



**SATIN CREDITCARE NETWORK LTD.**

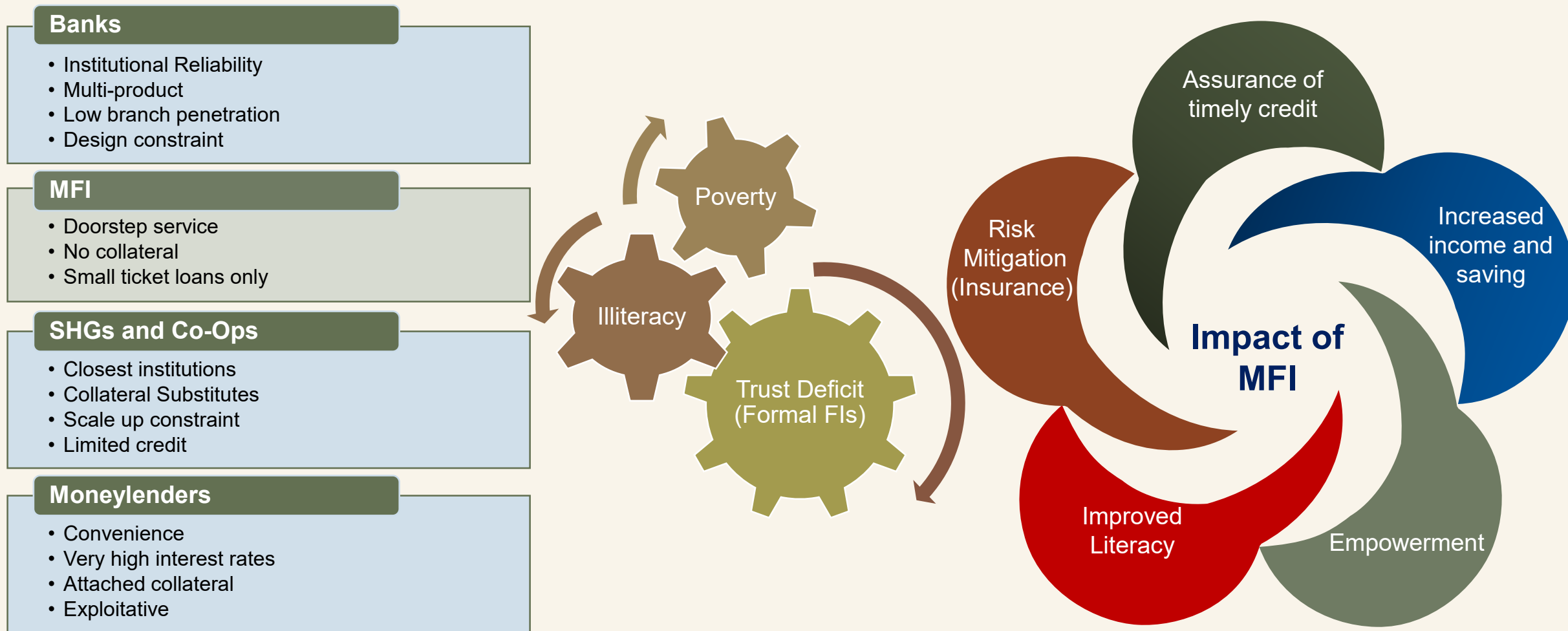
*Reaching out!*

**Familiarization Programme for Independent Directors  
Financial Year 2020-21**

**BUILDING A DIFFERENCE  
TO MAKE A DIFFERENCE**

# Microfinance Through Window of Relevance

Microfinance is a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses; it has emerged as a powerful tool for women empowerment which helps in gaining greater control over resources like material possession, intellectual resources like knowledge, information, ideas and decision making at home, community, society and nation level



