries – TSL & SHFL;

\*Represents investments in money market instruments with maturity of less than one year;

# P&L Statement – Standalone



PARTICULARS (Rs. mn)	CAGR% (FY16-FY18)	FY16	FY17	FY18	YoY % (FY17-FY18)
<b>Total Revenue</b>					
Interest Income	38.1%	4,275	6,150	8,153	32.6%
Excess Interest Spread on securitization	-3.1%	892	1,064	839	-21.2%
Loan Processing Fee	26.3%	352	358	562	56.9%
Income from BC operation	-	-	-	0.07	-
Other Operating Income	79.9%	66	195	212	8.9%
<b>Total Revenue</b>	<b>32.2%</b>	<b>5,585</b>	<b>7,767</b>	<b>9,766</b>	<b>25.7%</b>
Interest Expense	29.1%	2,899	4,351	4,833	11.1%
Personnel Expenses	46.3%	884	1,568	1,891	20.6%
Credit cost (Provisions for NPAs, Write-offs, etc.)	222.7%	208	563	2,167	285.1%
Administration & Other Expenses	1.0%	686	856	699	-18.4%
Depreciation	120.9%	29	56	141	149.8%
<b>Total Expenses</b>	<b>43.8%</b>	<b>4,705</b>	<b>7,395</b>	<b>9,730</b>	<b>31.6%</b>
<b>Profit before tax</b>	<b>-79.8%</b>	<b>880</b>	<b>372</b>	<b>36</b>	<b>-90.3%</b>
Tax Expense	-	296	127	(4)	-103.4%
<b>PAT</b>	<b>-73.6%</b>	<b>579</b>	<b>245</b>	<b>40</b>	<b>-83.6%</b>
Preference dividends	123.6%	6	-	29	-
<b>PAT after pref. div.</b>	<b>-86.3%</b>	<b>574</b>	<b>245</b>	<b>11</b>	<b>-95.6%</b>
EPS – Basic	<b>-88.7%</b>	<b>20.28</b>	<b>7.13</b>	<b>0.26</b>	<b>-96.4%</b>
EPS – Diluted	<b>-88.8%</b>	<b>19.97</b>	<b>7.05</b>	<b>0.25</b>	<b>-96.5%</b>

# Operational Details – TSL



PARTICULARS	CAGR% (FY16-FY18)	FY16	FY17	FY18	YoY % (FY17-FY18)
Gross AUM (Rs. mn)	39.2%	3,458	4,498	6,699	48.9%
No. of districts	24.8%	61	87	95	9.2%
No. of branches	28.2%	112	149	184	23.5%
No. of States of operation	15.5%	6	8	8	-
No. of Employees	17.2%	978	1,109	1,344	21.2%
No. of Loan Officers	14.8%	674	700	888	26.9%
No. of Active Customers	22.2%	277,355	349,090	413,865	18.6%
Disbursement during the period (Rs. mn)	47.7%	3,723	5,346	8,119	51.9%
No. of loans disbursed during the period	33.9%	185,792	235,333	333,200	41.6%

Productivity Metrics					
Gross AUM/ Branch (Rs. mn)	8.6%	31	30	36	20.6%
Gross AUM/ Loan Officer (Rs. mn)	21.3%	5	6	8	17.4%
Disbursement/ Branch (Rs. mn)	15.2%	33	36	44	23.0%
Disbursement/ Employee (Rs. mn)	26.0%	4	5	6	25.3%
No. of Clients/ Branch	-4.7%	2,476	2,343	2,249	-4.0%
No. of Clients/ Loan Officer	6.4%	412	499	466	-6.5%
Average Ticket size (Rs.)	10.2%	20,000	22,700	24,300	8.0%

# Financial Details– TSL



PARTICULARS (Rs. Mn)	CAGR% (FY16-FY18)	FY16	FY17	FY18	YoY % (FY17-FY18)
<b>Balance Sheet</b>					
Networth (Rs. Mn)	16.4%	177	187	240	28.1%
Total borrowings (Rs. Mn)	108.9%	23	88	101	15.2%
Other Liabilities & Provisions	30.8%	180	174	307	76.4%
<b>Total Liabilities</b>	<b>30.6%</b>	<b>380</b>	<b>449</b>	<b>648</b>	<b>44.3%</b>
Fixed Assets	40.9%	10	13	20	60.3%
Cash and cash equivalents	-7.1%	254	218	219	0.4%
Other Assets	87.7%	116	218	409	87.4%
<b>Total assets (Rs. Mn)</b>	<b>30.6%</b>	<b>380</b>	<b>449</b>	<b>648</b>	<b>44.3%</b>
<b>Profit &amp; Loss Statement</b>					
<b>Total income (Rs. Mn)</b>	<b>29.2%</b>	<b>323</b>	<b>405</b>	<b>538</b>	<b>33.0%</b>
Interest Expense	20.3%	10	10	14	41.6%
Personnel Expenses	30.2%	178	241	303	25.6%
Credit cost (Provisions for NPAs, Write-offs, etc)	295.9%	13	35	208	491.9%
Administration & Other Expenses	-2.5%	109	93	104	12.0%
Depreciation	32.0%	4	7	7	0.9%
<b>Total Expenses</b>	<b>42.1%</b>	<b>315</b>	<b>386</b>	<b>636</b>	<b>64.9%</b>
<b>Profit before tax</b>	<b>-</b>	<b>8</b>	<b>19</b>	<b>-98</b>	<b>-613.6%</b>
Extraordinary Items and CSR	-	0	2	-	-
Profit before tax (after Extraordinary items)	-	7	17	-98	-685.9%
Provision for tax	-	2	6	-32	-585.3%
<b>Profit/(loss) after tax (Rs. Mn)</b>	<b>-</b>	<b>5</b>	<b>10</b>	<b>-66</b>	<b>-749.7%</b>
<b>EPS</b>		<b>0.62</b>	<b>1.12</b>	<b>-</b>	<b>-</b>

# Contact Information

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**Thank You**