

Investor Presentation
August 2021

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Company Background

Cautionary Statement

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof. Based on revised returns filed by the company, some items for the quarter ended Jun 30, 2021 have been regrouped.

Business Update &
New Initiatives



Collection Efficiency

- Collection efficiency witnessed dip on account of second wave of Covid-19 pandemic during the quarter. However, collections have started to pick up with declining infections and lifting of lockdown restrictions since 3rd week of Jun'21
- Cumulative collection efficiency for Q1FY22 stood at 82%, excl. Assam at 84%
- Non-paying clients at 5% in Jun'21
- For Q1FY22, Collection Efficiency in top 4 states stood at 87.4%, and we have witnessed improving trends in the month of Jul'21 & Aug'21

Fund Raise & Liquidity

- Successfully closed ~Rs. 120 crore Rights Issue in Aug'20 with an overwhelming response (Issue was oversubscribed at 123%)
 - Out of this, ~Rs. 90 crore already received by the Company (Rs. 45 per share out of Rs. 60)
 - Also, Final call of ~Rs. 30 crore in this regard has been made, and final call payment period has begun on 6th Aug'21 and will end on 20th Aug'21
- Till date, the Company did a fundraise of Rs. 396 crore from various lenders
- Sufficient liquidity of ~1,500 crores as on Jun'21

Provisions

- The Company has made a cumulative on-book provision of Rs. 434 crore, as on 30th Jun'21, mainly due to second wave of COVID-19
- Maintained adequate provisions and write offs for bad loans, and expect write backs in the upcoming quarters
- On-book GNPA stood at 9.7% while NNPA stood at 1.2% on standalone basis

Portfolio Re-structuring

- Re-structuring in JLG & MSME Portfolio : Restructured 18,735 loans related to individuals and small businesses amounting to Rs. 43.4 crore in accordance with the RBI's guideline - Resolution Framework - 2.0, which is 0.7% of Standalone AUM



Taking Care of Satin Family

- Satin Sahyog to support families of employees, in the event of demise due to Covid-19 or accidental death – benefits include pension, children’s education and job to a family member among others
- Covid insurance for Satin staff to help with medical expenses and facility to provide oxygen concentrator and nurses at home for infected Satin staff
- Facilitation of Covid-19 vaccination for all our employees. More than 70% of our employees are vaccinated with at least one shot

Clean Energy Certification

- SCNL’s clean energy programme is an illustration of its dedication to serve the society while being dedicated to environment
- Awarded Certificate of Excellence in Clean Energy Finance as a part of the UNFCCC’s Clean Development Program (CDM)
- Disbursed 87,000 bicycles to women in India with Hero Cycles with an aim to enhance the mobility and livelihood of these women as well as to promote gender equality

Disbursement

- Disbursement temporarily halted during Q1FY22 on account of several lockdown restrictions due to second wave of Covid-19
- The Company has maintained a cautious stance in new disbursement as our main focus is to maintain asset quality
- For Q1FY22, disbursement stood at Rs. 282 crore on consolidated basis. As things improve, we expect disbursement to pick up in the coming quarters

Other Updates

- Very granular book – No district has more than 2% exposure
- Book Value Per Share at Rs. 197 on consolidated basis
- 3 consecutive profitable quarters of SHFL with nil delinquency
- SFL profitable for two consecutive years despite challenges in external environment

Business Trends...