# Improved Penetration Level



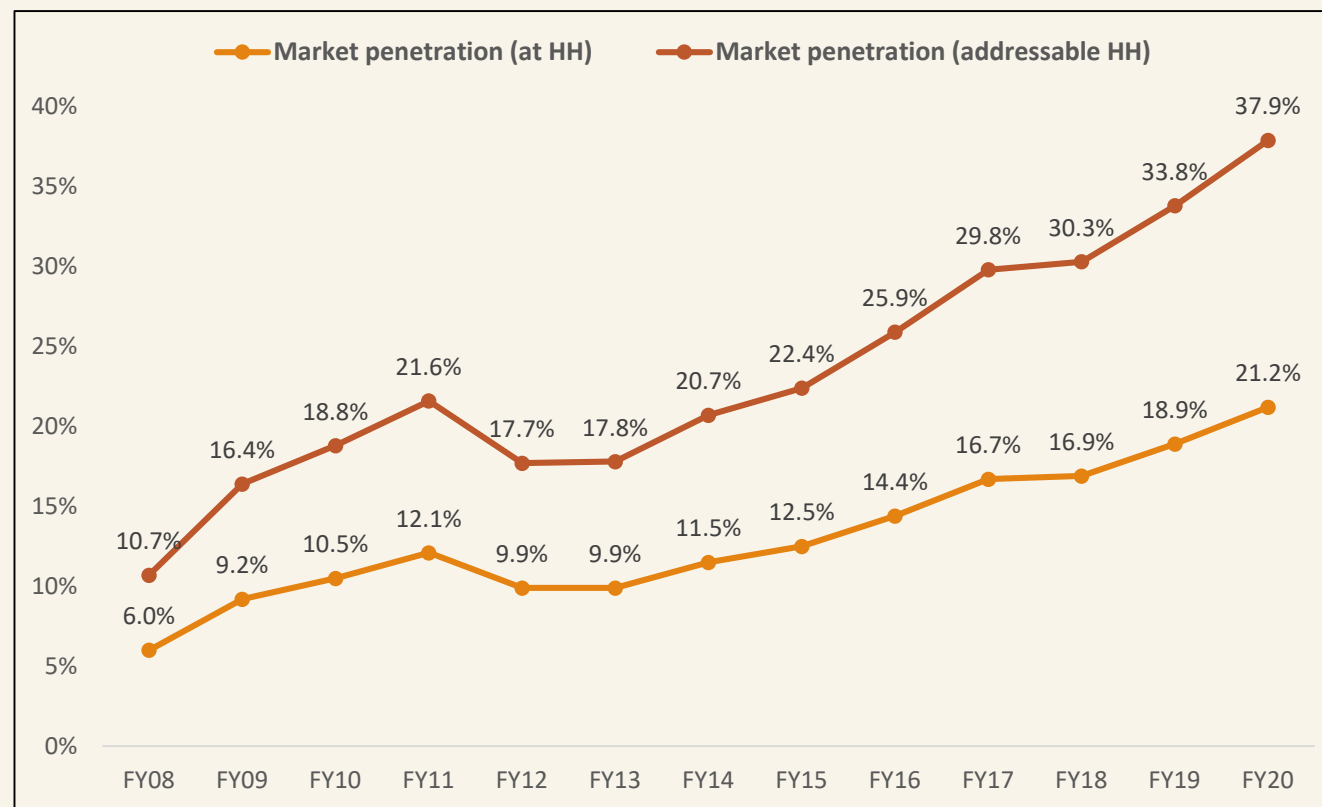
Penetration levels have improved meaningfully over the past decade with <18% level as of FY12 to ~38% by end-FY20

Growth in rural areas has outpaced the urban segment, recording 38% CAGR over the past three years vs the urban segment at 24% CAGR for the same period.

Rural segment is expected to continue to drive growth for the sector over the next decade, as cost efficiencies over the past decade and investments in technology/digital initiatives enable a much deeper penetration

