

SATIN CREDITCARE NETWORK LIMITED



Q1FY19 CORPORATE PRESENTATION

AUGUST 2018

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Satin Overview

Company Overview



Business Overview

- India's second largest NBFC-MFI in terms of Gross Loan Portfolio ("GLP" or "Gross AUM")⁽¹⁾
- Led by Mr. HP Singh, who has experience of over 3 decades 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. 53,140 mn)⁽²⁾ consisting of lending under Joint Liability Group model, loans to individual businesses, IndusInd BC, loans for water and sanitation and Product Financing (Loans for solar lamps, cycles),
 - Non-MFI Segment** (Rs. 7,117 mn)⁽²⁾ 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
- 9368⁽³⁾ employees, 1017⁽³⁾ branches, ~3⁽³⁾ million active clients⁽⁴⁾ as of Jun'18
- Strong presence in underpenetrated regions of UP, Bihar, MP, Punjab, North East
 - Started Assam and Orissa in FY18
 - UP exposure is below 25%⁽³⁾ in Q1FY19
- Multiple rounds of fund infusion from 7 PE investors - profitable exits to 3 investors
- During FY18, raised capital (Tier I and II) of Rs. 4,393 mn
- In Q4FY18, commenced operations in Housing Finance subsidiary
- In Q1FY19, BC business with IndusInd touched Rs 474 mn
- In Q1FY19, raised Tier II capital (sub-debt) of Rs. 2,000 mn
- Long term Credit Rating updated to CARE A-; Short term rating upgraded to CARE A2+; Grading of MFI 1 (MFI One)
- Cashless disbursements were 57% of total disbursements at 90% of branches for the month of Jun'18

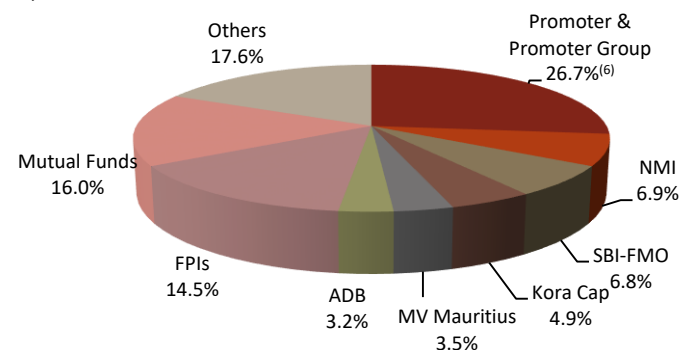
Key Market Statistics

Particulars	August 10, 2018
Returns since listing ⁽⁵⁾	4.2x
CMP (Rs.)	392.20
M.Cap (Rs. mn)	19180
Free Float (Rs. mn)	13492
Price to Book Ratio (BVPS as of Jun'18 – Rs.196.79)	1.99

Source: NSE & BSE as on Aug 10, 2018

Marquee Shareholder Base

As on June 30, 2018



Key Financials⁽³⁾

Rs. mn	Q1FY19	Q1FY18	FY18
Equity ⁽⁷⁾	9,614	4,657	8,986
Gross AUM ⁽⁸⁾	60,257	42,203	57,568
Standalone AUM	54,002	37,706	50,848
Subsidiary (Managed AUM)	6,255	4,497	6,720
Total Debt including securitisation	58,091	41,268	51,479
Net Interest Income ⁽⁹⁾	1,814	1,247	5,104
PAT	275	(838)	802
PAT (post minority int.)	272	(837)	809
Return on Avg. Assets (RoA) ⁽¹⁰⁾	1.66%	(7.02%)	1.45%
Return on Avg. Assets (RoA) ⁽¹⁴⁾	1.88%	(7.40%)	1.60%
Return on Avg. Equity (RoE) ⁽¹¹⁾	11.70%	-72.62%	11.94%
Cost to Income (%) ⁽¹²⁾	52.16%	60.65%	65.74%
CRAR (%) ⁽¹³⁾	26.36%	21.68%	23.65%

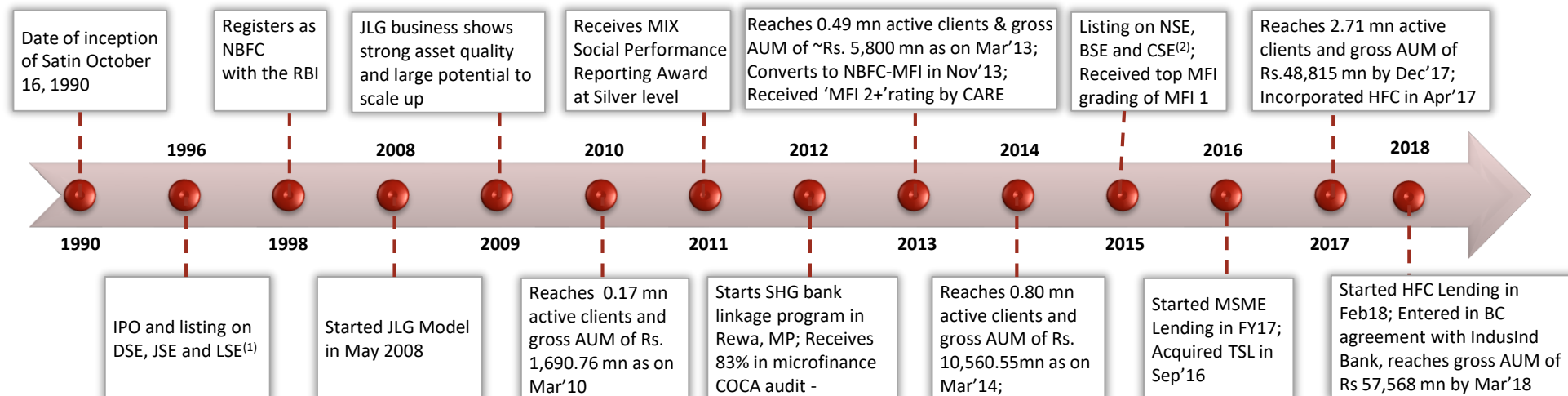
(10) RoA represents ratio of PAT to the Average Total Assets including securitisation; (11) RoE represents PAT (post Minority interest) to the Average Equity; (12) (All expenses including depreciation and excluding credit cost and int. exp) / (Total Income less Int exp); (13) CRAR represents above is on Standalone basis. (14) Considering securitization as off B/s assets in line with erstwhile IGAAPs.

Key Milestones

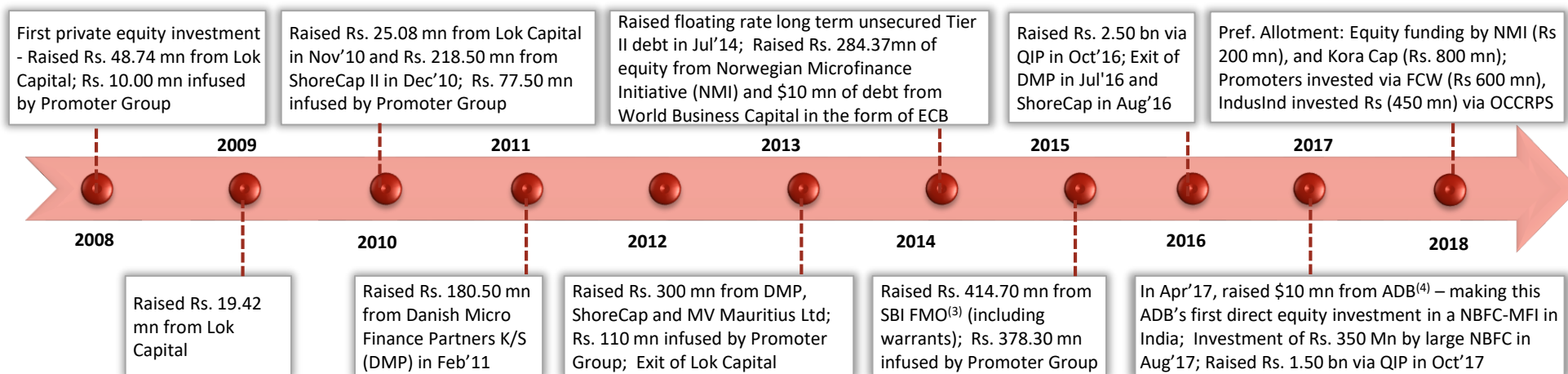
20 years to reach AUM of Rs 100 Cr; next 8 years to reach AUM of Rs. 5,000 Cr



Business Timeline



Fund Raising Timeline



Select Accolades & Key Highlights



-  **First Direct Equity Investment in Microfinance by Asian Development Bank**
-  **Featured in “Fortune The Next 500” in July 2018**
-  **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**

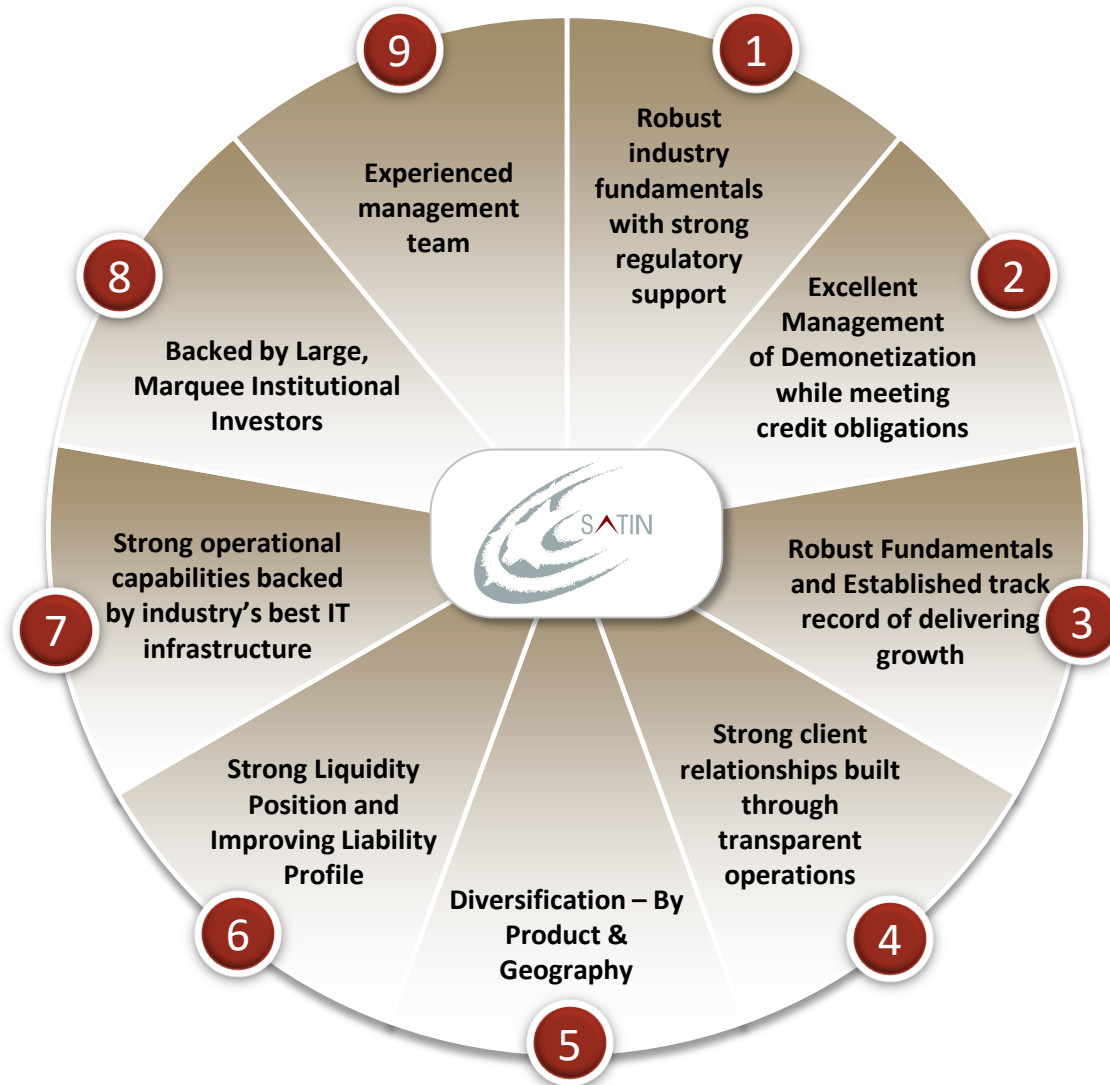


Award by Microfinance Information Exchange



Key Investment Thesis

Key Investment Thesis



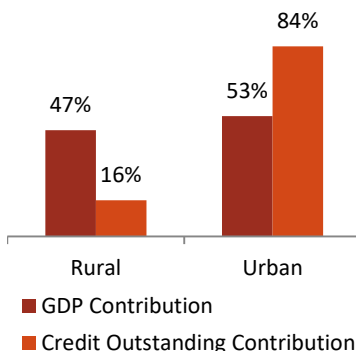
Robust Industry Fundamentals with Strong Regulatory Support - Growth to Continue



Industry Snapshot

- Massive Govt. thrust to boost financial inclusion - NBFC-MFIs (with 45mn borrowers and outstanding FY18 GLP of Rs. 889 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 16% of overall o/s bank-credit while comprising of 2/3rd households and contributing ~47% of FY17 GDP in India

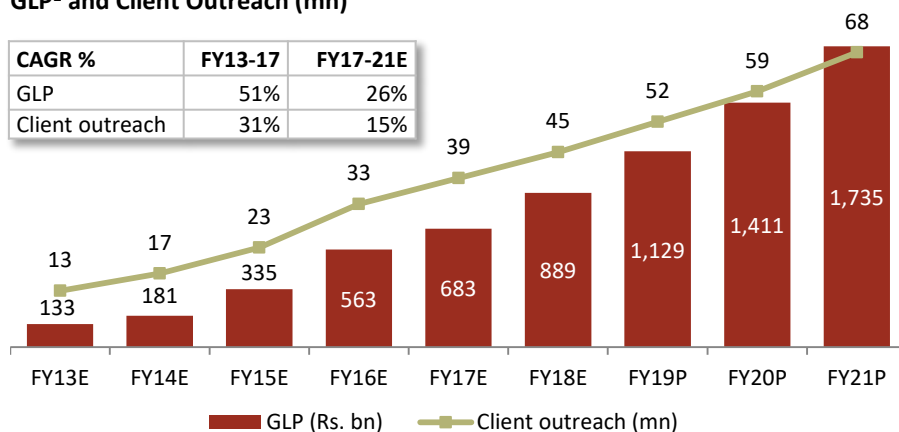
Low penetration of banking credit in rural areas (FY17)



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

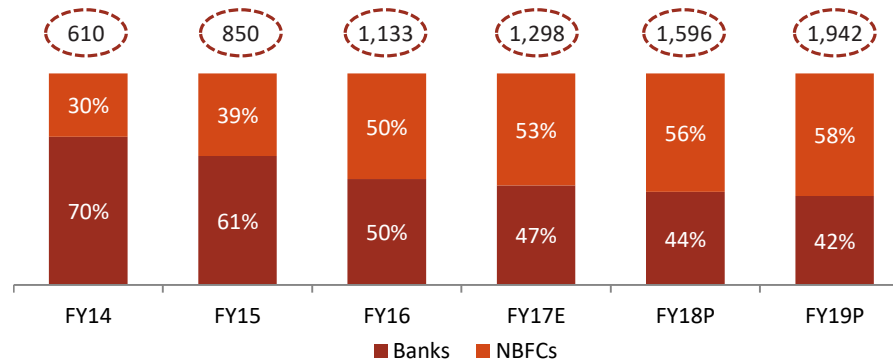
GLP¹ and Client Outreach (mn)