Rs. **7,464** crore

GROSS LOAN PORTFOLIO

Rs. **282** crore

DISBURSEMENT in Q1FY22

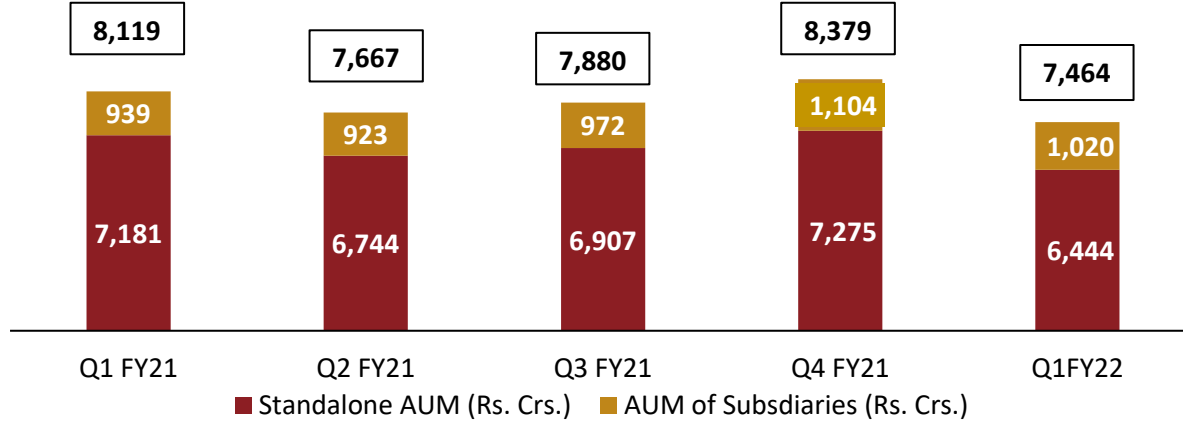
29.6 lacs

ACTIVE CUSTOMERS

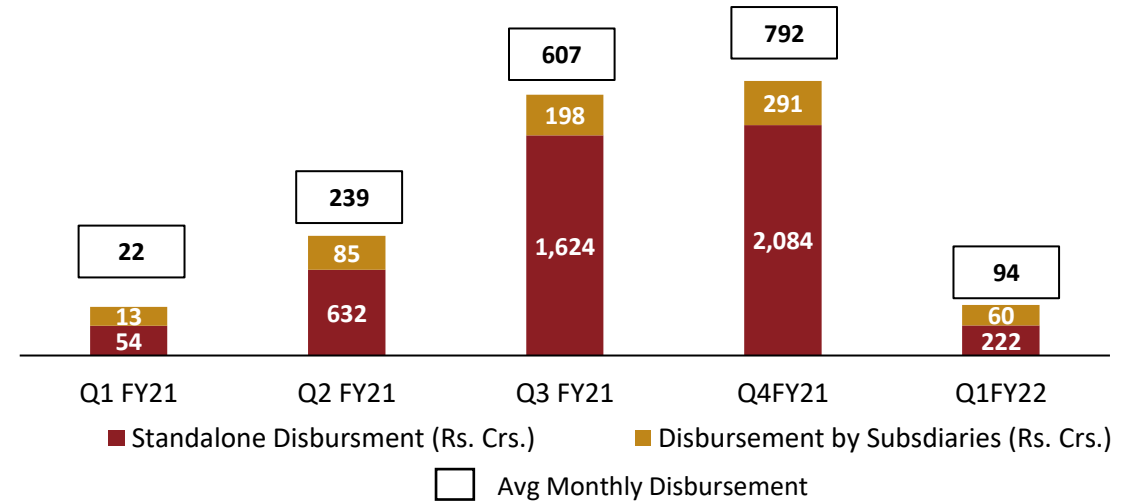
1,264

NO. OF BRANCHES

Asset under Management Trends (Q-o-Q)



Disbursement Trends (Q-o-Q)

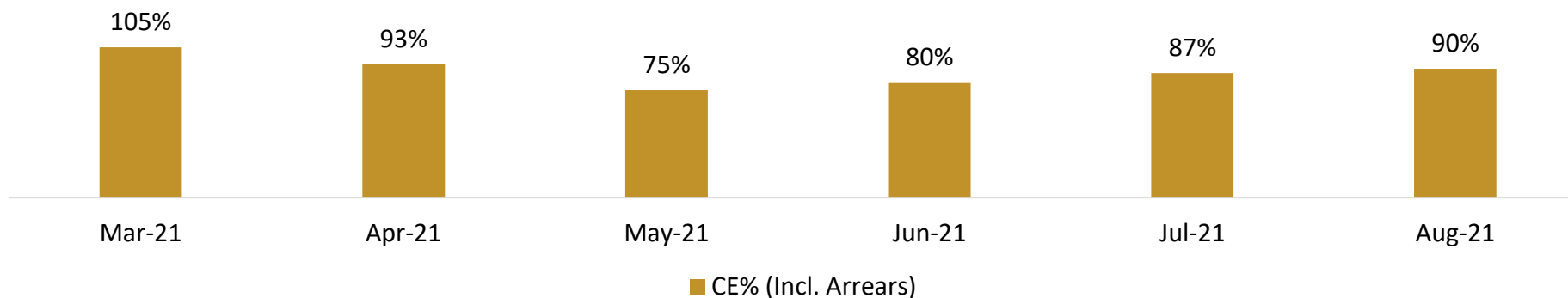


Standalone Information:

- **GLP** stood at Rs. 6,444 crore, on account of halt of disbursement in major part of Q1FY22
- Disbursement for Q1FY22 stood at Rs. 222 crore
- Collection efficiency (CE) in Apr'21 stood at 93%. Dip in May at 75% due to lockdown.
- We have witnessed gradual recovery at 80% in Jun'21 (incl. OD) (82% excl. Assam). Jul'21 CE was 87% (incl. OD) (89% excl. Assam)
- MTD Collection efficiency for Aug'21 is 90%



Month on Month Collection Efficiency Trends



Collection Efficiency Trends in Key States – 53% of AUM

States	CE % (Incl. Arrears)				
	Mar-21	Apr-21	May-21	Jun-21	Jul-21
Uttar Pradesh	105%	98%	83%	92%	96%
Bihar	114%	99%	80%	90%	96%
Punjab	101%	90%	82%	83%	92%
Madhya Pradesh	101%	82%	54%	81%	84%
Total	106%	95%	78%	89%	94%

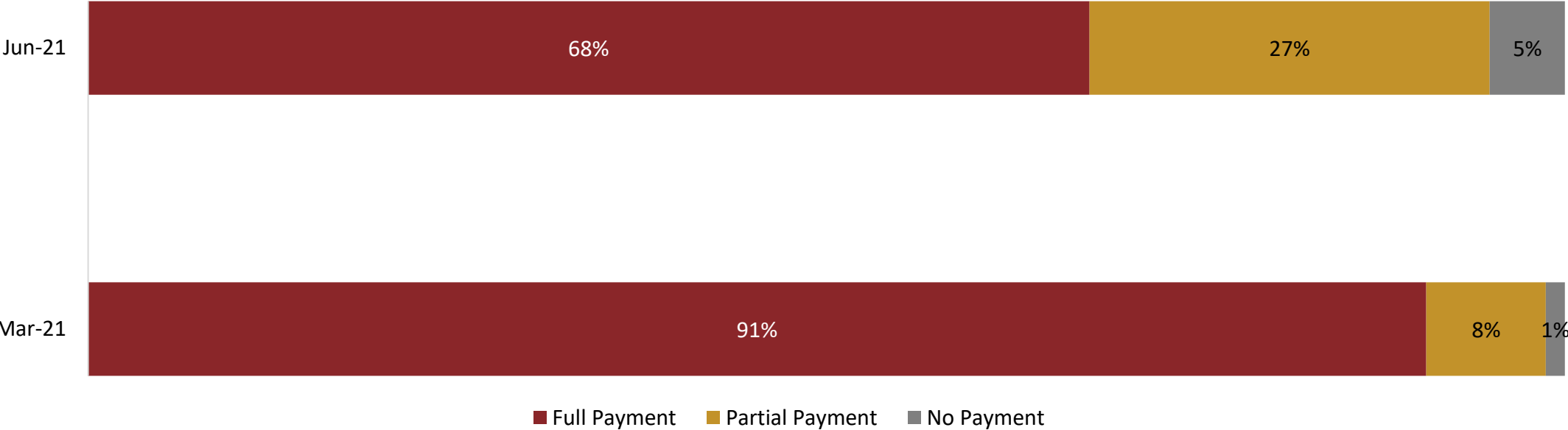
*Note: *Data on standalone basis for JLG on-book portfolio
Data for Aug'21 is MTD*