Source: Nomura | Anchor Report

Estimated current penetration level at 38% of addressable households in India



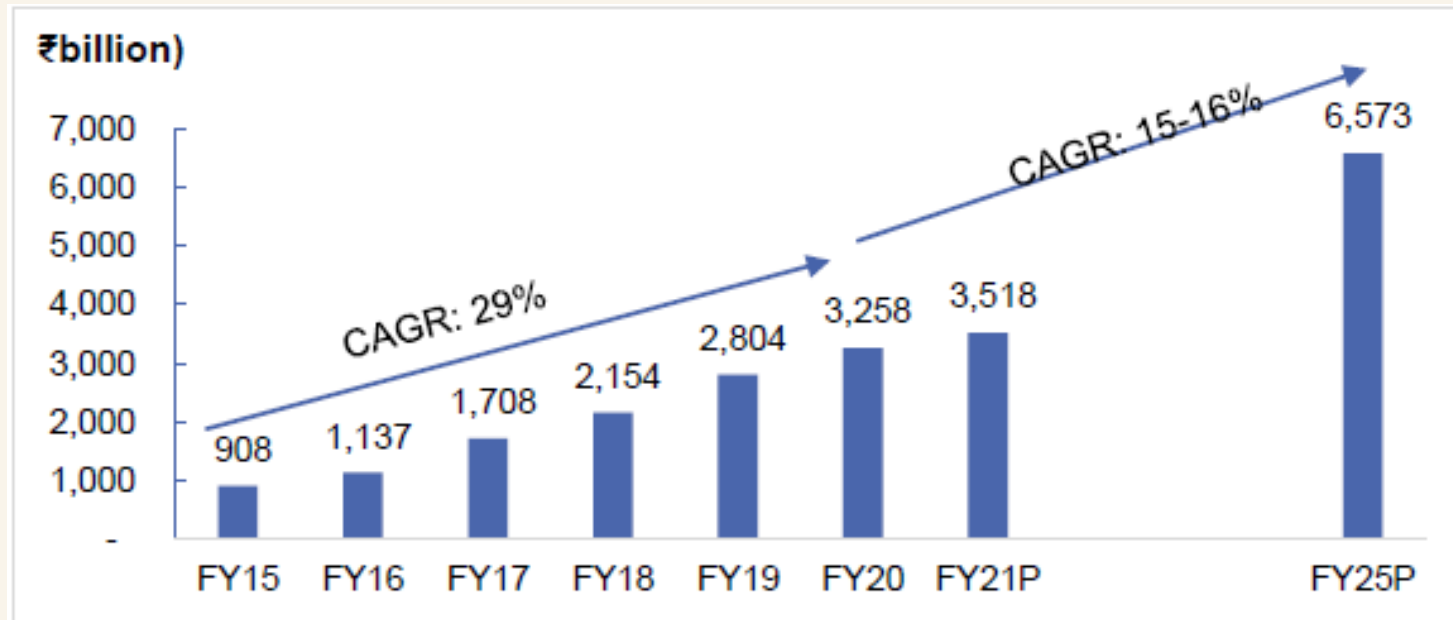
Source: Equifax, Nomura estimates

# Growth in Customer Base to Drive MFI Loan Portfolio



The microfinance industry's GLP is estimated to reach approximately ₹3.50 trillion in fiscal 2021 from ₹1.70 trillion in fiscal 2017

Growth is expected to be driven by continuous expansion in the customer base of MFIs as well as increased penetration in rural areas



*Note: P: Projected, Graph includes data for bank lending through joint liability group, bank lending through self-help groups, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs*

*Source: MFIN, Company reports, CRISIL Research*

# Women-Centric Sustainable Development : Microfinance



Women constitute the core fabric of microfinance and are also the critical success factor