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



NBFCs gaining market share in microfinance industry

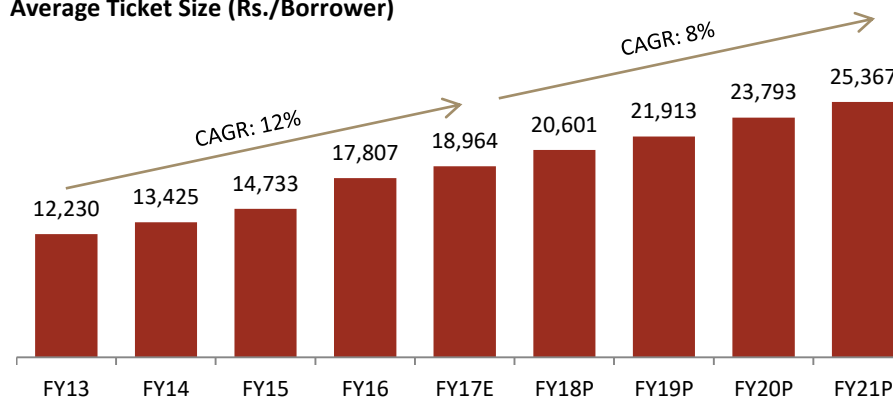
Share of GLP of NBFCs vis-à-vis Banks



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

Average ticket size expected to cross Rs. 25,000 by FY21

Average Ticket Size (Rs./Borrower)

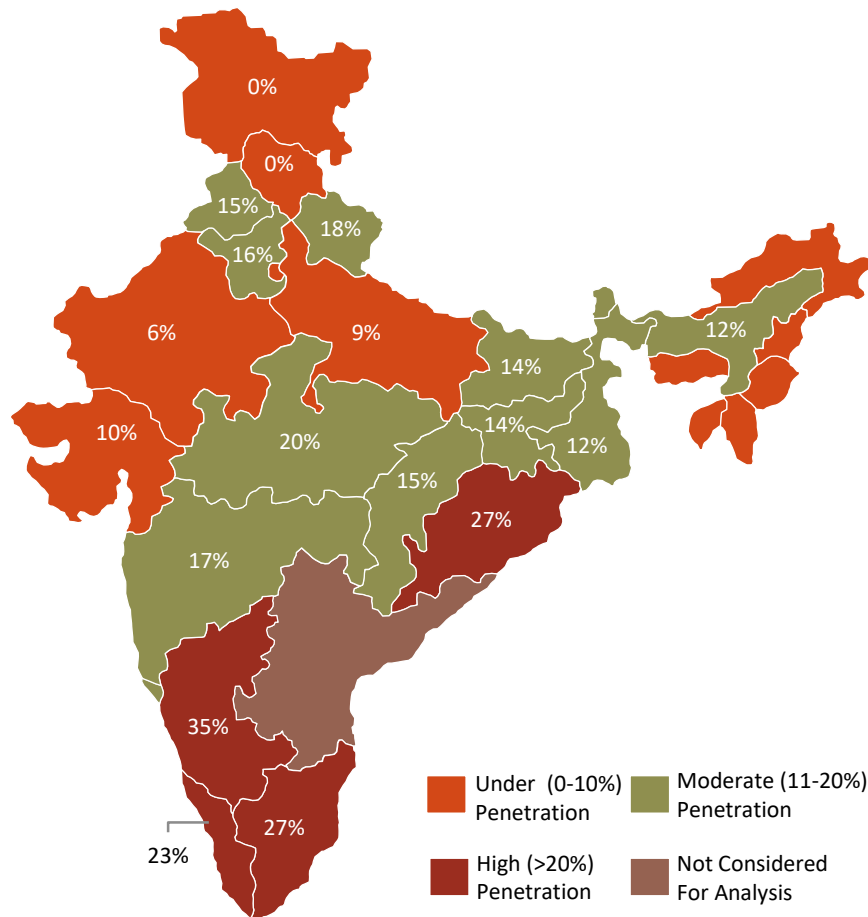


Low Penetration of MFI in India – Structural Growth Driver



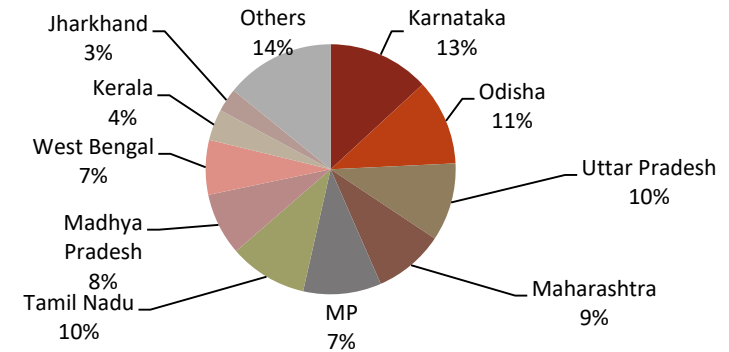
Northern and western states are relatively under penetrated

State-wise MFI penetration data⁽¹⁾



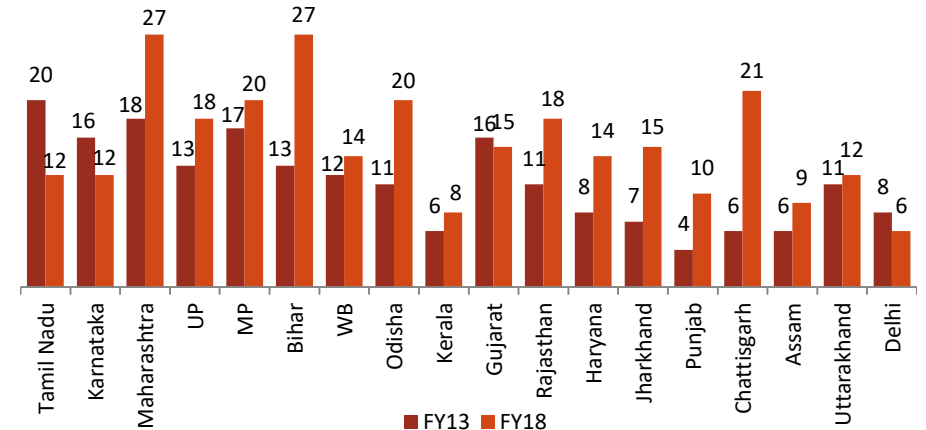
Top 10 states having 86% market share in Mar'2018

Market Share (%)



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

Number of MFI Players in each state/UT in FY18 vis-à-vis FY13⁽²⁾

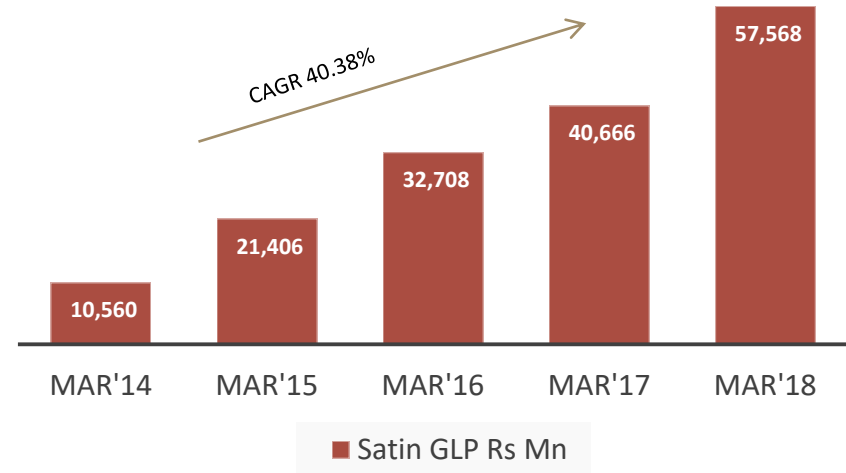
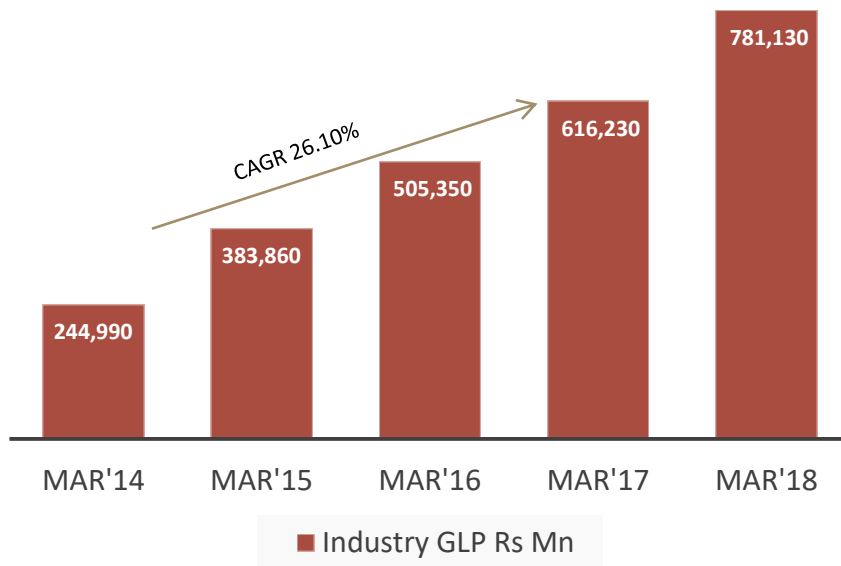


Satin Surges Ahead Faster Than Industry



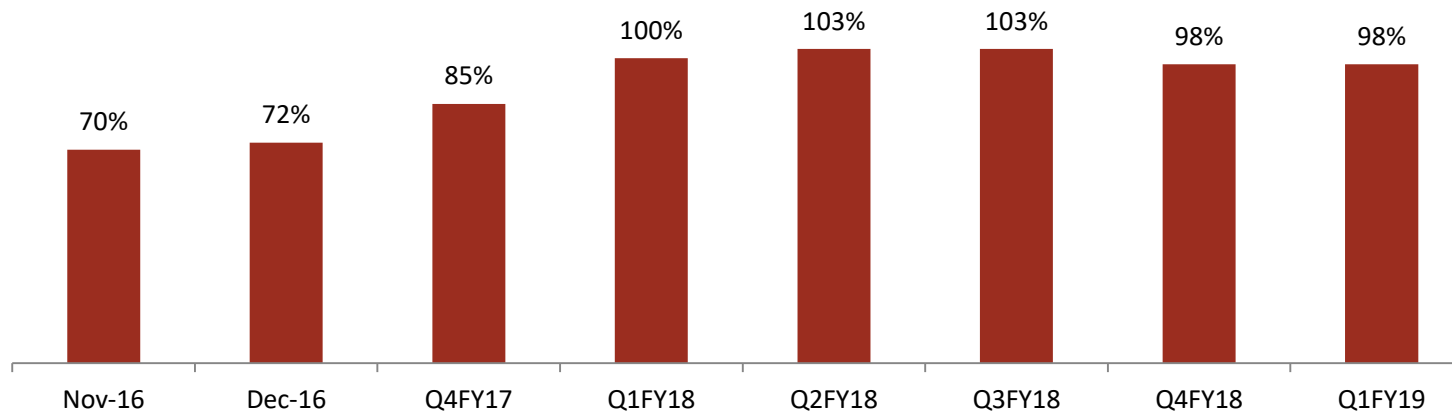
Industry is growing in last 5 years at a CAGR of ~26%

Despite the setback of demonetization, Satin growing at a healthy rate



- Data for industry is compiled from MFIN Micrometer reports and includes MFIs and SFBs
- Satin GLP is taken on a consolidated basis, since TSL was acquired during FY17

Strong Recovery in Collection Efficiency



- Collection efficiency of newly acquired clients (from 1st Jan 2017 to 30th Jun 2018) stood at 99.6%

PAR and Expected Credit Loss (ECL)



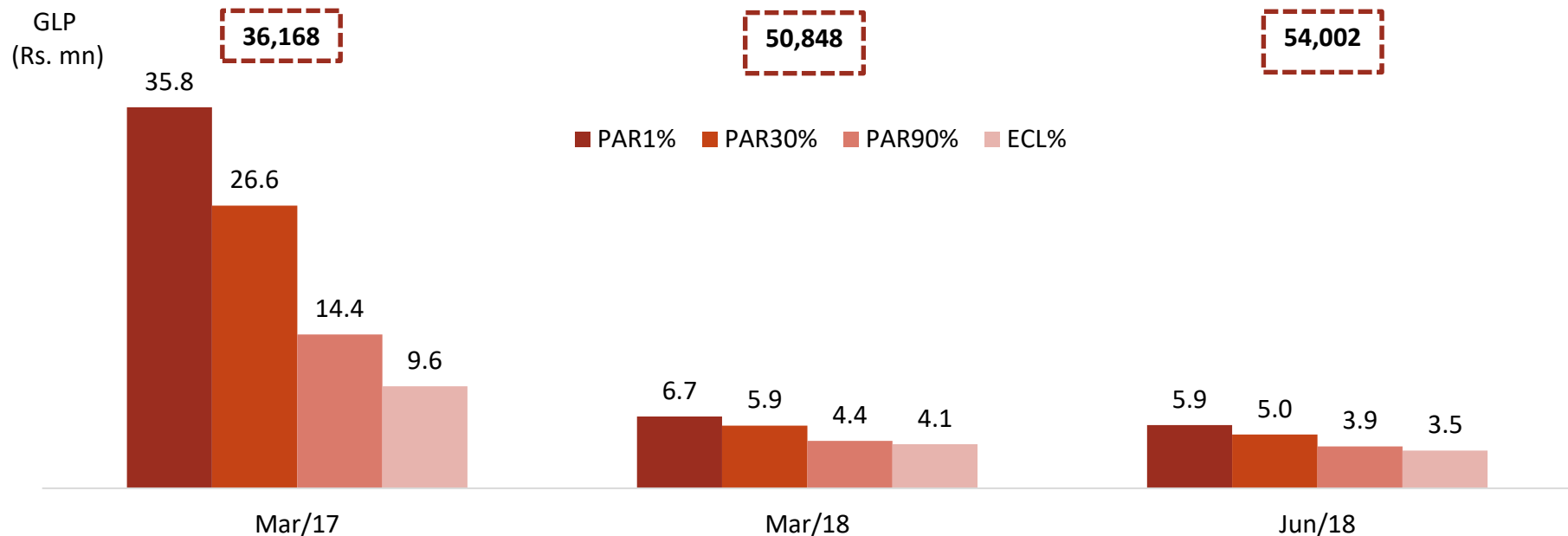
Gradual improvement in PAR across buckets indicates that the worst is over⁽¹⁾

ECL methodology prescribed in IND AS is based on the principle of providing for expected future losses, rather than incurred losses.

Expected Credit Loss (ECL): Probability of credit losses over the expected life of the financial asset.

ECL Calculation = Exposure at Default (ED) x Probability of Default (PD) x Loss Given Default (LGD)

ECL computation is based on analysis of historical portfolio PAR trends and macro economic parameters. Given the backdrop of impact of demonetisation on portfolio quality, management has remained conservative in approach. ECL computation will evolve as portfolio quality improves and returns back to normalcy.