Trend of % of Non-Paying Customers



Breakup of Paying and Non-Paying Clients*

- *There is no intent issue since 95% clients have paid at least one instalment in Jun'21 – difficulty in paying due to adverse external environment*
- *Non-paying clients at 5% in Jun'21, this number was 11% in Sep'20 which is a promising sign*



*Note: *Data on standalone basis for JLG on-book portfolio*

Satin Housing Finance Limited

Monthly disbursement has started showing progressive recovery despite Covid-19, AUM grew by 56% in Q1FY22 YoY

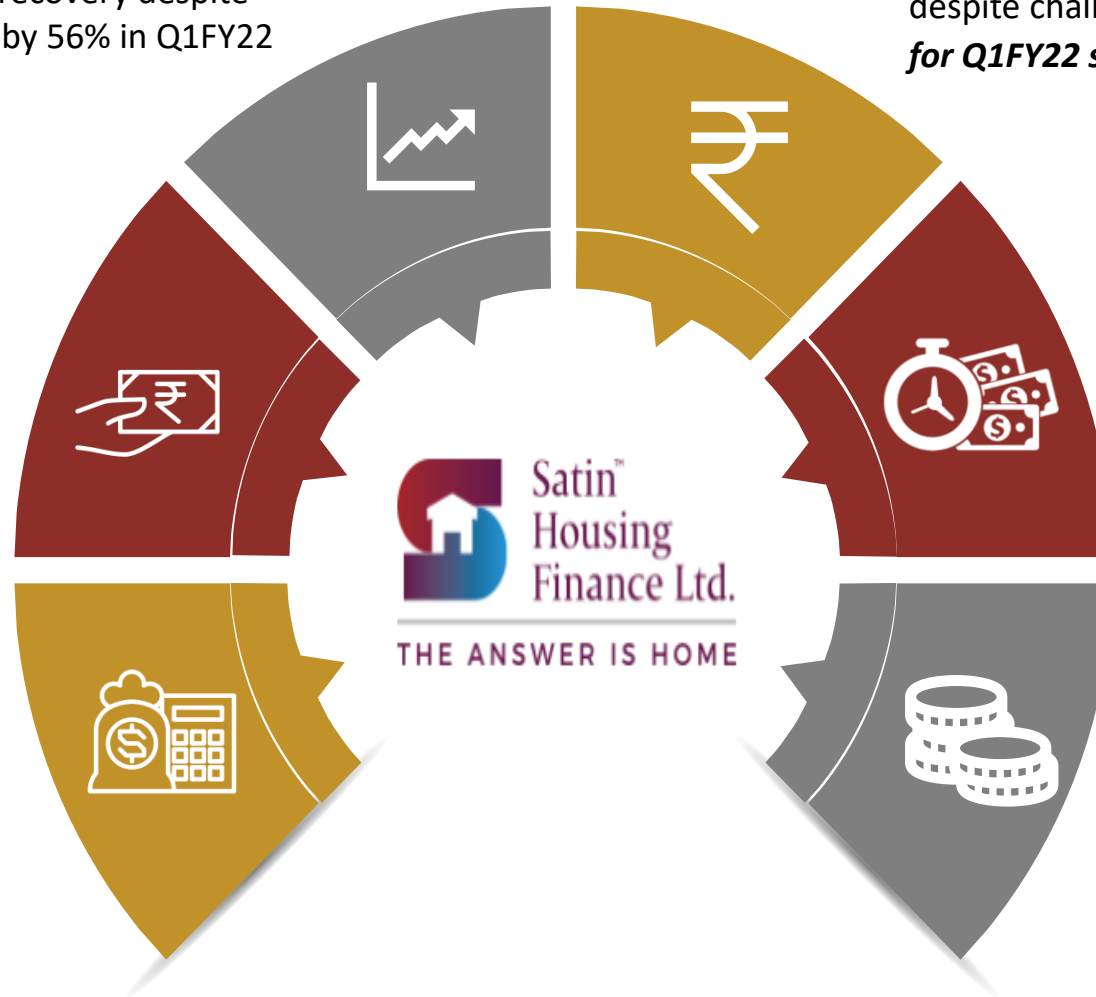
SHFL had 3 successive profitable quarters despite challenging business environment, **PAT for Q1FY22 stood at Rs.0.5 crore**