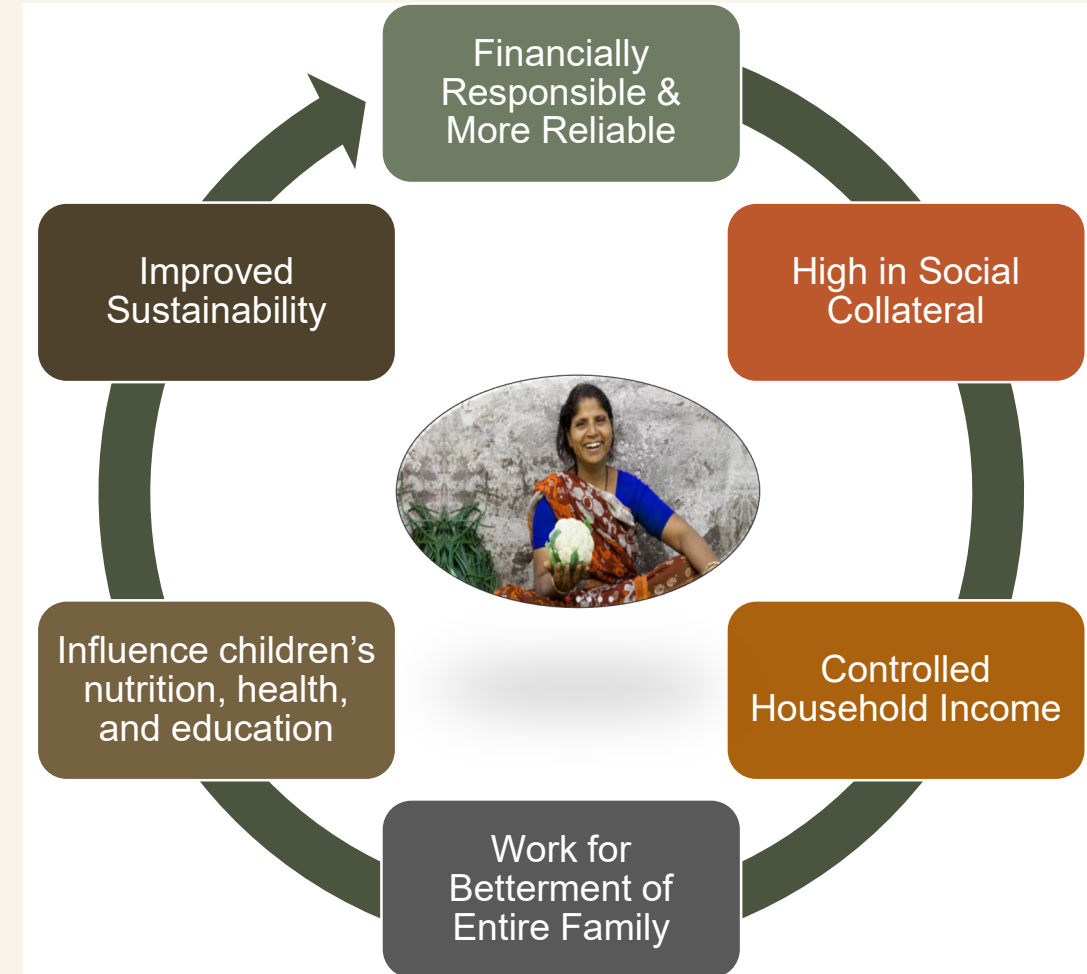
Women are often among the most vulnerable and poorest members of low-income societies

70% of the world's poor are women

Microfinance is a powerful instrument of social change, particularly for women

Obvious economic and social benefits to involving women in microfinance programs

Women are the family nucleus, that is vital for societal improvement and progress



# SCNL's Model of Microfinance



SCNL has adopted the Joint Liability Group (JLG) Model for microfinance

## Group Formation

- 4-6 women come together to form a homogeneous group
- Formed on the basis of social collateral
- A Group Leader is chosen from amongst the group members

## Centre Formation

- 3-5 groups come together to form a centre of 12-30 members
- A Centre Leader is chosen
- All members of a centre are jointly liable to repay on behalf of defaulting members

## Disbursement and Repayment

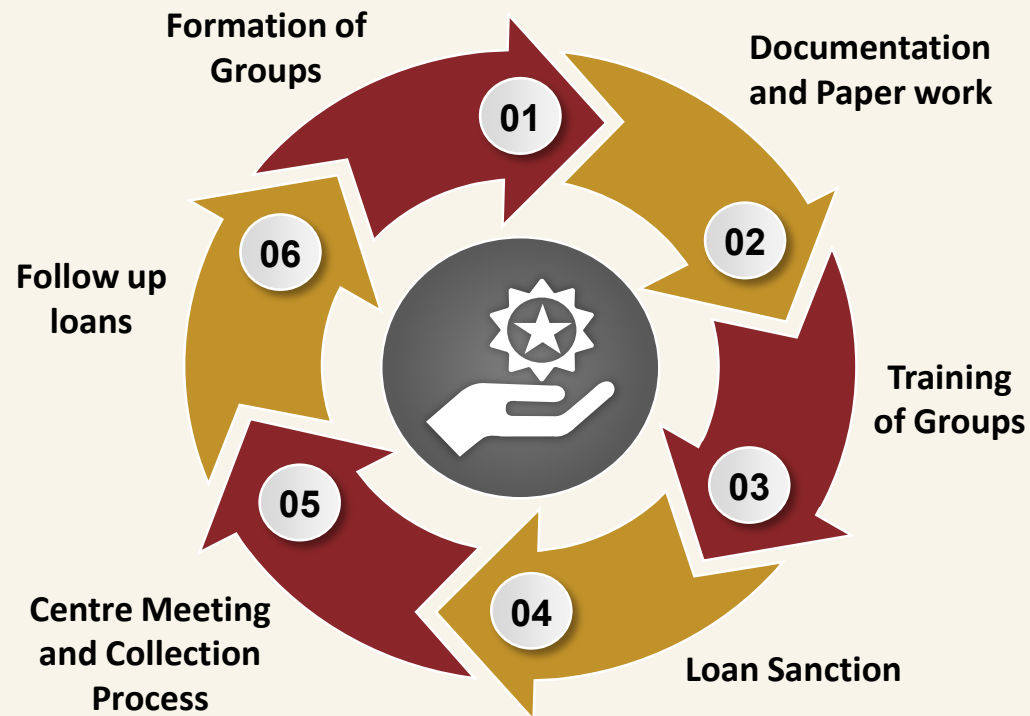
- Post KYC check and Credit Bureau check, loans are disbursed to each of the members belonging to a particular centre
- On specific repayment dates Centre members come together to repay the amount due