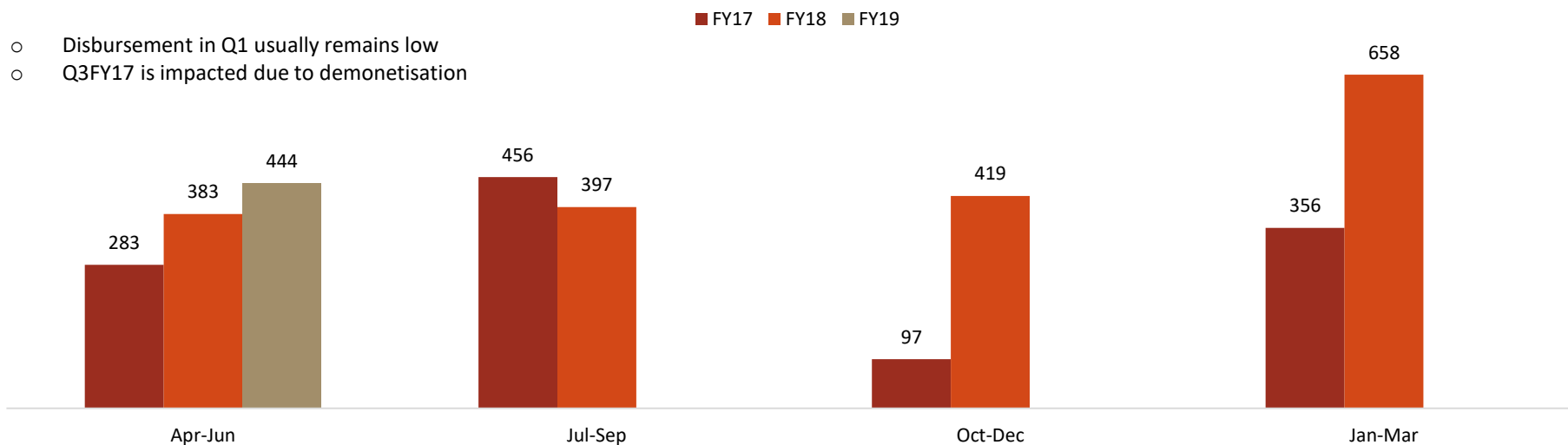
(1) On a standalone basis;

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



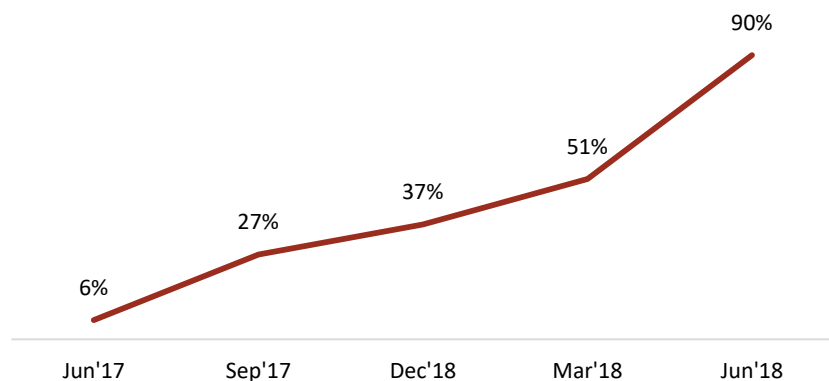
Return to Normal Disbursement Levels¹

- Disbursement in Q1 usually remains low
- Q3FY17 is impacted due to demonetisation

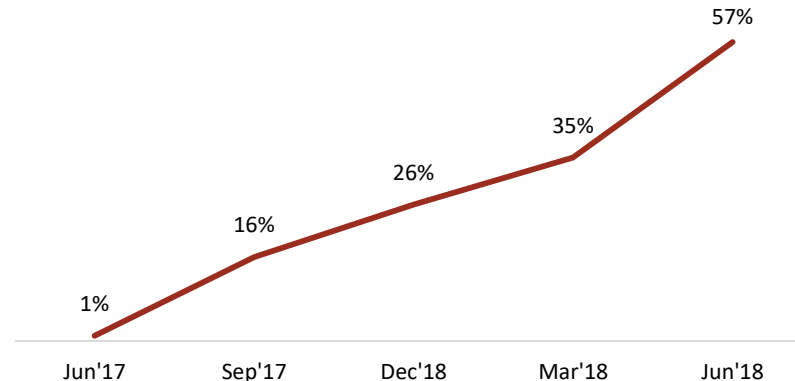


Digitization efforts that were started during demonetization are showing results

% of branches where Cashless disbursements have started*



Cashless disbursements as % of total disbursements*



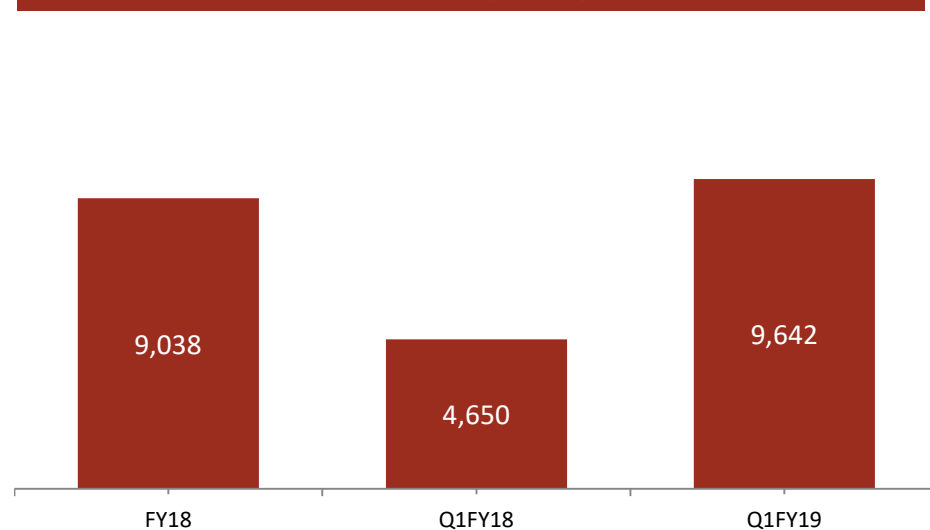
Note: All charts above are on standalone basis; (1) Average monthly disbursements * Data for microfinance only and numbers are MTD

Strong Capitalization

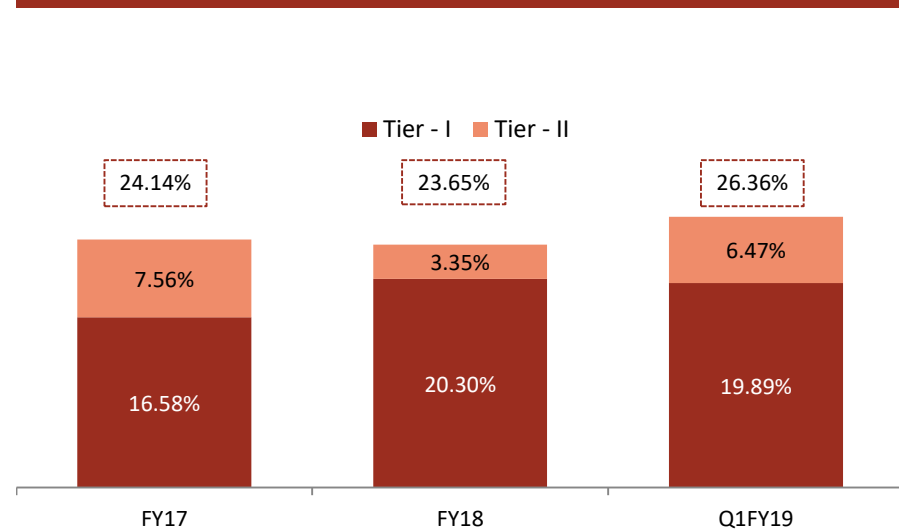


Healthy CRAR to help Capitalize on Growth Opportunities

Net Worth (Rs. Mn)



CRAR (Tier I + Tier II)^[1]

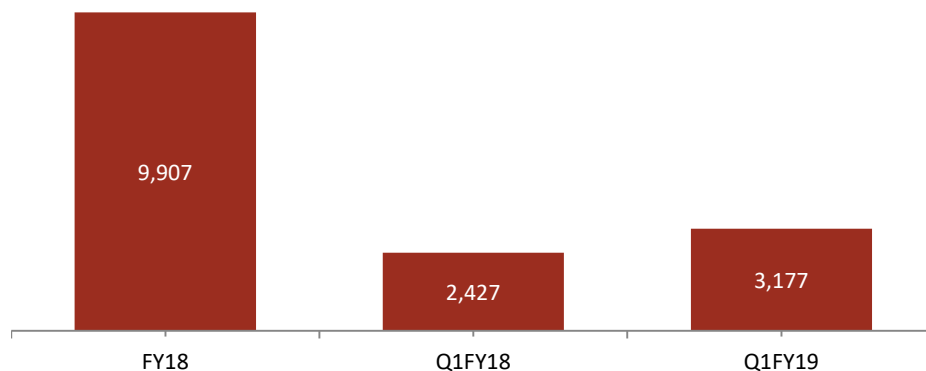


- Tie-up with IndusInd Bank for business correspondence activities will reduce the capital requirement for growth

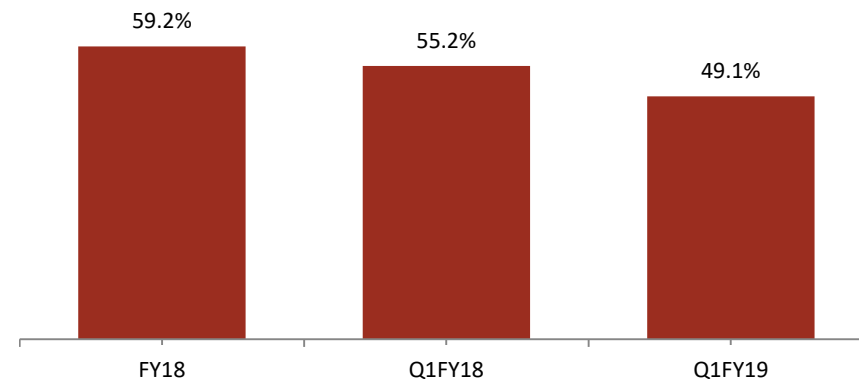
Track Record of Delivering Growth



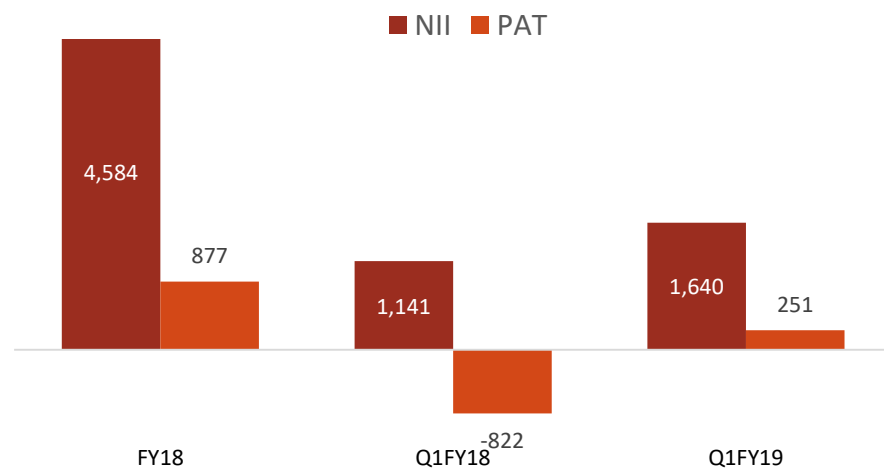
Gross Income (Rs. Mn)



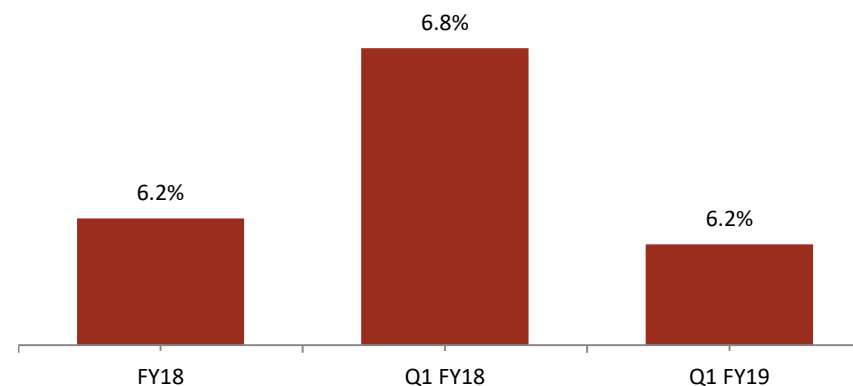
Cost to Income Ratio (%)



NII¹ and PAT (Rs. mn)



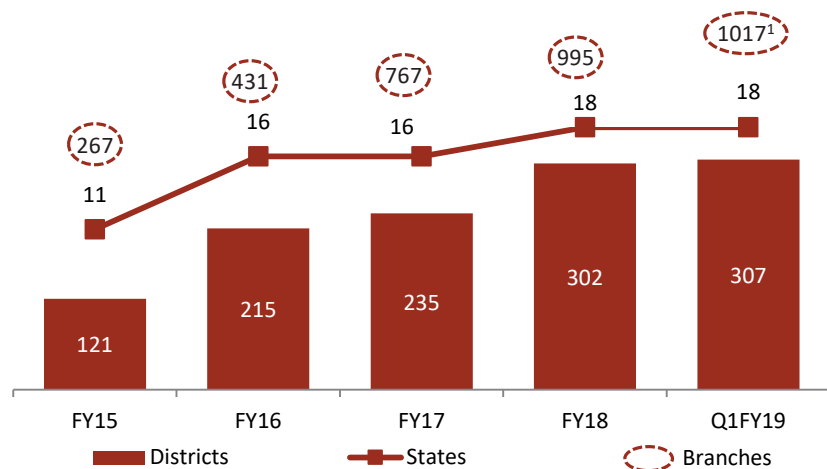
Opex to GLP (%)



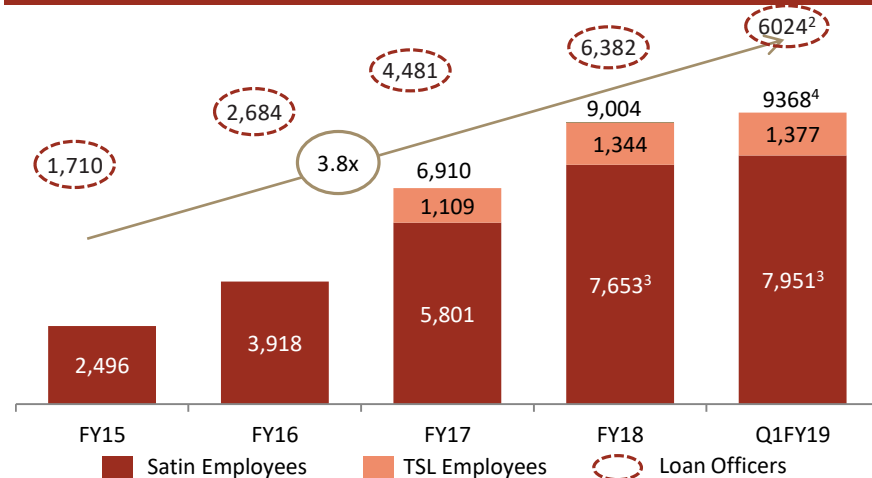
Operational Highlights (1/3)



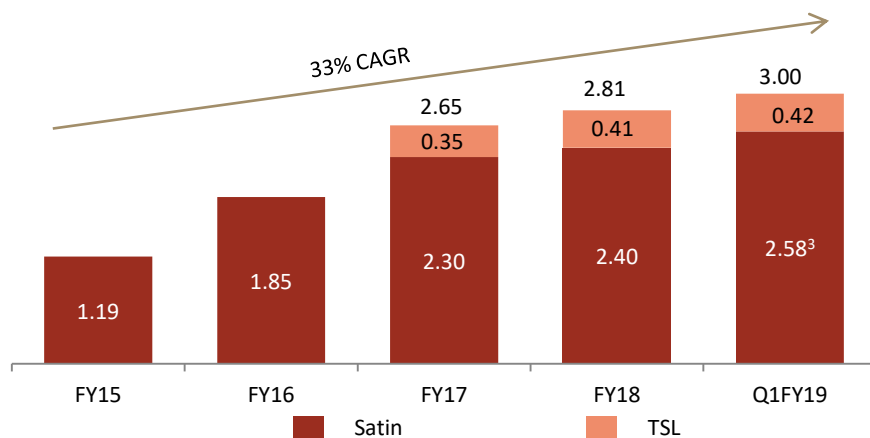
Districts, States and Branches



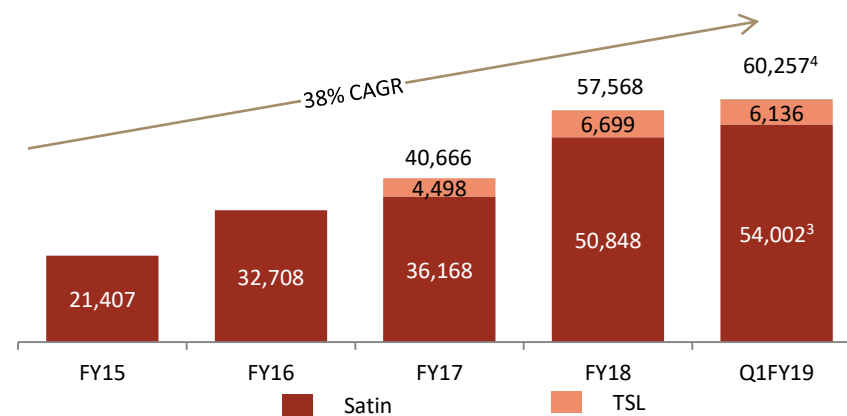
Employees & Loan Officers



Active Clients (mn)



Gross Loan Portfolio (Rs. mn)

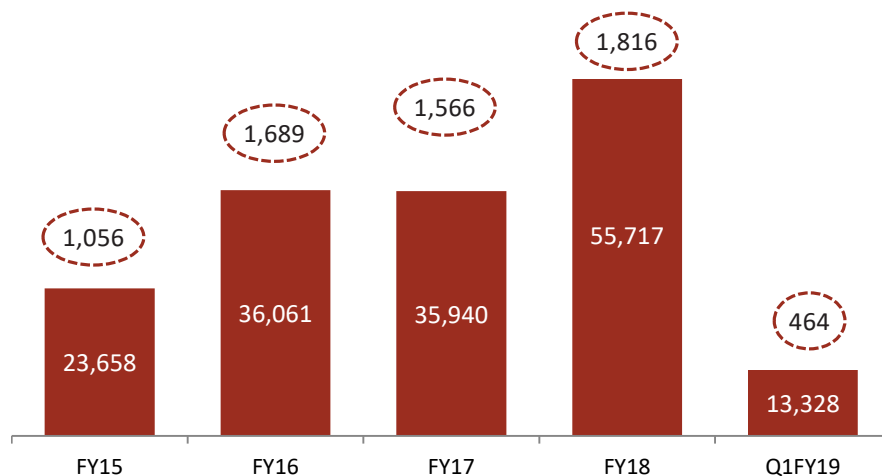


Note: (1) Data on a consolidated basis - On a standalone basis, the number of branches were 838 (Jun'18); (2) Data on a consolidated basis - On a standalone basis the number of loan officers were 5089 (Jun18)); (3) On standalone basis; (4) Consolidated figures includes Satin Housing Finance Limited.