Q1FY22 disbursement stood at **Rs. 4 crore**

No willful default or fraud since inception
Eligible for SARFAESI enforcement

Healthy **CRAR of 95.8%** as on 30th Jun'21
10 lenders including NHB refinance

Impressive collection efficiency for Q1FY22 at **~95%**



Update on Subsidiaries – TFSL & SFL



Taraashna Financial Services Limited

- ✓ Collection Efficiency for Jun'21 stood at 87%
- ✓ Disbursement stood at 52 Crores for Q1FY22
- ✓ Sourcing business for SCNL & SFL under Nai Roshni



Satin Finserv Limited

- ✓ AUM growth of 6% YoY in Q1FY22
- ✓ Healthy CRAR of 85.61%
- ✓ Cumulative collection efficiency in Q1FY22 stood at 87%; GNPA of 5.0% & NNPA 2.3%
- ✓ 14% loans restructured

Scheme of Arrangement*

The Board of Directors of two wholly owned subsidiaries of the Company namely, TFSL and SFL, in their respective meetings, have considered and approved a draft Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("Transferee Company") and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder.

Objective Behind Amalgamation



The combined entity would be able to efficiently use the capital invested in the two entities and leverage the same

Currently the revenue sharing arrangement between TFSL and SFL is taxable. In the combined entity tax benefit will accrue to the business

TFSL has significantly wider distribution reach than SFL. The combined entity can leverage on this distribution

There will be cost rationalization post merger

Post merger SFL can introduce new products

Post merger the merged entity will focus on both own book lending and BC business

Overview





The history of SCNL goes back to **1990 when it started providing finance to the shopkeepers who were deprived of formal financing**



Today, after three decades of rich experience, **SCNL has emerged as one of the leading and trusted Indian microfinance companies**



Headquartered in Gurugram, Haryana, **the Company drives inclusive growth by offering financial tools that help create opportunities**



Through its financial solutions outside the periphery of traditional channels of finance, **the Company empowers the unserved and the underserved sections of the society**

Key
Performance Highlights



Corporate Overview Standalone – Q1FY22



Rs. **222** crore

DISBURSEMENT

28.8 Lacs

LOAN ACCOUNTS
OUTSTANDING



23

STATES & UT's

1,022

BRANCHES

0.55 Lacs

NO. OF LOANS DISBURSED



Rs. **6,444** crore

GROSS LOAN PORTFOLIO



Rs. **(71)** crore

PROFIT AFTER TAX

24.0%

CAPITAL ADEQUACY

(3.8%)

RETURN ON ASSETS



Rs. **37,000**

AVERAGE TICKET SIZE*

(19.7%)

RETURN ON EQUITY

Corporate Overview Consolidated – Q1FY22



Rs. **343** crore

REVENUES

29.6 Lacs

CLIENTS



1,264

BRANCHES



Rs. **180** crore

NET INTEREST INCOME



Rs. **7,464** crore

GROSS LOAN PORTFOLIO



23

STATES & UT's



(4.2%)

RETURN ON ASSETS



(22.5%)

RETURN ON EQUITY

Rs. **(81)** crore

PROFIT AFTER TAX

What makes Satin a
Compelling Investment Story



What makes Satin a Compelling Investment Story



1. Differentiated Product Offerings



	SCNL	Business Correspondent Services	Housing Finance	SME
Product features as on Jun'21	MFI ⁽¹⁾	Taraashna Financial Services Limited ⁽²⁾	Satin Housing Finance Limited ⁽³⁾	Satin Finserv Limited (SFL) ⁽⁴⁾
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
No. of States/UTs	23	7	4	8
No. of Branches	1,019*	213	14	15
AUM (Rs. crore)	6,132 ⁽⁵⁾	671	224	125
No. of loan accounts	2,881,137	376,330	2,401	1,747
Avg. Ticket Size for Q1FY22	Rs. 37,000** (JLG)	Rs. 34,500	Rs. 778,000	Rs. 315,500 (Retail) ⁽⁶⁾

Notes

(1) As on Jun'21, included MFI Lending (loans under JLG model, IndusInd BC and water & sanitation) and Product Financing (Loans for solar lamps, cycles)

(2) TFSL acquisition is effective Sep 1, 2016

(3) Satin Housing Finance Ltd was incorporated on April 17, 2017

(4) SFL was incorporated on August 10, 2018

(5) SCNL also has MSME portfolio of Rs. 312 crore other than MFI portfolio

(6) Average Ticket Size of Retail Financing is 3.15 lacs. Overall, the average ticket size of SFL is Rs. 7.15 lacs

*As of Q1FY22, there were 1,019 branches with Microfinance operations & 27 branches with MSME operations. Out of the 27 MSME branches, 24 of them also had microfinance operations & 3 were unique

**Focus on repeat clients with established credit history

Satin finances product purchase of solar lamps, bicycles etc. and grants loan for safe water and sanitation facilities