# SCNL's Product Offerings



	MFI	Business Correspondent services	Housing Finance	SME
Product features	SCNL	Taraashna Financial Services Ltd	Satin Housing Finance Ltd	Satin Finserv Limited (SFL)
Start Date	May'08 (JLG)	May'12	Feb'18	Mar'19
Ticket Size Range	Upto Rs. 50,000	Upto Rs. 50,000 (JLG - Microfinance)	Rs. 100,000 – 4,000,000	Rs. 100,000 – 100,000,000
Tenure	6 - 24 months	12 - 24 months	24 - 240 months	12 - 120 months
Frequency of Collection	Bi-Weekly	Bi-Weekly	Monthly	Monthly/Quarterly

# SCNL's Business Model



## MICROFINANCE... & BEYOND

Income Generating Loans (IGL)

Long Term Loans (LTL)

Social impact financing of solar lamps, bicycles, water and sanitation facilities etc.

Housing Finance

Micro Small & Medium Enterprises (MSME)

Business Correspondence & Digital Lending

Visionary Management backed by Professional Team

Established track record of delivery through vast branch network

Strong client relationship built on transparent practices & internal controls

Low-risk lending aimed at income generation

Diversification by product & geography

Proprietary IT platform & Technology prowess

Large marquee institutional investor base

Comfortable liquidity and CRAR

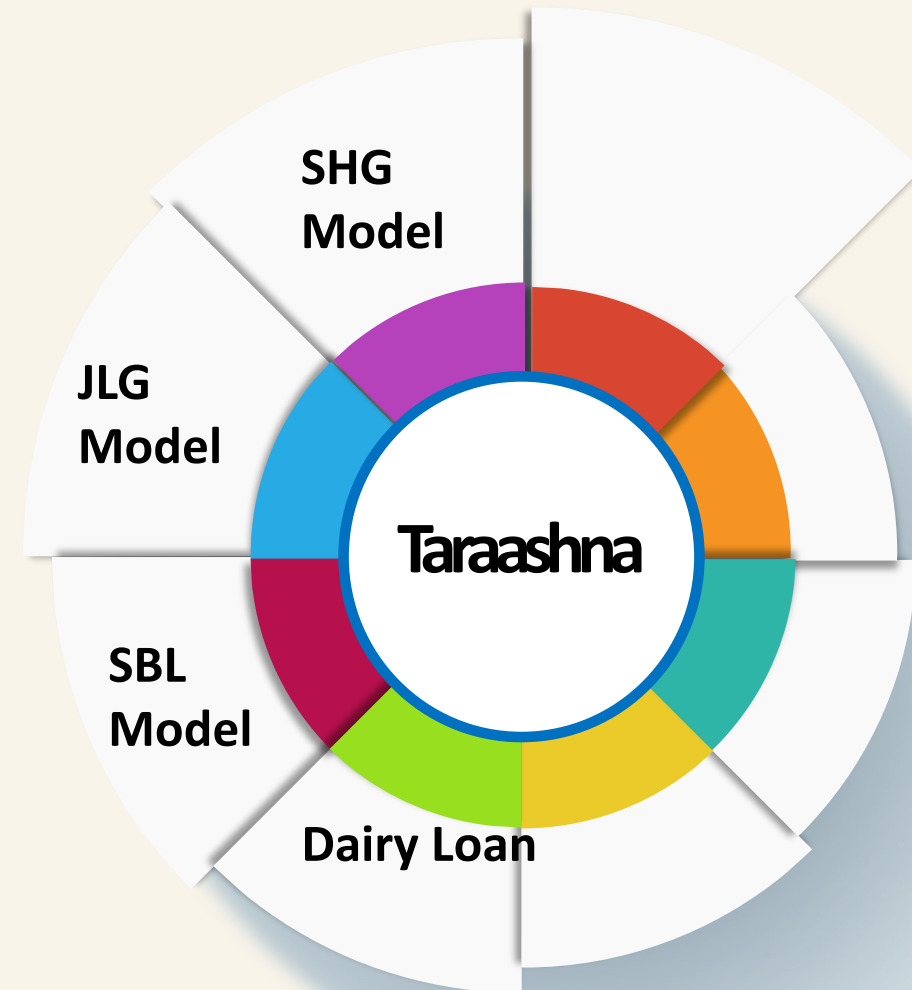
**CREATING A NICHE BY BEING A ONE-STOP FINANCIAL SERVICES PROVIDER FOR OUR CUSTOMERS**