Operational Highlights (2/3)

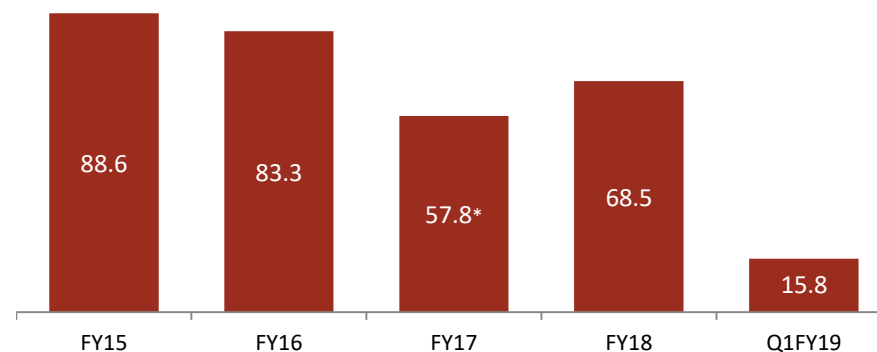


Disbursements¹ (Rs. mn) & No. of Loans¹ ('000)



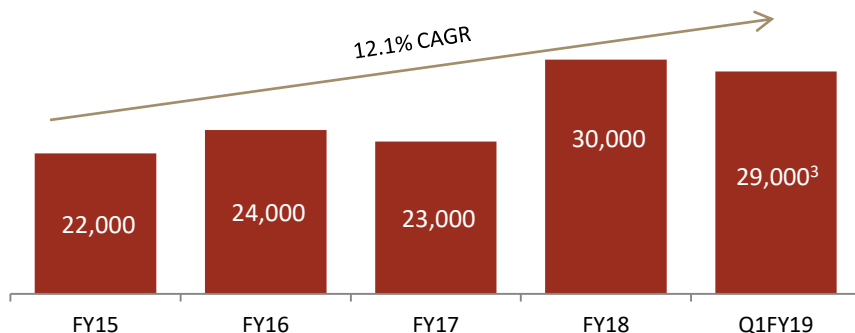
No. of Loans

Disbursement Per Branch² (Rs. Mn)

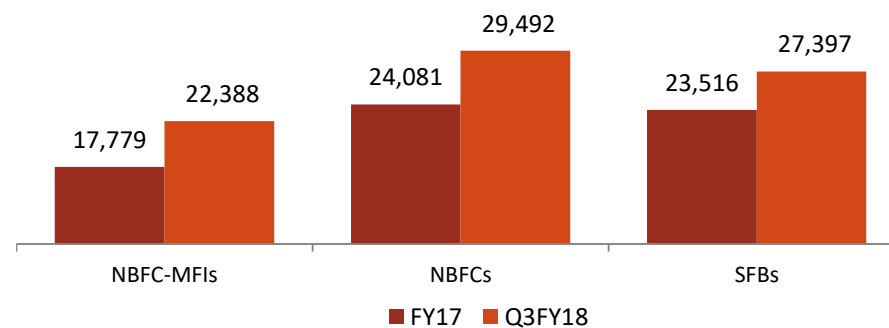


*Disbursements during FY17 impacted on account of demonetization
No. of Branches increased from 431 in FY16 to 838 in Q1FY19

Satin JLG loans - Average Ticket Size³ (Rs)



Industry Average Ticket Size⁴ (Rs)

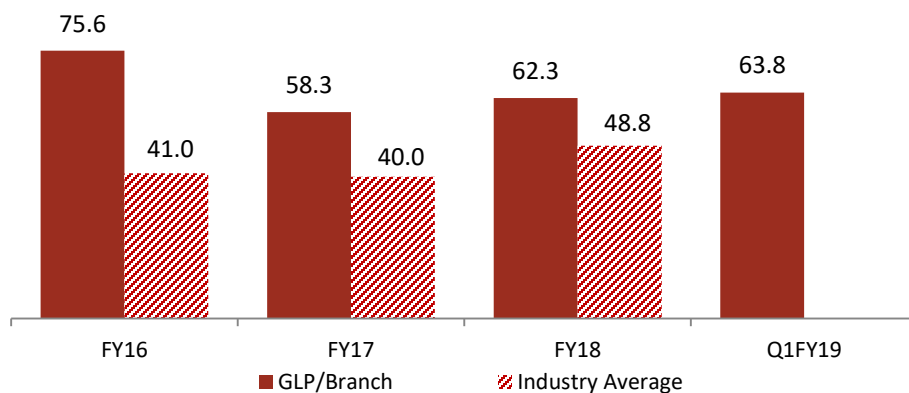


Note: (1) Standalone basis; (2) For MFI lending; (3) TSL's average ticket size was 25,800 (Q1FY19) (4) Source for industry averages is MFIN, Micrometer report

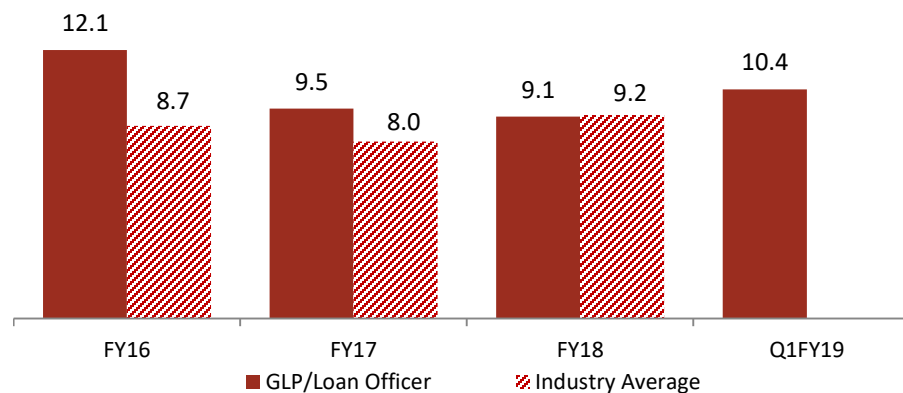
Operational Highlights (3/3)



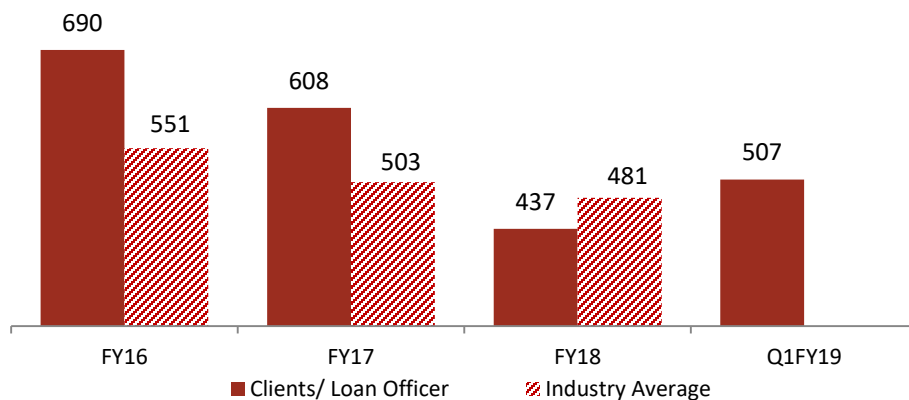
GLP/Branch – MFI Lending¹ (Rs. Mn)



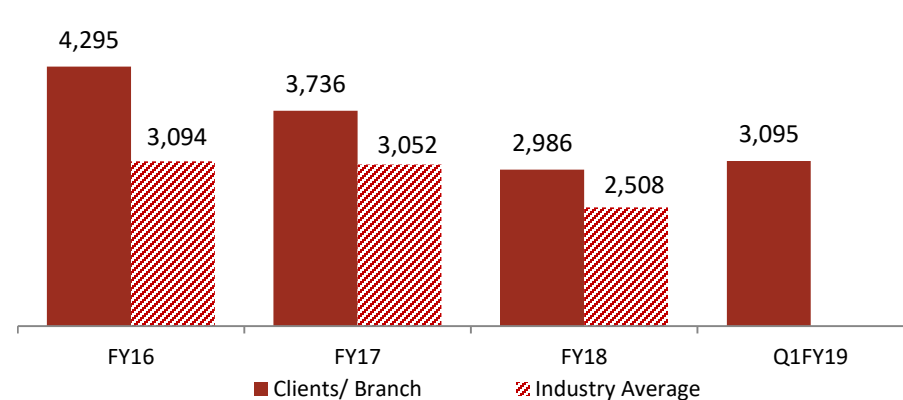
GLP/Loan Officer – MFI Lending¹ (Rs. Mn)



No. of Clients/ Loan Officer – MFI Lending¹



No. of Clients/ Branch – MFI Lending¹



(1) On standalone basis for JLG; Note: FY16-18 Industry data from MFIN Micrometer publication - Mar'18,

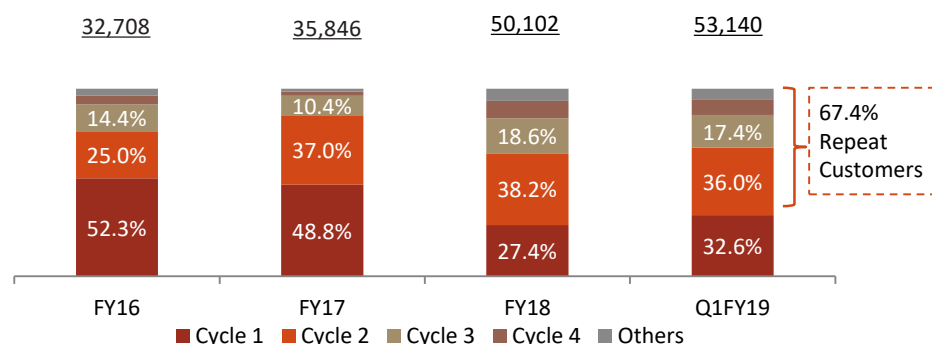
4 Strong Client Relationships with Transparent Operations



Trend in Loan Cycle

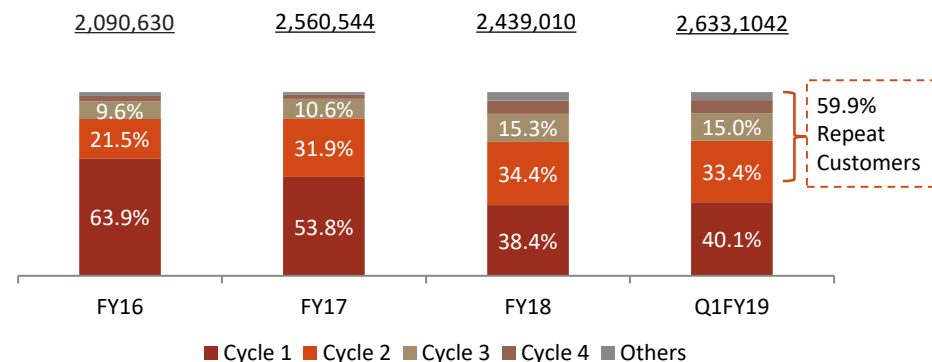
- Focus on further strengthening client relationships - Clients can graduate from being the first cycle borrowers under JLG Model to subsequent loan cycles

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 30 Jun'18

Transparent Operations

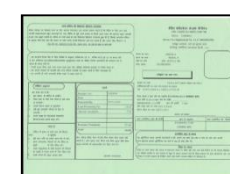
Smart Campaign – Client Protection Certification



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

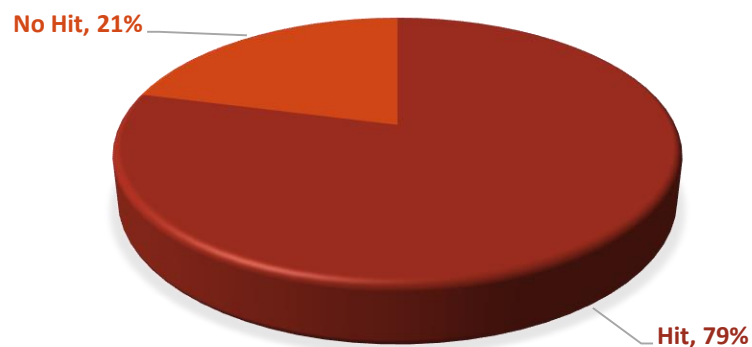
- Branches – 838⁽¹⁾
- Branches per Internal Audit staff – 8 to 9
- Regional offices – 47⁽¹⁾

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

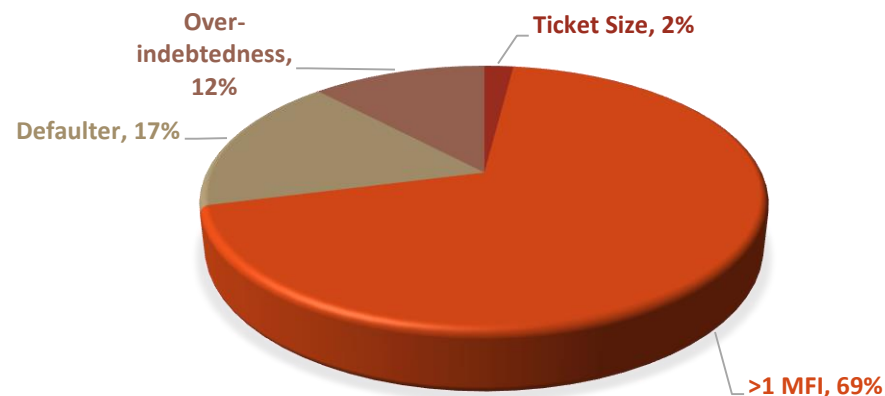
Credit Bureau Data For Screening Loan Applications



Hit Rate- For All Products-Q1FY19



CB Rejection Reason-Q1FY19



SCNL Guidelines

	Limit	RBI Guidelines	MFIN Guidelines
Indebtedness Limit (INR)	80,000	Yes	Yes
Maximum No. of MFIs	2	Yes	Yes






Rejection Rate for all products is ~12% for Q1FY19

Note:

- Rejections are done based on data derived from CB report
- Rejection detail belongs to JLG customers