Financing ~Rs. 12 crore during Q1FY22, dip due to second wave led lockdown

Product Financing



Bicycle Loan

225 loans disbursed



Solar Products

143 loans disbursed



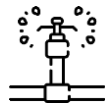
Home Appliances

804 loans disbursed



Consumer Durables

1,823 loans disbursed



Water & Sanitation

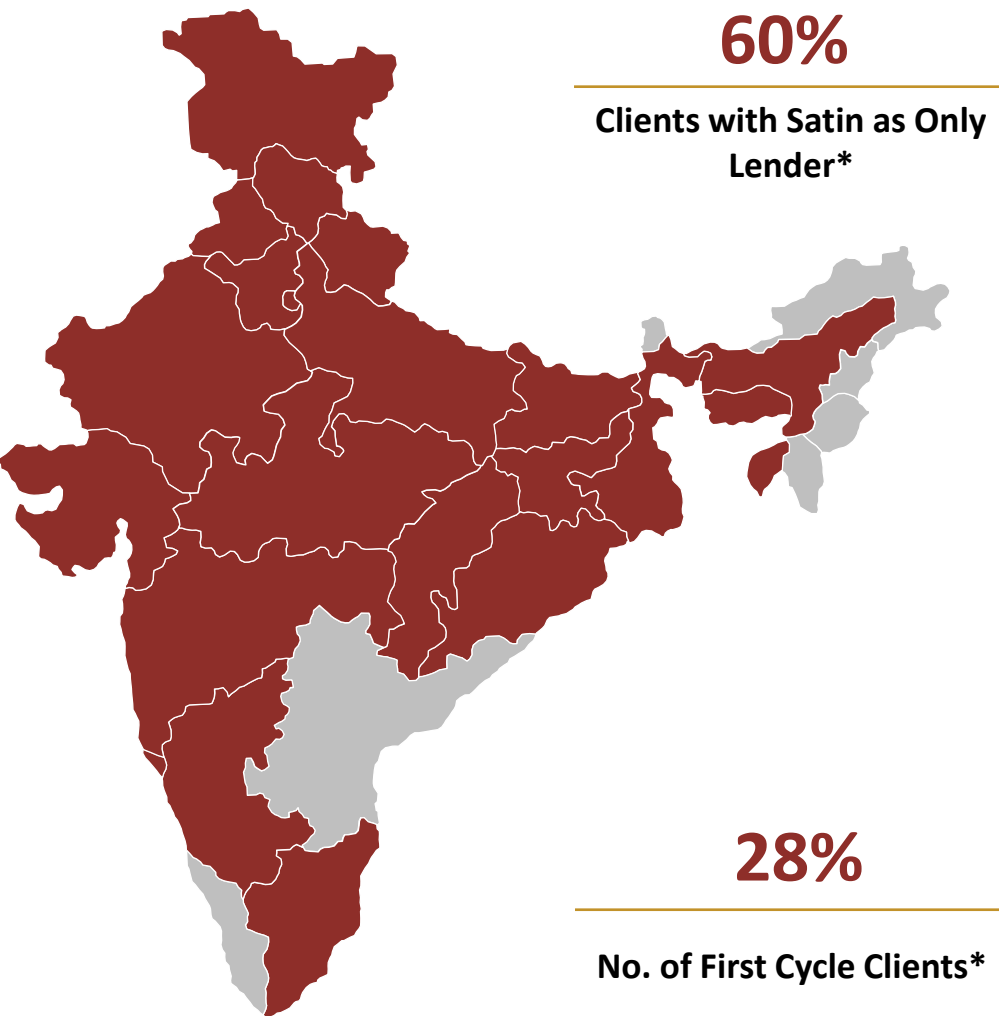
5,826 loans disbursed

Benefits

- Enhances the productivity and income generating potential of its clients
- Enables the Company to leverage its rural outreach
- Capitalizes on the Company's existing network and client base
- No incremental cost, thus the income directly adds up to the bottom line

2. Diversified Geographical Presence

...serving ~30 lacs clients across India



60%

Clients with Satin as Only Lender*

28%

No. of First Cycle Clients*

~30 lacs

No. of Active Clients

391

No. of Districts

74

No. of Regional Offices

7,824

No. of Loan Officers

~33 lacs

No. of Loan Accounts

83,000

No. of Villages

2.5 lacs

No. of Centres

12,287

No. of Employees

On Consolidated basis

**at the time of disbursement, data is for JLG Standalone only. Focus on existing clients with established credit history*

The pictorial representation of Map of India does not purport to be the Political Map of India

... Leading to increasing footprints



1. Increasing exposure to Newer states

2. Reducing exposure to traditional regions

3. Foraying into New Geographies



States	% of total GLP		GLP (Rs. crore) Q1FY22
	FY16	Q1FY22	
Uttar Pradesh	40.9%	20.3%	1,517
Bihar	17.7%	15.1%	1,124
Punjab	12.7%	8.6%	643
Madhya Pradesh	15.5%	8.6%	645
Uttarakhand	3.2%	1.4%	101
Maharashtra	1.6%	1.4%	107
Total	91.7%	55.4%	4,138



States	% of total GLP		GLP (Rs. crore) Q1FY22
	FY16	Q1FY22	
West Bengal	0.1%	7.1%	528
Rajasthan	2.3%	5.3%	398
Delhi & NCR	2.0%	4.8%	356
Gujarat	0.5%	4.1%	305
Haryana	1.9%	3.7%	278
Jharkhand	0.7%	2.2%	166
Chhattisgarh	0.6%	1.3%	100
Jammu	0.1%	0.1%	5
Total	8.2%	28.6%	2,136