# Taraashna Financial Services Limited (TFSL) – Business Model



- ❑ Self Help Group(SHG) is a small homogeneous group of micro-entrepreneurs who form the group for a common cause and interest
- ❑ TFSL facilitates the formation of Joint Liability Groups(JLGs). The JLG members come together and offer a mutual guarantee to the bank to avail bank loans
- ❑ Secured loans to small businesses as well as other entities engaged in income generation activities
- ❑ TFSL is facilitating dairy & animal husbandry industry through a joint venture with dairy companies, facilitating small entrepreneurs/farmers by providing them with small & mid-sized ticket secured loans



# Satin Housing Finance Limited (SHFL)



Satin Housing Finance Limited (SHFL) is a newly incorporated on April 17, 2017 as a wholly owned subsidiary company of Satin Creditcare Network Limited (SCNL)



SHFL is engaged in providing long-term finance for purchase, construction, extension and repair of houses for the retail segment along with loans against residential property, commercial property and plots



SHFL offers a suite of innovative and flexible loan products, in sync with customers' needs and at competitive pricing



# Satin Finserv Limited (SFL)



- ❑ Satin Finserv Limited is a Wholly Owned Subsidiary of Satin Creditcare Network Limited
- ❑ Company incorporated on 10-08-2018 and received NBFC License on 09-01-2019
- ❑ Commenced business operations from March 2019
- ❑ Provides small ticket MSME loans secured against collateral of property and Corporate loans
- ❑ Caters mainly to the MSME, SME & Self-Employed Segment
- ❑ Currently sourcing business in Delhi, Haryana, Punjab, Gujarat, Madhya Pradesh, Uttar Pradesh, West Bengal and Maharashtra
- ❑ Management team with substantial experience in the lending business



# Diversification with Allied Product Offerings



## Taraashna Financial Services Ltd - TFSL

- » Acting as a business correspondent, TFSL provides credit to clients in rural and semi-urban areas on behalf of partner banks and NBFCs
- » The cashless disbursement percentage has reached ~97% of TFSL's total disbursement for Dec'20; 2% collection is through cashless mode
- » TFSL has a low-risk business model which is highly capital efficient
- » AUM stood at Rs 646 crore, with presence across 7 states
- » The Company operates through 202 branches, and has more than 3.6 lacs clients



## Satin Housing Finance Ltd (SHFL)

- » 100% retail book comprising of:
  - » Affordable home loans – 82%
  - » Loan against property – 18%
- » Excellent portfolio quality since inception, Collection Efficiency of >99% during 9MFY21
- » Mainly caters to clients belonging to Middle and Low-Income Groups in peripherals of Tier II and below cities
- » CRAR of 97.3% and gearing of 1.4x. Total equity stands at Rs 95 crore
- » AUM Rs 200 crore with DA of Rs 5 crore
- » Profitable quarter despite challenging business environment
- » Standalone rating of BBB from CARE
- » 10 active lenders including NHB refinance



## Satin Finserv Limited (SFL)

- » Incorporated in Aug'18, got license from RBI to start business in Jan'19
- » Standalone credit rating of CARE BBB- (Stable)
- » Gross Loan Portfolio of Rs 127 crore
- » CRAR for Q3FY21 is 85.5%
- » Total equity stands at Rs 102.5 crore
- » Business focus on secured retail MSME lending, wholesale lending to small NBFC MFI and others
- » 15 Branches across 8 states with 1,429 active loan clients
- » SFL has migrated to in-house software

**Thank You**

**SATIN CREDITCARE NETWORK LTD.**

*Reaching out!*