5 Diversification – By Product



Existing Product	New Products with Large Target Markets			
 <p>MFI</p> <p>Started in FY09</p> <ul style="list-style-type: none"> Total AUM under MFI Lending has reached Rs. 53,140^[1] mn including IndusInd BC of 474 mn as of Jun'18 Presence across 18 states and Union Territories as on Jun'18, with expansion into Orissa & Assam during FY18 Active client base stood at ~2.6 mn as of Jun'18 	 <p>MSME</p> <p>Started in FY17</p> <ul style="list-style-type: none"> Launched in Apr'16 Operations in Delhi/NCR, Punjab, Haryana and Maharashtra As of Jun'18, AUM stood at Rs. 862 mn Operating from 29 branches as of Jun'18 	 <p>BC Services</p> <p>Acquired in FY17</p> <ul style="list-style-type: none"> In Sep '16, Satin acquired majority stake in TSL, which is a business correspondent offering microfinance and SME loans In Jul'18, TSL became Wholly Owned Subsidiary 177 branches with gross loans aggregating to Rs. 6,136 mn as of Jun'18 	 <p>Affordable Housing</p> <p>Started operations: Feb'18</p> <ul style="list-style-type: none"> A wholly-owned subsidiary Housing Finance Company incorporated in Apr'17 for servicing housing loans In Nov'17, received license from NHB to start housing finance business 2 branches with gross loans aggregating to Rs 119 mn as of Jun'18 	 <p>Strategic Tie-Ups</p> <p>1. Tie-up with IndusInd</p> <ul style="list-style-type: none"> To act as BC for MFI products for IndusInd Bank since Dec'17 Pilot completed; business scaling up <p>2. Tie-up with Large NBFC</p> <p>Pilot Started: Q3FY18</p> <ul style="list-style-type: none"> Strategic tie up with large NBFC to distribute non-MFI financial products Incorporating learnings from the pilot phase

[1] including product finance

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



	MFI Segment ⁽¹⁾	Non-MFI Segment	Business Correspondent services	Housing Finance
Product features as on Jun'18	MFI Lending	Loans to MSME ⁽²⁾	TSL ⁽³⁾	Satin Housing Finance Ltd ⁽⁴⁾
Start Date	May'08 (JLG)	Apr'16	May'12 ⁽³⁾	Feb'18
Ticket Size Range	Rs. 5,000 – Rs. 50,000	Rs. 100,000 – Rs. 1,500,000	Rs. 15,000 – Rs. 50,000 (JLG - Microfinance)	Rs 100,000 – Rs 3,000,000
Tenure	12 - 24 months	12 – 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	3
No. of Branches	833	29	177	2
Gross Loan Portfolio (Rs. mn)	53,140	862	6,136	119
No. of loan accounts	2,581,162	1,070	420,244	91
Avg. Ticket Size during Q1 FY19	Rs. 29,000 (JLG)	Rs. 1,180,000	Rs. 25,800 (JLG)	Rs. 1,250,000

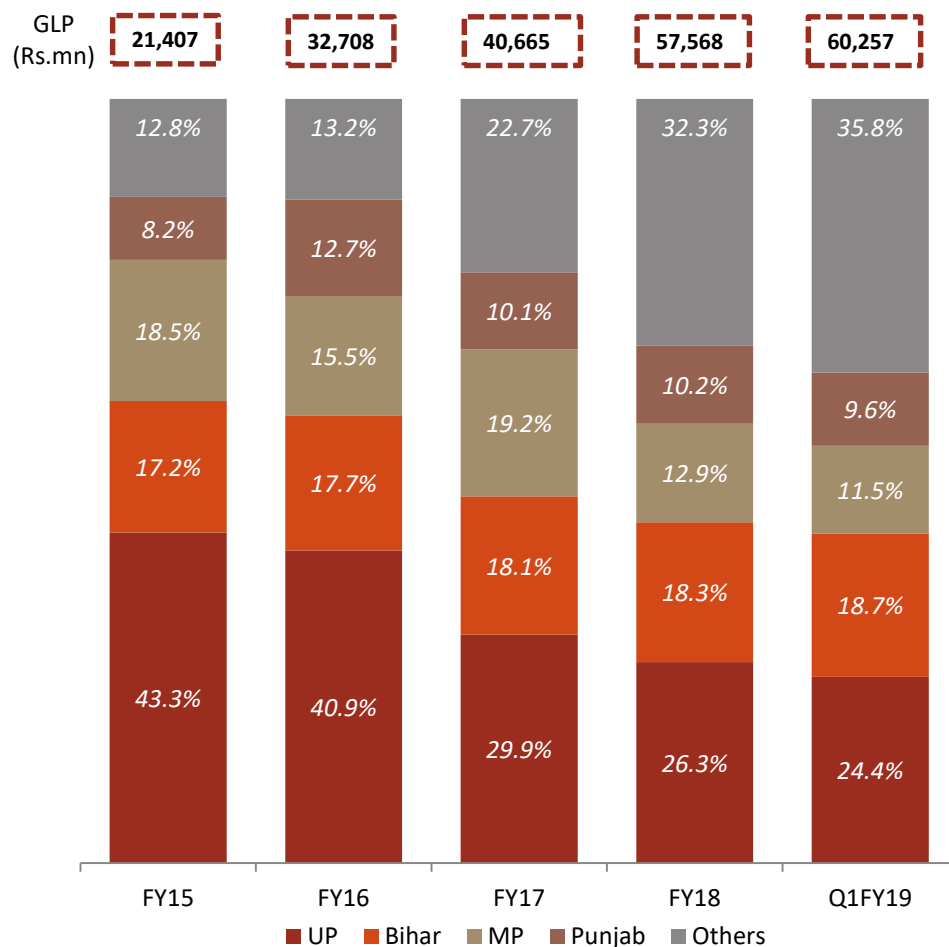
Notes - (1) As on Jun'18, MFI Segment included MFI Lending (loans under JLG model, IndusInd BC, water & sanitation loans and loans to individual businesses) and Product Financing (Loans for solar lamps, Hero cycles); (2) MSME: Micro, Small & Medium Enterprises; (3) TSL acquisition is effective Sep 1,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

*As of Q1 FY19, there were 833 branches with Microfinance operations & 29 branches with MSME operations. Out of the 29 MSME branches, 24 of them also had microfinance operations & 5 were unique.

Diversification – By Geography



Management Focus is on Geographic Diversification¹



Note: Data on a consolidated basis

Areas of operations – Reducing Geographic concentration

States	GLP - Q1 FY19 (Rs. mn)	Q1 FY19 % mix	FY15 % mix	Change	FY15 – Q1FY19 CAGR %
Uttar Pradesh	14,716	24.4%	43.3%	↓	15%
Bihar	11,288	18.7%	17.2%	↑	41%
Madhya Pradesh	6,951	11.5%	18.5%	↓	19%
Punjab	5,758	9.6%	8.2%	↑	44%
Assam	3,771	6.3%	0.0%	↑	
Rajasthan	3,590	6.0%	1.6%	↑	105%
West Bengal	3,043	5.0%	0.0%	↑	
ORRISA	2,681	4.5%	0.0%	↑	
Gujarat	2,054	3.4%	0.0%	↑	
Haryana	1,962	3.3%	1.1%	↑	93%
Maharashtra	1,433	2.4%	0.9%	↑	88%
Uttarakhand	1,197	2.0%	4.0%	↓	10%
Jharkhand	655	1.1%	0.0%	↑	
Chhattisgarh	555	0.9%	0.0%	↑	
Delhi & NCR	501	0.8%	5.1%	↓	-21%
Himachal Pradesh	52	0.1%	0.0%	↑	
Jammu & Kashmir	48	0.1%	0.1%	↔	20%
Chandigarh	2	0.0%	0.0%	↔	-18%
Total	60,257	100%	100%		37%

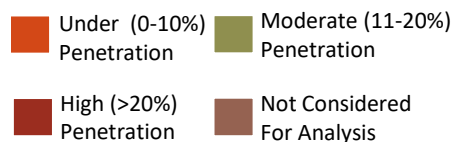
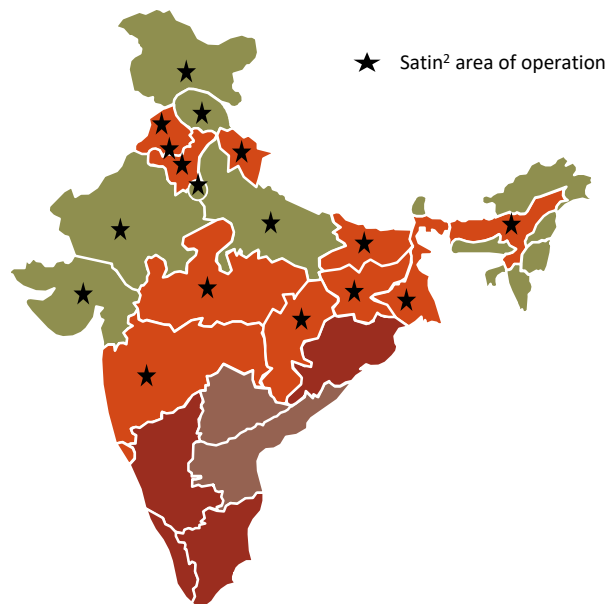
Note: 1. Loan portfolio in each state as a % of Gross Loan Portfolio on a consolidated basis, TSL became wholly owned subsidiary in Jul'18 and subsidiary – SHFL incorporated on Apr 17, 2017;

Strong Presence in Underpenetrated MFI Regions



Satin is Present Predominantly in States of Low MFI Penetration

- With presence in 18 states¹, 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 FY18 ³ (Lakh)	Population FY18 ⁴ (Cr)	MFI penetration FY17 ⁵ (%)	Satin's market share FY18 ^{6,8}	YoY growth % FY17 ^{7,8} (Industry GLP)	Satin YoY Growth % FY17	Q1FY19 GLP ² (Rs. mn)	Q1FY19 GLP% mix
Tamil Nadu	23	8	27%	-	60.3%	-	0.0	-
Karnataka	28	7	35%	-	24.1%	-	0.0	-
Kerala	9	3	23%	-	68.5%	-	0.0	-
UP	26	22	9%	34.6%	0.5%	24.26%	14716	24.4%
Bihar	27	12	14%	24.0%	53.6%	40.68%	11288	18.7%
MP	22	8	20%	14.6%	11.1%	(8.99%)	6951	11.5%
Punjab	7	3	15%	51.4%	29.3%	35.92%	5758	9.6%
West Bengal	5	3	12%	8.3%	51.3%	649.94%	3043	5.0%
Haryana	8	8	16%	25.5%	20.4%	29.64%	1962	3.3%
Rajasthan	2	1	6%	19.2%	18.4%	63.58%	3590	6.0%
Uttarakhand	23	12	18%	38.9%	(6.9%)	20.48%	1197	4.0%
Maharashtra	19	10	17%	2.5%	20.4%	4.37%	1433	2.4%
Assam	5	7	12%	34.4%	60.4%	-	3771	6.3%
Orissa	8	3	27%	3.9%	32.4%	-	2681	4.5%
Gujarat	0	2	10%	9.0%	15.2%	4.76%	2054	3.4%
Jharkhand	7	3	14%	4.5%	50.1%	(24.72%)	655	1.1%
Delhi	5	3	-	51.1%	(24.2%)	5.51%	501	0.8%
Chhattisgarh	29	5	15%	5.0%	36.2%	5.70%	555	0.9%
Himachal Pradesh	-	1	-	-	-	3.09%	52	0.1%
J & K	-	1	-	-	-	45.25%	48	0.1%
Chandigarh	-	0	-	-	-	(63.55%)	2	0.0%

Satin States of Operations

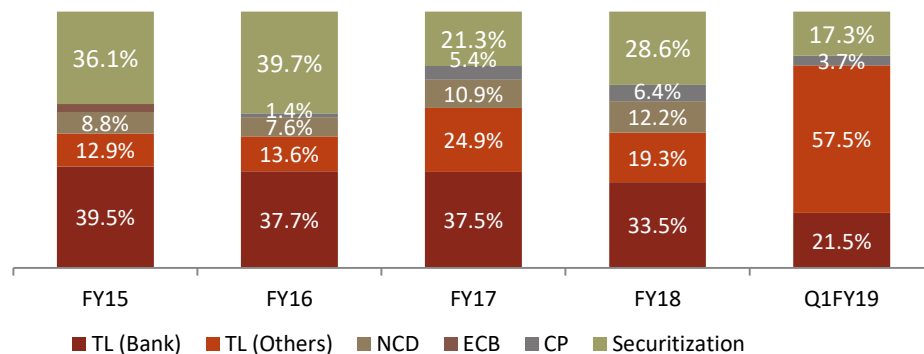
- Satin is present mostly in states of low MFI penetration
- It has significant presence in under-penetrated and high growing markets

6 Improving Liability Profile and Strong Liquidity Position



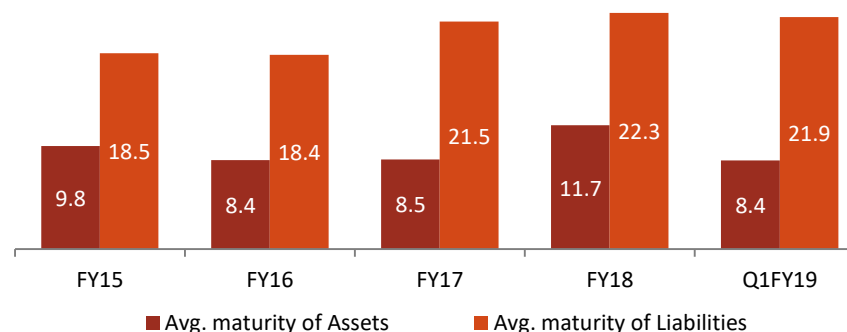
Diversification of funding mix

Source of funds raised during the period



Benefit of positive ALM continues

ALM (No. of Months)¹

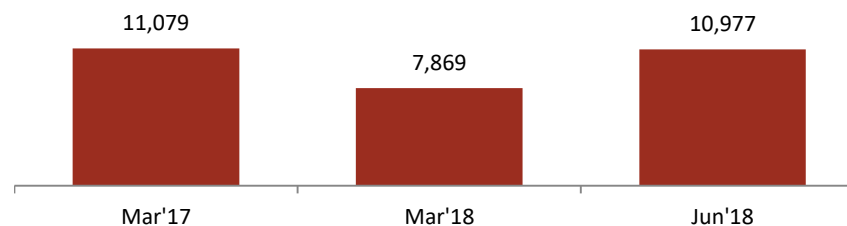


Diversified sources of funding

Top 10 Funders	Share (%) as on 30 Jun 2018
NABARD	19%
Bandhan Bank Limited	7%
Indostar Capital Finance Limited	6%
Indusind Bank	6%
Capital First Limited	5%
HSBC	4%
Bank Of Baroda	3%
Yes Bank Limited	3%
responsAbility	3%
RBL Bank Limited	3%
Top 10 lenders	58%

Strong Liquidity Position to Sustain Growth

Liquidity² (Rs. mn)



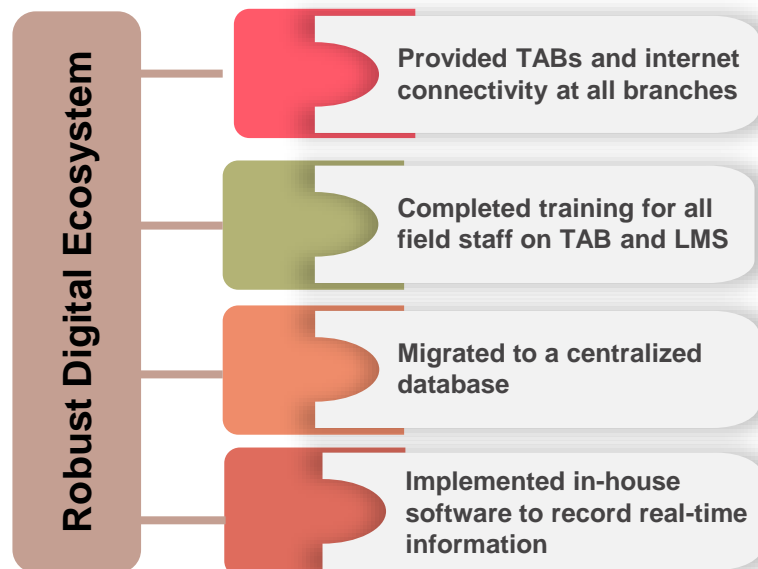
Note: All data on a standalone basis unless stated otherwise

(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, excluding accrued interest

7 Operational Capabilities Backed by Robust IT Infrastructure

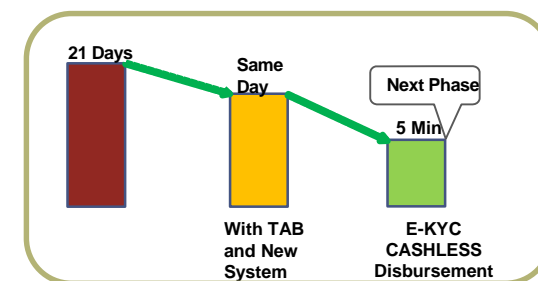


Digital transformation implemented across all branches in less than 3 months (From 21 Apr'17 to 03 Jul'17)



ADVANTAGES OF LMS (Loan Management System)

- Real Time reporting from the field.
- Software has the capability to track every client, group, center, branch, territory, region, zone and the company in its entirety
- Significant productivity improvement through automations and reduction in paperwork.
- It has Inbuilt Security, quality control features and helped in collaboration amongst team members.
- Real time-interactive dashboards, TAT reduced from 15 days to 1 day(for existing clients) and 4 days(new client); Accounting- auto clearance.
- Branches are enabled with Wi-Fi, Laptop, Printer which make them self dependent for any work and deviations are monitored by RO and HO.