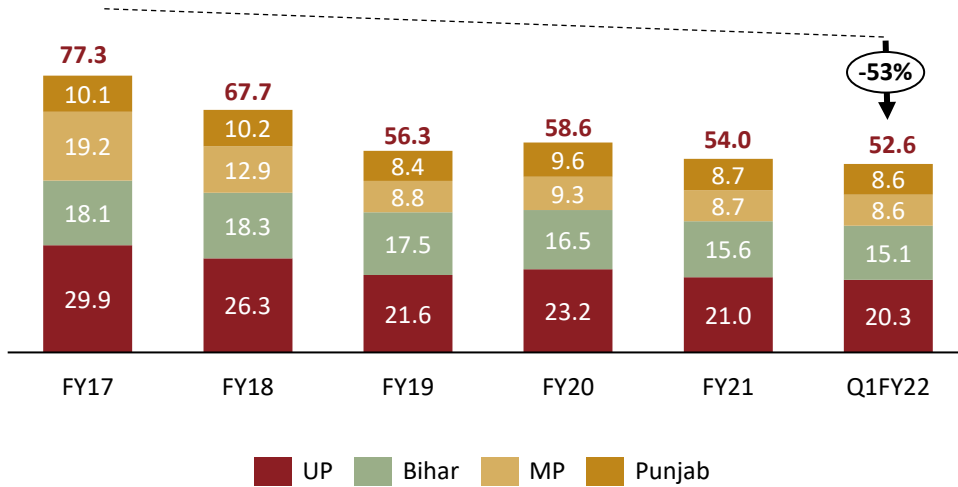
States	% of total GLP		GLP (Rs. crore) Q1FY22
	FY16	Q1FY22	
Tamil Nadu	0.0%	4.4%	325
Assam	0.0%	4.2%	315
Odisha	0.0%	4.1%	309
Karnataka	0.0%	1.9%	144
Tripura	0.0%	1.0%	74
Pondicherry	0.0%	0.1%	9
Himachal Pradesh	0.0%	0.1%	7
Meghalaya	0.0%	0.1%	5
Sikkim	0.0%	0.0%	2
Total	0.0%	15.9%	1,190

... And de-risking geographical concentration

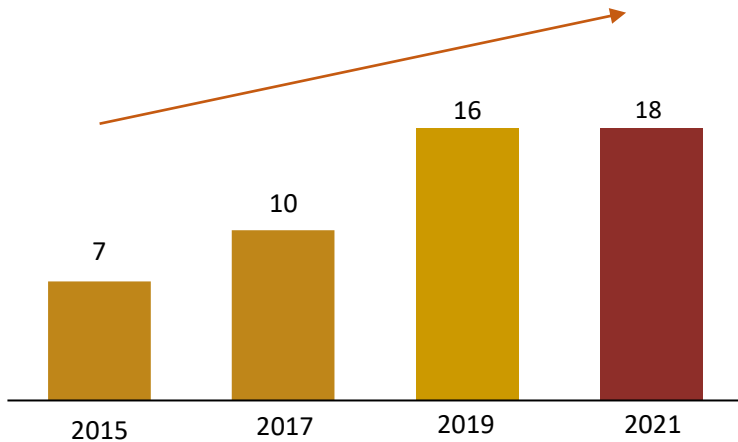
To remain a PAN India Player



Share of Top 4 States Reduced from 77% to 53%

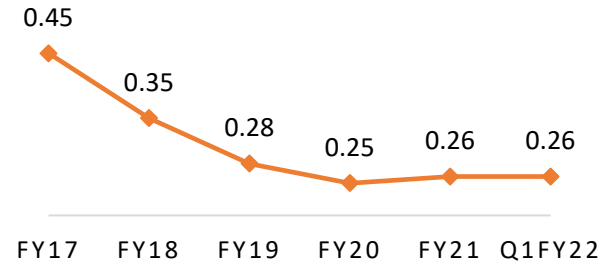


Number of States contributing more than 1% to Total AUM

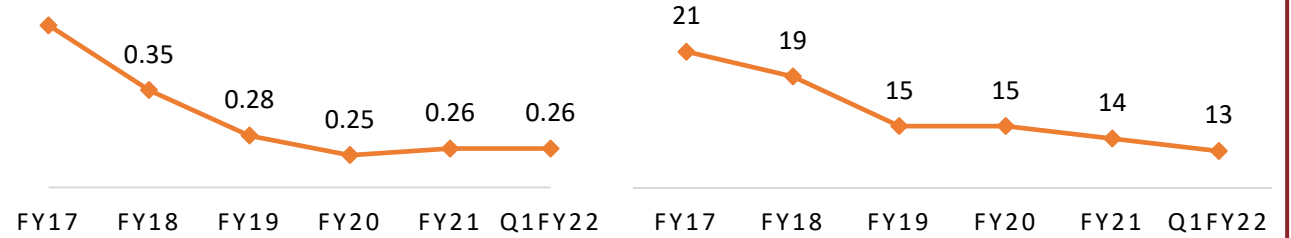


Limiting Exposure per district

Average exposure per district %

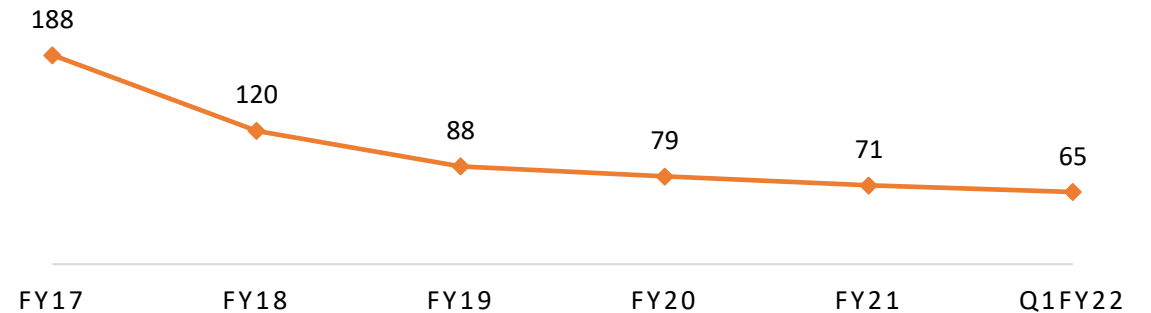


% of Top 10 Districts to AUM



Particulars	FY17	FY18	FY19	FY20	FY21	Q1FY22
No. of Districts - JLG	236	306	359	397	388	391
% of Districts with <1% exposure	88.1%	92.5%	96.4%	96.5%	95.8%	97.7%
% of Districts with >2%	2.1%	1.0%	0.6%	0.5%	0.5%	0.0%

% of Top 10 Districts to Net-worth



3. A Difference Powered by Technological Prowess & Processes...



Game Changing
Digital Transformation Technology
(LMS)



Turn Around Time of Customer Acquisition
to disbursement journey
**Reduced from 18 days to a few
minutes**

&

Help us to be ahead of the curve to better
respond to the ever-changing business
scenarios

LMS

Technology Footprint

Gold Standard Information Security

- Online real-time system
- Last Mile Connectivity on Tabs
- **Greener** (paperless environment)
- Event based mapping of Geo Location & Tracking Penetration
- Instant Bank Account Verification
- Core Accounting & Financial System
- Cashless Disbursement @100% branches
- API centric multiple cashless collection processing in the system (AEPS, Debit Card, Net Banking, UPI, QR Code)
- Real-time Dashboards
- Real-time CB Checks
- Features enabling brand recall value (SMS, OTP, QR Code)
- Cross sell disbursal module with real-time partner inventory tracking
- HR Management Module (employee creation, transfer, attendance, exit, leave management etc.)

- Employee Fraud Detection & Recovery Module
- Lender Fund Allocation Module
- Funder Borrowing Module
- BC subsidiary also using the same technology & leveraging the same benefits
- Centralized Shared Service centre introduced within SATIN; to create unified support model across Business Reporting / End User Applications Support & Managed Infrastructure
- Developed in-house software for subsidiaries like Housing & MSME too
- In-house Customer Service Application for MFI business

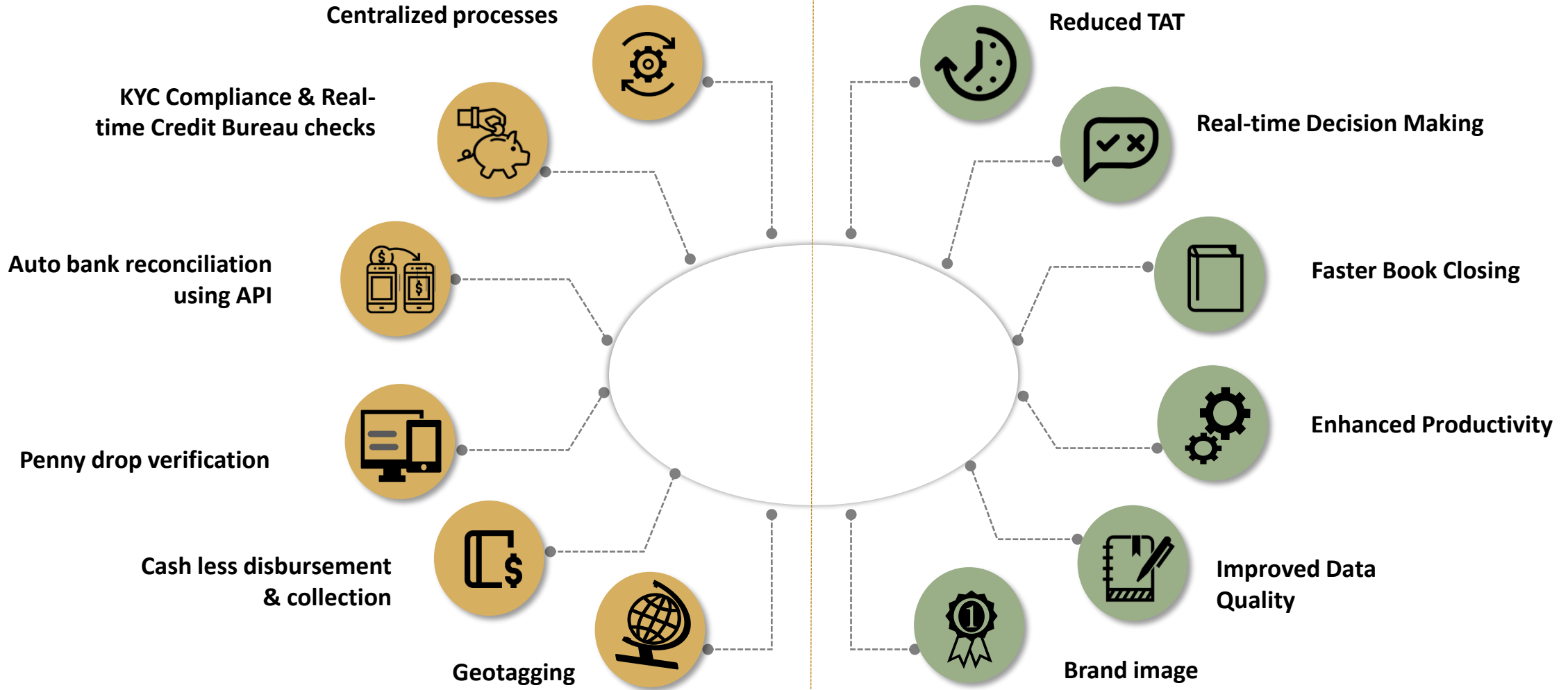
- Our company is the first MFI to be certified with ISO 27001:2013, which affirms the prevalence of robust ISMS specifying the requirements for establishing, implementing, maintaining and continually improving ISMS within the organisation
- This certification indicates SATIN has integrated a robust ISMS in its business processes & exemplifies that information security and client confidentiality are part of the cornerstones of SATIN's strategic objectives

... Leading to Operating Efficiency & Scalability



New initiatives...