Cashless Disbursement Strategy

99% clients have Aadhaar cards, and ~80% have Aadhaar linked bank accounts⁽¹⁾

Cashless disbursements to customers' bank account through IMPS/NEFT technology

From a pilot in Feb'17, as on 30th June'18 cashless disbursement is live across 740 branches

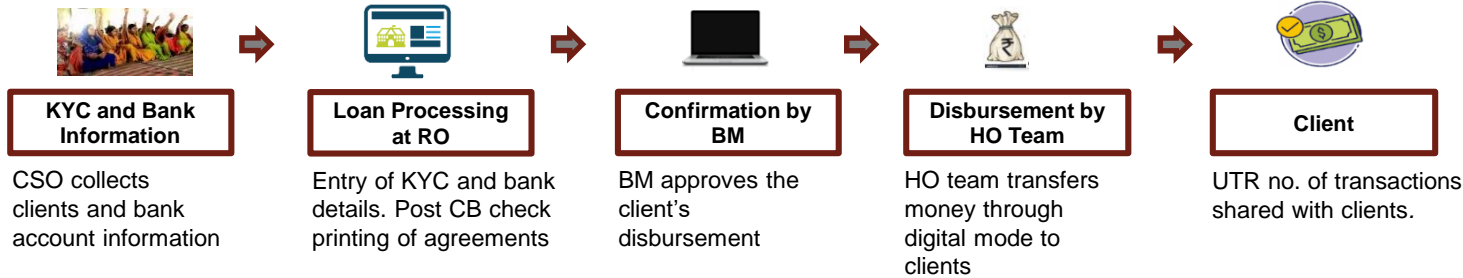
Executing upon the strategy of full cashless disbursement in all SCNL branches

Cashless disbursement to JLG clients – 100% of total monthly disbursement⁽²⁾

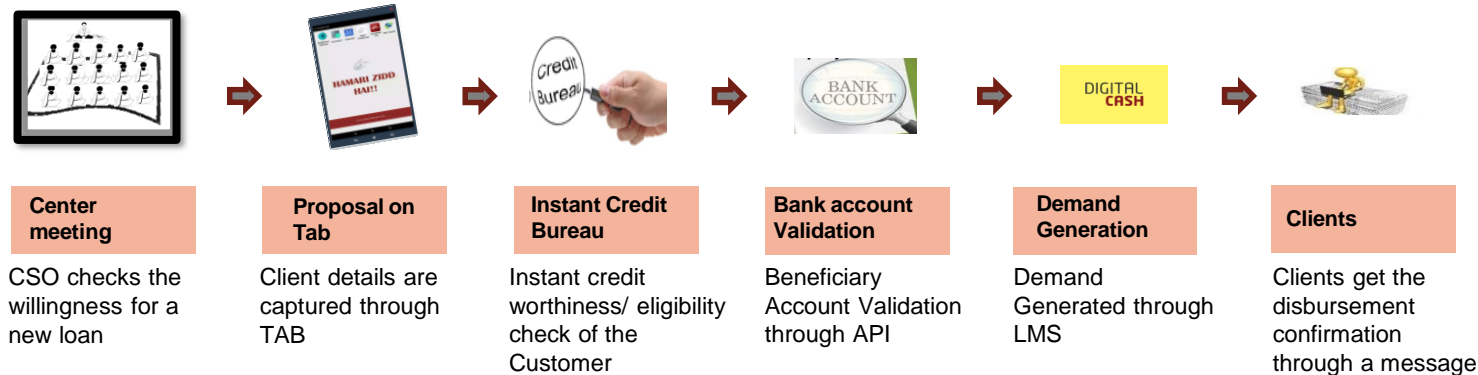
Technology Revamp– To help realize operational efficiencies

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

Previous System



New System



Cashless Collection (pilot)



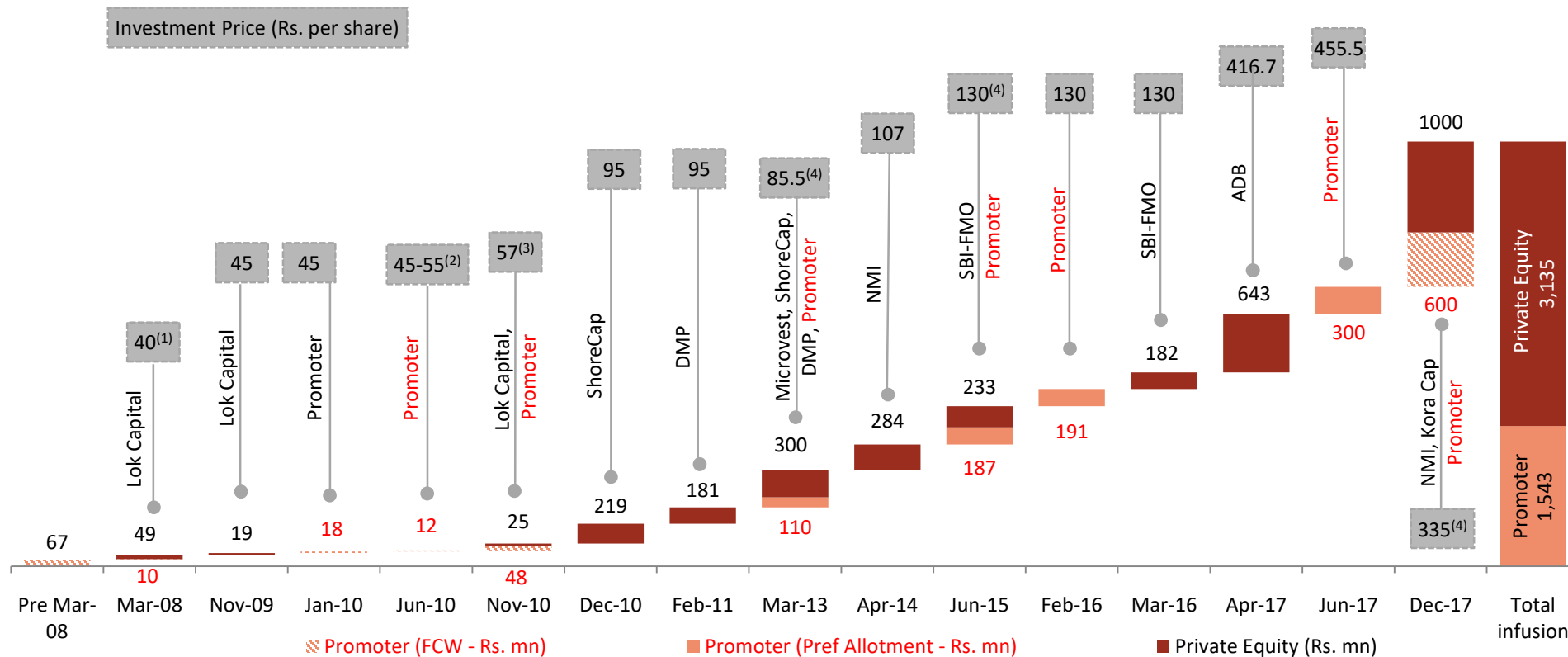
Investor confidence

- 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
- Raised Rs. 350 mn from large NBFC

Promoter Commitment

- Promoter stake in Satin is the highest among listed MFIs having invested at regular intervals at par with incoming PE investors
- Adequate board representation – There are 4 Nominee Directors on the board representing the Investors

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 decades 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 27 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

- 21 years of experience in various industries
- Worked with National Panasonic India Ltd, Citi Financial Consumer Finance India Ltd, Max Life Insurance and SKS Microfinance prior to joining SCNL



Mr. Subir Roy Chowdhury, Head - Human Resources

- Experience of 21 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 27 years in Information Technology across the Globe
- Previously worked with Bata International Group, Yum Restaurants, Procter & Gamble for India & Singapore, Gillette India Ltd. and 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

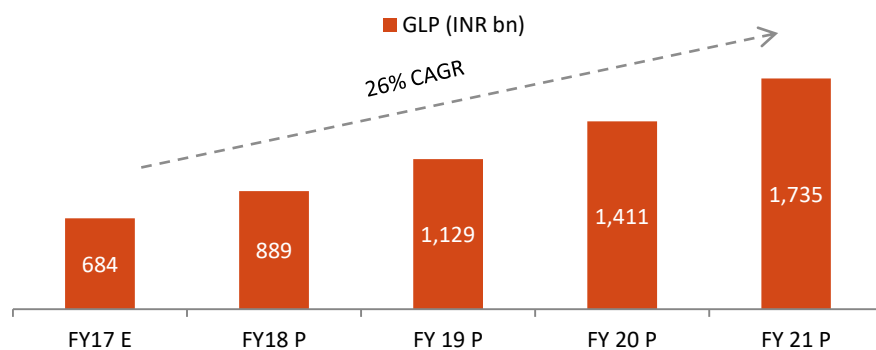
Future Business Strategy



Core operations (MFI Lending)

Market size⁽¹⁾

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 FY18
- Scale up BC operations with IndusInd Bank to ensure smooth availability of funds and reduce capital requirement

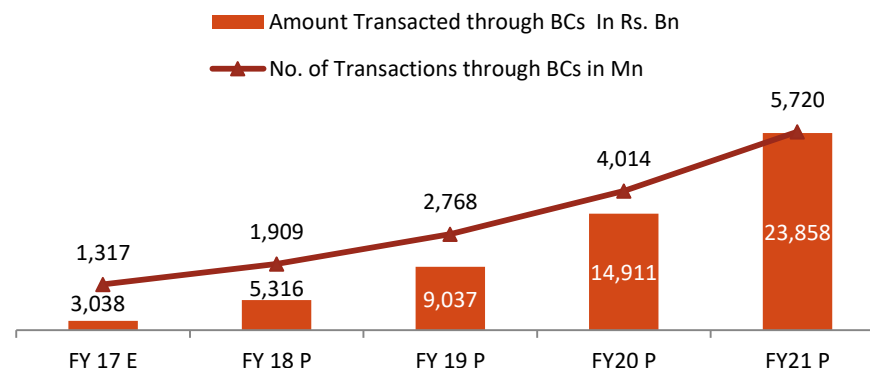
New Products

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 became a Wholly Owned Subsidiary (WOS) in Jul'18.
- TSL seeks to enter into arrangements with various other banks and financial institutions to scale the business correspondent and allied services business

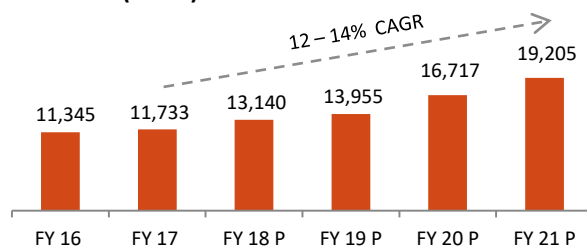
Future Business Strategy



New Products

MSME

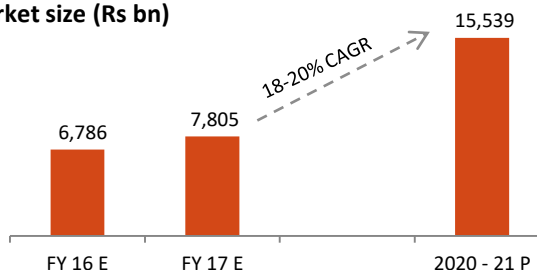
Market size (Rs bn)



- 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.

Conclusion

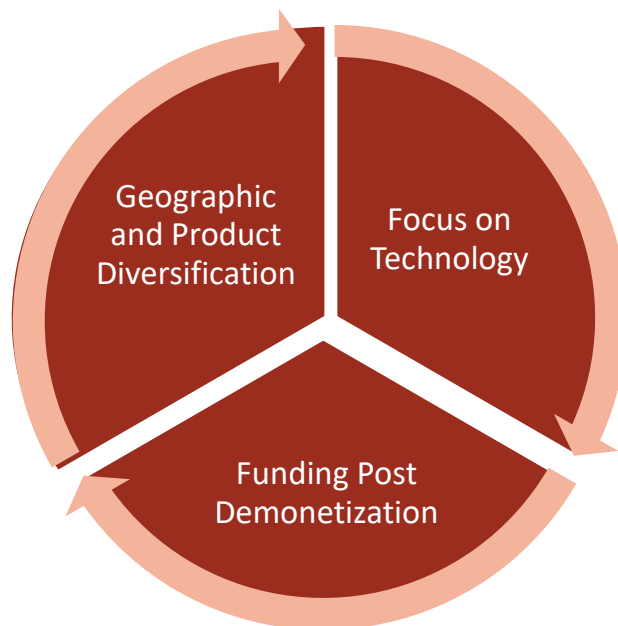
Shaping up of a Future ready Business model



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 in 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 99.6%
- Tied up with IndusInd Bank 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 (converted their OCRPS into equity in May'18)
 - With this strategic tie-up, product portfolio will expand to products other than microfinance
- All fresh JLG disbursement is Bi-weekly. Mix of monthly collections in our AUM has reduced from 33%⁽¹⁾ at the time of Demonetization (Nov'16) to ~1% today



Investor Confidence and Promoter Commitment

- During FY18, Satin⁽¹⁾ has raised:
 - Rs. 38,879 Mn via Term Loans from banks & FIs, Non-convertible debentures, commercial paper and securitization transactions
 - Rs 4,393 Mn by way of equity shares and convertible warrants from the promoters, ADB, NMI, Kora Investments etc, OCRPS from IndusInd Bank and a leading NBFC (converted in May'18)
- During Q1FY19, Satin⁽¹⁾ has raised Rs 13,677 mn including Rs.2,000 mn as Tier II (sub-debt) from large 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
- Improvement in Cost to income ratio due to operational efficiencies
- Cashless disbursements is at 57%⁽¹⁾ of total disbursements in Jun'18

Geographic Expansion

- Started operations in two more states post demonetization
 - Assam and Orissa in FY18
 - Decision to cap per state exposure to 20% by 2020
- Opened 228⁽²⁾ new branches between Mar'17 to Mar'18;

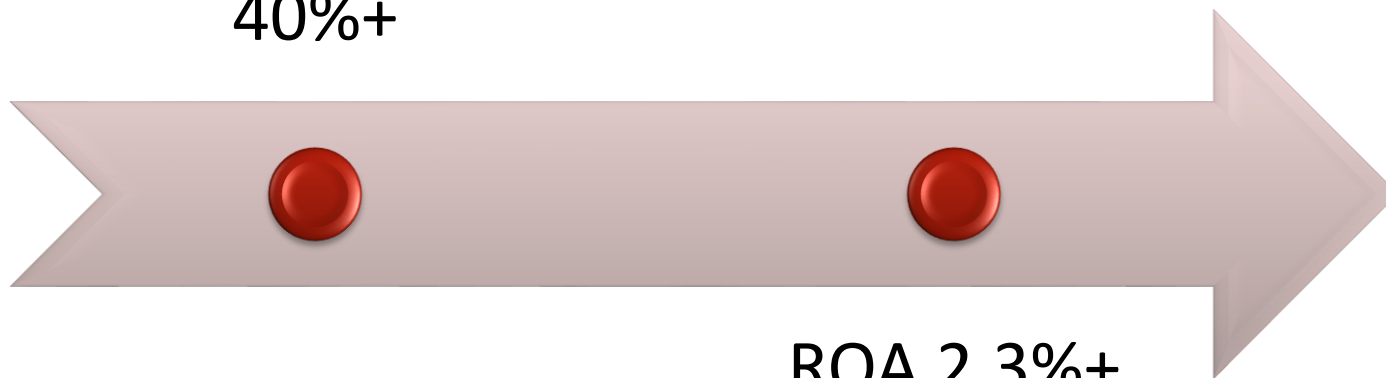
IBL – Business Correspondent

- In Q1FY19 total AUM stood at Rs. 474 mn and growing steadily

Guidance for FY19⁽¹⁾



AUM growth
40%+



ROA 2.3%+

Annexure

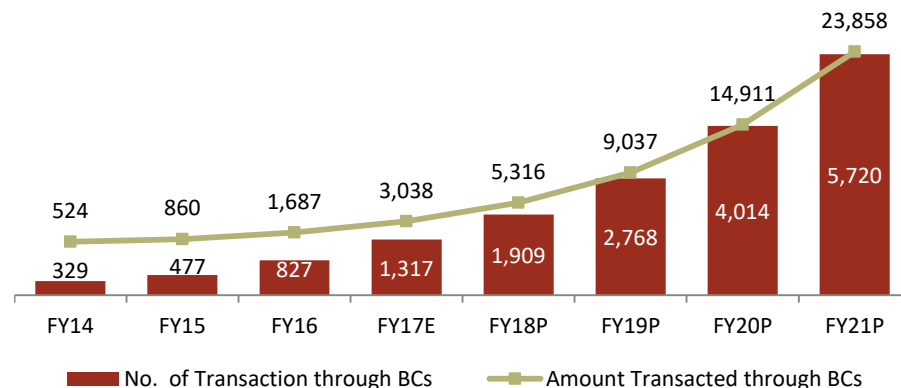
Industry Overview -BC Operations, MSME Finance and Small Ticket Housing Finance

BC Operations



Number of BC transactions to soar given lower cost of operations

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

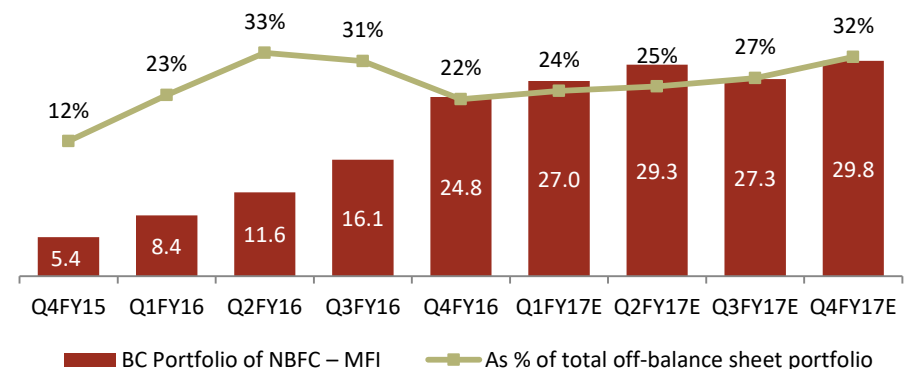


Massive growth potential for growth of BC portfolio of NBFC-MFIs

- 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

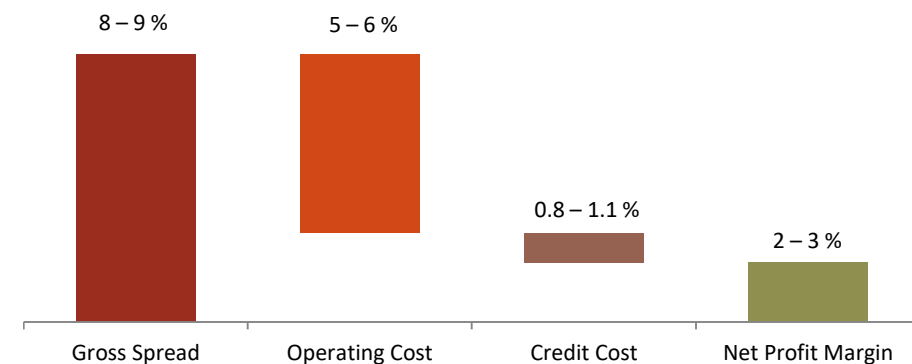
BC portfolio of NBFC-MFIs on the rise

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

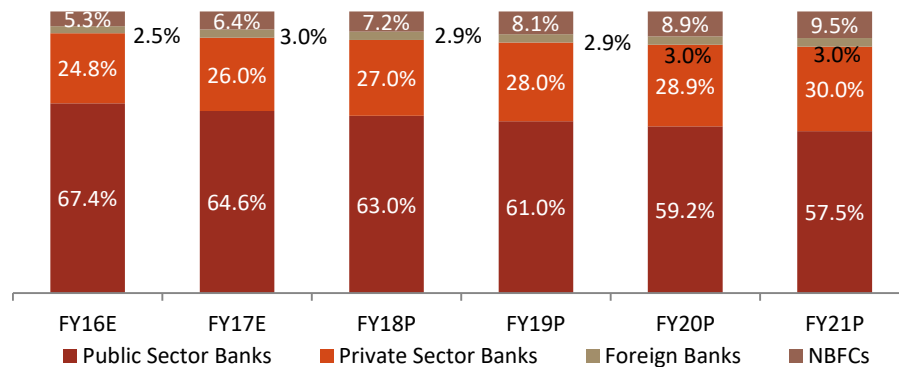


Micro, small and medium enterprise (MSME) finance



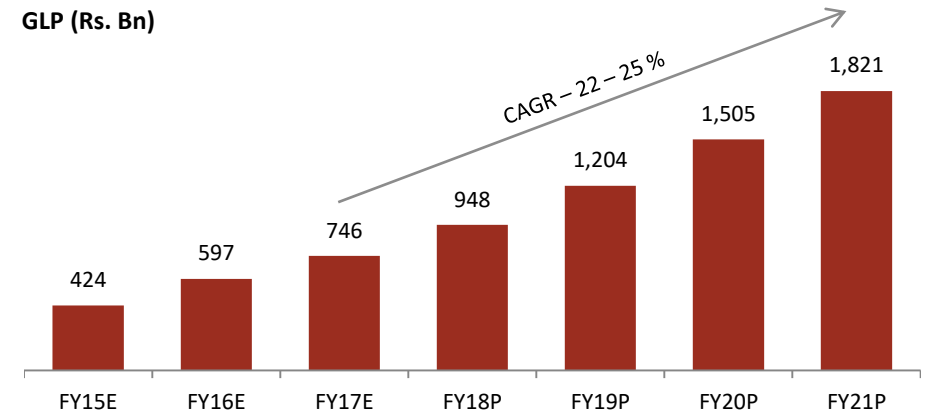
Share of NBFCs and private banks to increase in MSMSE credit

Share of MSME Finance By Institutions



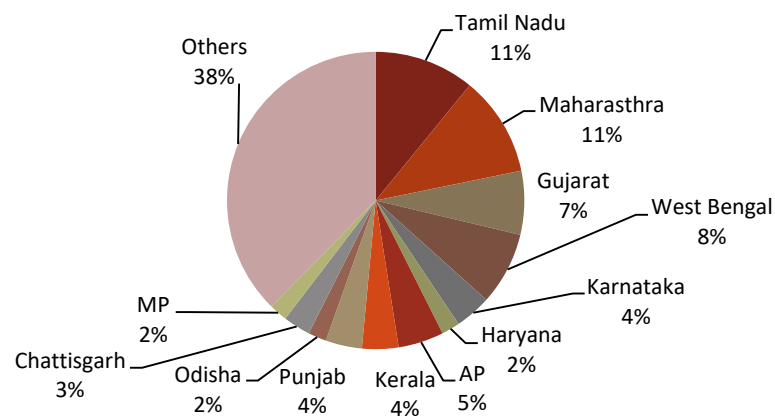
NBFCs' MSME credit to sustain impressive growth

GLP (Rs. Bn)



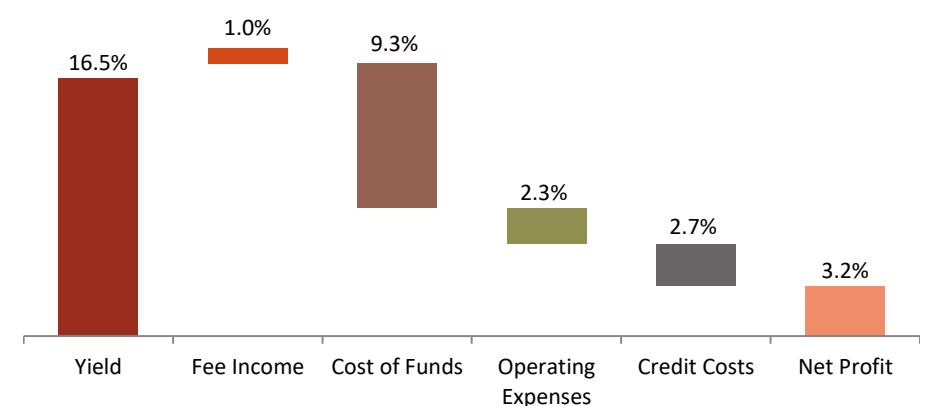
Southern, western states contributing to majority of MSME loan outstanding with banks

Statewise FY17 GLP (Rs. Bn)



Profitability of NBFC lending

Profitability of NBFC SME Lending

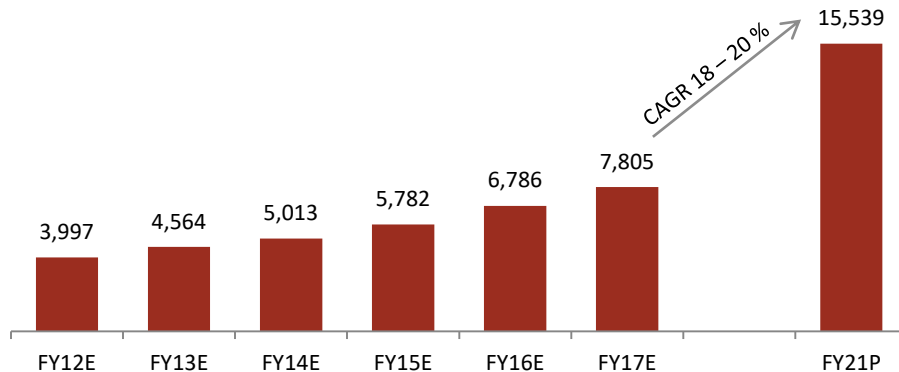


Small Ticket Housing Finance



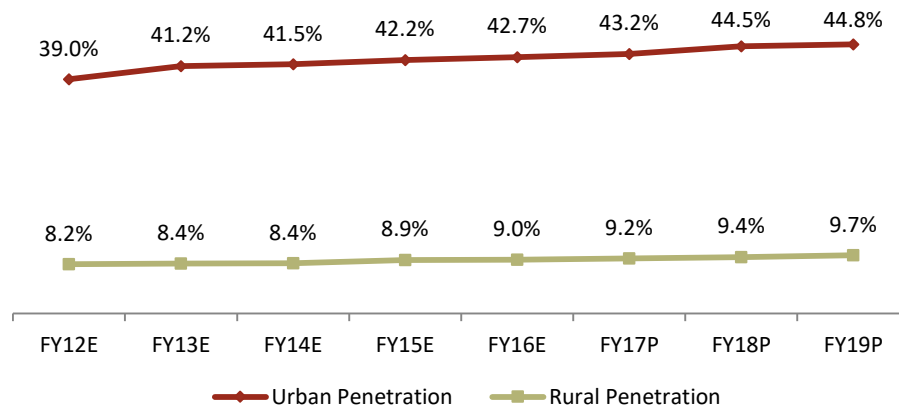
Healthy growth expected in low ticket housing finance segment

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)

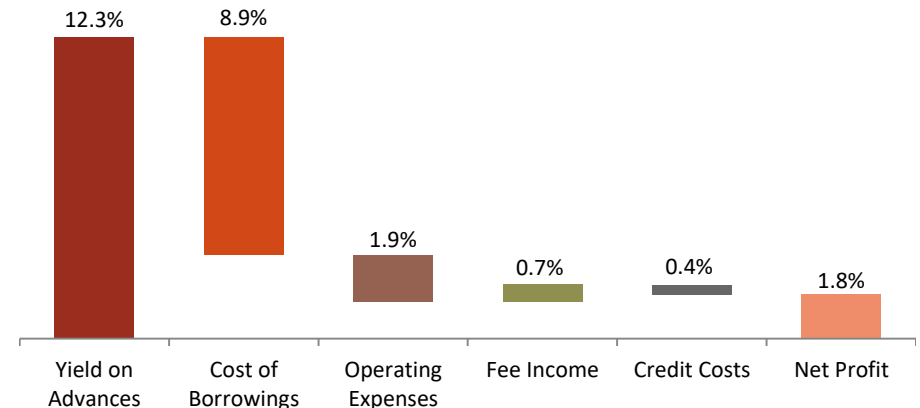


Key Growth Drivers

- 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

Financial & Operational Details – Consolidated

Business Details – Consolidated



PARTICULARS	Q1 FY19	Q1 FY18	YoY %	FY18
AUM (Rs. mn)	60,257	42,204	42.8%	57,568
On-Book AUM	45,529	35,292	29.0%	43,028
Securitization/ Assignment	7,999	2,414	231.3%	7,820
Business Correspondence – IndusInd Bank	474	-	-	-
TSL - Business Correspondence	6,136	4,497	36.4%	6,699
SHFL – Housing Finance	119	-	-	21
AUM Mix (Rs. mn)	60,257	42,204	42.8%	57,568
MFI Lending	52,653	37,219	41.5%	50,100
Product Financing	13	0	-	1.35
MSME	862	487	77.0%	746
Business Correspondence – IndusInd Bank	474	-	-	-
TSL - Business Correspondence	6,136	4,497	36.4%	6,699
SHFL – Housing Finance	119	-	-	21
No. of branches	1,017	794	28.1%	995
SCNL	838	634	32.2%	809
TSL	177	160	10.6%	184
SHFL	2	-	-	2
No. of Employees	9,368	7,265	28.9%	9,004
SCNL	7,951	6,032	31.8%	7,653
TSL	1,377	1,233	11.7%	1,344
SHFL	40	-	-	7
No. of Loan Officers	6,024	4,774	26.2%	6,382
SCNL	5,089	3,949	28.9%	5,493
TSL	929	825	12.6%	888
SHFL	6	-	-	1

Business Details – Consolidated (Contd)



PARTICULARS	Q1FY19	Q1FY18	YoY %	FY2018
No. of Active Customers	3,002,567	2,629,078	14.2%	2,815,582
SCNL	2,582,232	2,273,285	13.6%	2,401,701
TSL	420,244	355,793	18.1%	413,865
SHFL	91			16
Average Ticket Size				
MFI Lending (SCNL)	29,000	30,000	-3.3%	30,000
Product Financing (SCNL)	4,600	0		2434
MSME (SCNL)	1,180,000	1,100,000	7.3%	870,000
TSL	25,800	20,200	27.7%	24,000
SHFL	1,250,000	0		

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

P&L Statement – Consolidated (Quarterly)



Particulars (Rs mn)	Q1 FY19	Q1 FY18	YoY%	FY18
Revenue				
Interest and Fee Income	3,010	2,222	35%	9,217
Treasury Income	169	200	-15%	691
Service Charges	175	105	66%	526
Other Operating Income	5	12	-60%	17
Total Revenue	3,359	2,539	32%	10,452
Expenses				
Finance Cost	1,545	1,292	20%	5,348
Employee Benefit Expenses	699	513	36%	2,204
Credit Cost	455	1,775	-74%	532
Other Expenses	219	207	6%	1,005
Depreciation and amortisation expense	27	36	-26%	147
Total Expenses	2,947	3,823	-23%	9,236
Profit before tax	413	-1,284	-132%	1,216
Tax expense	138	-447	-131%	415
Profit after tax	275	-838	-133%	802
Profit attributable to:				
Owners of Satin Creditcare Network Limited	272	-836	-133%	808
Non-controlling interest	3	-2	-284%	-6
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Remeasurements of post employment benefit obligations	0	-2	-99%	1
Income tax relating to these items	0	1	-99%	0
Other comprehensive income	0	-1	-99%	1
Total comprehensive income	275	-839	-133%	803
Total comprehensive income attributable to:				
Owners of Satin Creditcare Network Limited	272	-837	-132%	809
Non-controlling interest	3	-2	-285%	-6

Profit Reconciliation – Consolidated



PARTICULARS (Rs. mn)	Q1 FY19	Q1 FY18	FY18	
Profit and Loss as per IGAAP	317.5	(798.5)	(34.3)	
Measurement of financial assets and financial liabilities at amortised cost	(12.4)	(12.1)	(349.0)	Impact of amortization of following using the EIR method: <ul style="list-style-type: none"> • Processing fee income on loan assets • Upfront transaction cost on debt • Excess interest spread
Fair valuation of investments	(1.3)	-	0.7	Impact of Fair valuation of investments in Alpha Microfinance and Certificate of Deposits
Interest on liability portion of compound financial instruments	(18.9)	-	(37.4)	Impact of recognition of interest expense on liability component of convertible instruments
Interest on preference shares recognised as liability	(7.4)	(7.4)	(29.4)	Impact of recognition of interest expense on redeemable preference shares.
Expected credit loss	(22.8)	(54.3)	1701.1	Additional loss/(reversal) recognised under Ind AS using the expected credit loss model
Re-measurement of defined benefit obligations	0.2	2.2	(1.4)	Reclassification of actuarial gains/losses on gratuity to OCI
Deferred tax asset	20.3	32.5	(452.0)	Tax impact of Ind AS Adjustments
Others	-	-	3.6	Others
Profit and Loss as per Ind AS	275.0	(837.5)	801.9	
Re-measurement gain on defined benefit plans (net of taxes)	(0.1)	(1.4)	1.1	Recognition of actuarial gains/losses on gratuity in OCI
Total Comprehensive Income	275.1	(839.1)	802.8	

Net worth reconciliation – Consolidated



Particulars	As at Mar 31, 2018 (Rs in mn)	As at Apr 1, 2017 (Rs in mn)	Explanation
Net worth as per IGAAP	*10,908.5	*6,648.7	
Measurement of financial assets and financial liabilities at amortised cost	(316.9)	(3.2)	Impact of amortization of following using the EIR method: <ul style="list-style-type: none"> • Processing fee income on loan assets • Upfront transaction cost on debt • Excess interest spread
Fair valuation of investments	0.7	(0.1)	Impact of Fair valuation of investments in Alpha Microfinance and Certificate of Deposits
Reversal of goodwill	(2.4)	-	Impact of reversal of goodwill created on acquisition of additional shares of Taraashna Services Ltd
Liability component of compound financial instruments	(690.2)	-	Impact of bifurcation of convertible preference shares into equity and liability components
Interest expense on liability component of compound financial instruments	(30.4)	-	Impact of unwinding of liability component of OCRPS
Preference share capital reclassified to liabilities	(250.0)	(250.0)	Impact of recognizing the preference shares as liability under Ind AS
Expected credit loss	(1,157.8)	(2,858.9)	Additional loss recognised under Ind AS using the expected credit loss model
Deferred tax asset	524.7	1,015.5	Deferred tax on above items
Net worth as per IndAS	8,986.3	4,551.9	

*Including Preference Share Capital of Rs 1,050 mn as at Mar 31, 2018 (Rs 250 mn as at Apr 1, 2017)

Annexure

Financial & Operational Details – Standalone

Operational Details – Standalone (Quarterly)



PARTICULARS	Q1FY19	Q1FY18	YoY %	Q4FY18
Gross AUM (Rs. mn)	54,002	37,706	43.2%	50,848
No. of districts	307	244	25.8%	302
No. of branches	838	634	32.2%	809
No. of States of operation	18	17	5.9%	18
No. of Employees	7,951	6,032	31.8%	7,653
No. of Loan Officers	5,089	3,949	28.9%	5,493
No. of Active Customers	2,582,232	2,273,285	13.6%	2,401,701
No. of Loan Accounts	2,634,174	2,536,238	3.9%	2,439,981
Disbursement during the period (Rs. mn)	13,328	11,497	15.9%	19,731
No. of loans disbursed during the period	463,644	383,130	21.0%	633,379
MFI Lending (excl. Prod. Financing & MSME)				
Gross AUM (Rs. mn)	53,127	37,219.47	41.5%	50,100
No. of branches	833	634	32.2%	804
No. of Employees	7,878	5,984	31.7%	7,578
No. of Loan Accounts	2,629,930	2,535,570	3.0%	2,438,278
Disbursement during the period (Rs. mn)	13,138	11,319	11.8%	19,568
No. of loans disbursed during the period	460,662	382,968	15.6%	632,591
Productivity Metrics for MFI Lending				
Gross AUM/ Branch (Rs. mn)	63.8	58.7	7.0%	62.3
Gross AUM/ Loan Officer (Rs. mn)	10.4	9.4	9.8%	9.12
Disbursement/ Branch (Rs. mn)	15.8	17.9	-15.4%	24.3
Disbursement/ Loan Officer (Rs. mn)	2.6	2.9	-13.3%	3.6
No. of Clients/ Branch	3,095	3,585	-14.1%	2,986
No. of Clients/ Loan Officer	507	576	-12.0%	437
Average Ticket Size (Rs.)	29,000	30,000	-3.33%	30,000

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

Operational Details - Standalone (Quarterly contd...)



PARTICULARS	Q1FY19	Q1FY18	Q4FY18	YoY %
Product Financing				
Gross AUM (Rs. mn)	13	0	1.35	
No. of Loan Accounts	3,174	182	732	
Disbursement during the period (Rs. mn)	13.15	-	1.78	
No. of loans disbursed during the period	2,832	-	581	
Average Ticket Size (Rs.)	4,600		2,400	
MSME				
Gross AUM (Rs. mn)	862	487	746.37	15.48%
No. of branches	29	16	29.00	0.00%
No. of employees	73	48	75.00	-2.67%
No. of Loan Accounts	1,070	486	971.00	10.20%
Disbursement during the period (Rs. mn)	177	178.56	161.71	9.37%
No. of loans disbursed during the period	150	162	207.00	-27.54%
Average Ticket Size (Rs.)	1,180,000	1,100,000	870,000.00	35.63%

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

Financial Performance – Standalone (Quarterly)



RoE Tree	Q1 FY19	Q1 FY18	FY18
Gross Yield ⁽¹⁾	23.54%	23.65%	22.58%
Financial Cost Ratio ⁽²⁾	11.73%	13.92%	12.23%
Net Interest Margin ⁽³⁾	11.82%	9.73%	10.35%
Operating Expense ratio ⁽⁴⁾	6.15%	6.83%	6.27%
Loan Loss Ratio ⁽⁵⁾	2.77%	16.59%	1.03%
RoA⁽⁶⁾	1.52%	-6.93%	1.59%
RoA⁽⁹⁾	1.72%	-7.31%	1.77%
Leverage (Total Debt ⁽⁷⁾ / Total Net Worth)	6.01	8.86	5.68
RoE⁽⁸⁾	10.73%	-71.66%	12.93%
Cost to Income Ratio	49.14%	55.24%	59.50%

Capital Adequacy and Asset Quality	Q1 FY19	Q1 FY18	FY18
CRAR	26.36%	23.66%	23.65%
Tier-I	19.89%	20.31%	20.30%
Tier-II	6.47%	3.35%	3.35%

GNPA*			
GNPA %	3.93%	14.66%	4.44%
ECL as % of AUM	3.52%	-	4.13%

1. Gross Yield represents the ratio of Total Income (net of ECL considered on interest recognised on NPAs under IndAS) 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 (net of ECL considered on interest recognised on NPAs under IndAS) to the Average AUM.
6. RoA is annualized and represents ratio of PAT to the Average Total Assets
7. Total Debt Include Securitization and preference shares considered as debt in accordance of IndAS.
8. RoE is annualized and represents PAT (post Preference Dividend) to the Average Equity (i.e., net worth excluding preference share capital)
9. Considering securitization as off B/s assets in line with erstwhile IGAAAPs.

*Note: Gross NPA represents PAR 90;

P&L Statement – Standalone (Quarterly)



Particulars (Rs mn)	Q1 FY19	Q1 FY18	YoY%	FY18
Revenue				
Interest and Fee Income	3,008	2,222	35%	9,195
Treasury Income	163	195	-16%	691
Service Charges	4	3	37%	9
Other Operating Income	2	7	-65%	12
Total Revenue	3,177	2,427	31%	9,907
Expenses				
Finance Cost	1,537	1,286	20%	5,323
Employee Benefit Expenses	597	439	36%	1,891
Credit Cost	454	1,775	-74%	532
Other Expenses	185	156	19%	697
Depreciation and amortization expense	24	35	-32%	141
Total Expenses	2,797	3,691	-24%	8,583
Profit before tax	380	(1,264)	-130%	1,324
Tax expense	129	(442)	-129%	447
Profit after tax	251	(822)	-130%	877
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Remeasurements of post employment benefit obligations	(0)	(2)	-99%	(0)
Income tax relating to these items	0	1	-99%	0
Other comprehensive income	(0)	(1)	-99%	(0)
Total comprehensive income	251	(824)	-130%	877

Profit Reconciliation – Standalone



PARTICULARS (Rs. mn)	Q1 FY19	Q1 FY18	FY18	Explanations
Profit and Loss as per IGAAP	292.8	(780.3)	40.3	
Measurement of financial assets and financial liabilities at amortised cost	(11.9)	(12.9)	(348.4)	Impact of amortization of following using the EIR method: <ul style="list-style-type: none"> Processing fee income on loan assets Upfront transaction cost on debt Excess interest spread
Fair valuation of investments	(1.5)	-	0.7	Impact of Fair valuation of investments in Alpha Microfinance and Certificate of Deposits
Interest on liability portion of compound instruments	(18.9)	-	(37.4)	Impact of recognition of interest expense on liability component of convertible instruments
Interest on preference shares recognised as liability	(7.4)	(7.4)	(29.4)	Impact of recognition of interest expense on redeemable preference shares.
Expected credit loss	(22.1)	(57.7)	1,702.5	Additional loss/(reversal) recognised under Ind AS using the expected credit loss model
Remeasurement of defined benefit obligations	0.1	2.3	0.1	Reclassification of actuarial gains/losses on gratuity to OCI
Deferred tax asset	19.6	33.7	(451.0)	Tax impact of Ind AS Adjustments
Profit and Loss as per Ind AS	250.7	(822.3)	877.4	
Re-measurement gain on defined benefit plans (net of taxes)	(0.1)	(1.5)	(0.1)	Recognition of actuarial gains/losses on gratuity in OCI
Total Comprehensive Income	250.6	(823.8)	877.3	

Net worth reconciliation – Standalone



Particulars	As at Mar 31, 2018 (Rs in mn)	As at Apr 1, 2017 (Rs in mn)	Explanation
Net worth as per IGAAP	* 10,950.6	*6,622.2	
Measurement of financial assets and financial liabilities at amortised cost	(316.7)	(3.6)	Impact of amortization of following using the EIR method: <ul style="list-style-type: none"> • Processing fee income on loan assets • Upfront transaction cost on debt • Excess interest spread
Fair valuation of investments	0.7	(0.1)	Impact of Fair valuation of investments in Alpha Microfinance and Certificate of Deposits
Liability component of compound financial instruments	(690.2)	-	Impact of bifurcation of convertible preference shares into equity and liability components
Interest expense on liability component of compound financial instruments	(30.4)	-	Impact of unwinding of liability component of OCRPS
Preference share capital reclassified to liabilities	(250.0)	(250.0)	Impact of recognizing the preference shares as liability under Ind AS
Expected credit loss	(1,149.6)	(2,852.1)	Additional loss recognised under Ind AS using the expected credit loss model
Deferred tax asset	524.2	1,013.6	Deferred tax on above items
Net worth as per Ind AS	9,038.8	4,530.0	

*Including Preference Share Capital of Rs 1,050 mn as at Mar 31, 2018 (Rs 250 mn as at Apr 1, 2017)

Annexure

Financial & Operational Details - TSL

Operational Details – TSL



PARTICULARS	Q1 FY19	Q1 FY18	YoY %	FY18
Gross AUM (Rs. mn)	6,136	5,771	36.4%	6,699
No. of districts	102	84	21.4%	95
No. of branches	177	170	10.6%	184
No. of Regional Offices (RO)	7	7	0.0%	7
No. of States of operation	8	8	0.0%	8
No. of Employees	1,377	1,259	11.7%	1,344
No. of Loan Officers	929	853	12.6%	888
No. of Active Customers	420,244	387,183	18.1%	413,865
Disbursement during the period (Rs. mn)	1,177	2,076	-26.7%	2,586
No. of loans disbursed during the period	43,108	80,287	-42.8%	99,106
Productivity Metrics				
Disbursement/ Branch (Rs. mn)	6.3	4.93	-33.8%	14.1
Disbursement/ Employee (Rs. mn)	4.5	0.66	260.4%	5.0
GLP/ Branch (Rs. mn)	34.7	26.16	23.3%	36.4
GLP/ Loan Officer (Rs. mn)	6.6	5.30	21.2%	7.5
No. of Clients/ Branch	2,374	2,104	6.8%	2,249
No. of Clients/ Loan Officer	452	426	4.9%	466
Average Ticket size (Rs.)	25,800	23,600*	27.7%	26,000*

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

P&L Statement – TSL



Particulars (Rs mn)	Q1 FY19	Q1 FY18	YoY%	FY18
Revenue				
Service Charges	172	103	67.3%	518
Treasury Income	4	4	18.4%	16
Other Income	2	5	-53.5%	5
Total Revenue	178	111	60.3%	539
Expenses				
Finance Cost	8	6	31.7%	25
Employee Benefit Expenses	94	72	29.6%	303
Credit Cost	-	-	-	-
Other expenses	28	49	42.9%	305
Depreciation and amortization expense	3	1	120.2%	7
Total Expenses	133	129	3.2%	639
Profit before tax	45	(18)	-352.7%	(101)
Tax expense:	11	(4)	-355.5%	(30)
Profit after tax	34	(13)	-351.8%	(70)
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Re-measurements of post employment benefit obligations	-	0	-100.0%	1
Income tax relating to these items	-	(0)	-100.0%	(0)
Other comprehensive income	-	0	-100.0%	1
Total comprehensive income	34	(13)	-352.4%	(69)

Annexure

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

Financial & Operational Details – SHFL*



Particulars (Rs mn)	Q1 FY19	Q1 FY18	YoY%	FY18
Revenue				
Interest and Fee Income	2.45	-		0.57
Treasury Income	1.77	0.82	116.5%	5.82
Other income	0.01	-		0.00
Total Revenue	4.24	0.82	417.8%	6.39
Expenses				
Finance cost	0.02	-		0.00
Employee benefit expenses	8.73	1.34	552.2%	9.12
Credit Cost	0.40			0.08
Other expenses	6.77	1.79	278.1%	4.04
Depreciation and amortization expenses	0.08	-		-
Total Expenses	15.99	3.13	411.0%	13.25
Profit before tax	(11.75)	(2.31)	408.6%	(6.86)
Tax expense	(2.18)	(0.58)	276.9%	(1.84)
Profit after tax	(9.57)	(1.73)	452.5%	(5.03)

Particulars	Q1 FY19	FY18
Gross AUM (Rs. Mn)	117	21
Average Ticket Size (Rs)	1,250,000	1,300,000
Disbursement (Rs. mn) – SHFL	121	21
No. of Loan Disbursed – SHFL	91	16
No. of Branches	2	2
No. of States	3	3
No. of Total Staff	40	7
No. of Loan Officers	6	1

* Satin Housing Finance, incorporated in Apr'17, disbursed its first loan Feb'18

Contact Information



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Thank You