...leading to improved processes



4. Robust Underwriting & Full-fledged in-house Internal Audit



Robust Underwriting



Real-time Credit Bureau checks

to track loan history of the prospective clients, also created own Credit Bureau scorecard for individual clients for better screening



Rotating Responsibility

Shuffling CSOs every 9 months and transferring every 18 months to reduce human biases. Risk Officers visit clients regularly



Centralized Share Services

KYC verification, IVR, TVR, ensuring uniform processes



Geo-tagging

of 100% branches and centers and 92% clients' houses



Account Verification & Cashless Disbursement

via penny drop verification along with strict KYC compliance, also cashless disbursement eliminates the cash handling risk

Full-fledged in-house Internal Audit

111

Zonal Auditors &
Regional Auditors

Feedback based

Compliance Audit

100% Digital

on Audit Reports and Findings

847 Audits

completed in Q1FY22

Quarterly Audit

Regional Office, Branch & Social
Performance Management

15 man-days

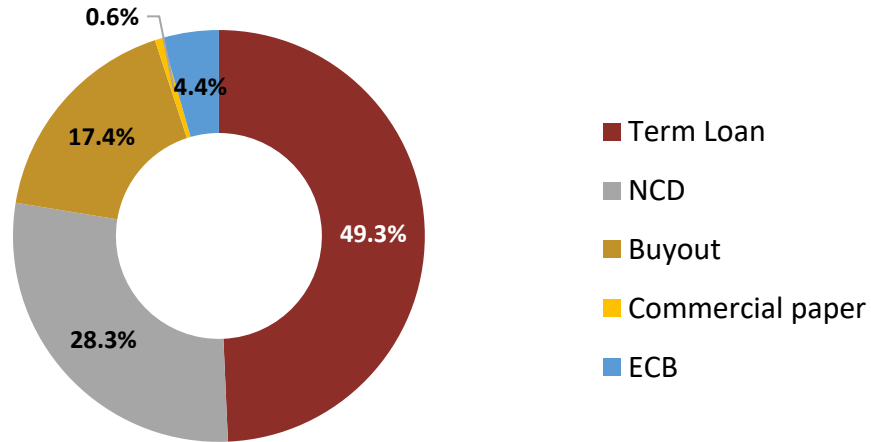
field audit per auditor per month

5. We have a well-diversified Liability Profile...

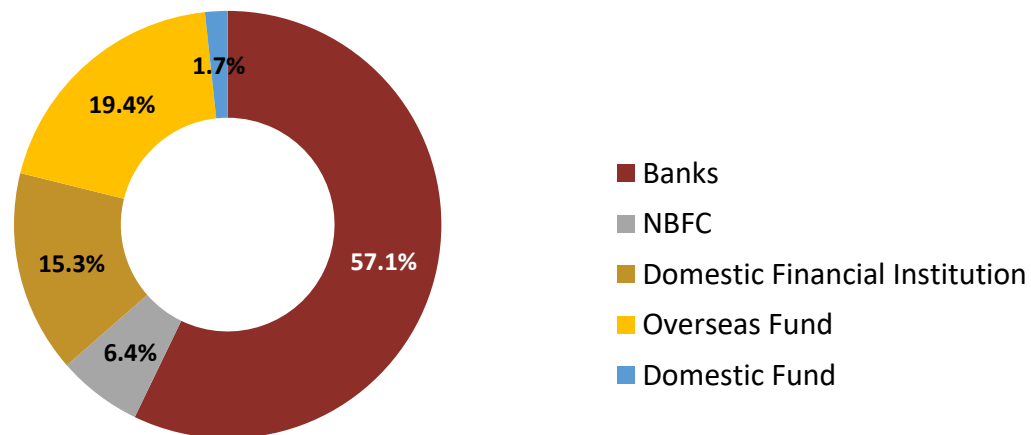
... insulated from Capital Market Turbulence



Product-wise Jun'21



Lender-wise Jun'21



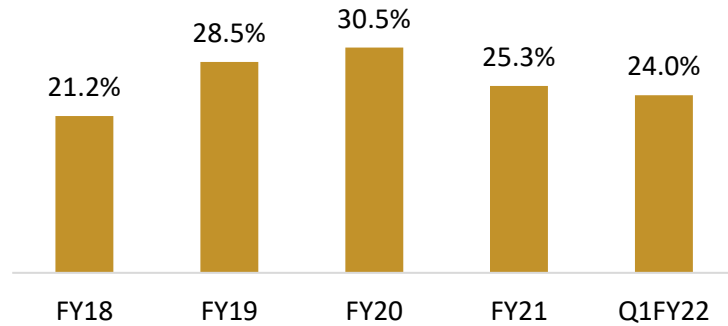
Large Lender Base
61 Active Lenders

Top 10 Lending Partners	% Share as on 30 th Jun'21
Indian Bank	13%
NABARD	12%
IDFC First Bank	7%
State Bank of India	5%
Bank of Baroda	5%
Blue Orchard Microfinance Fund	5%
AAV S.A.R.L.	4%
Standard Chartered Bank	4%
SIDBI	2%
FMO	2%
Total of Top 10 lenders	60%

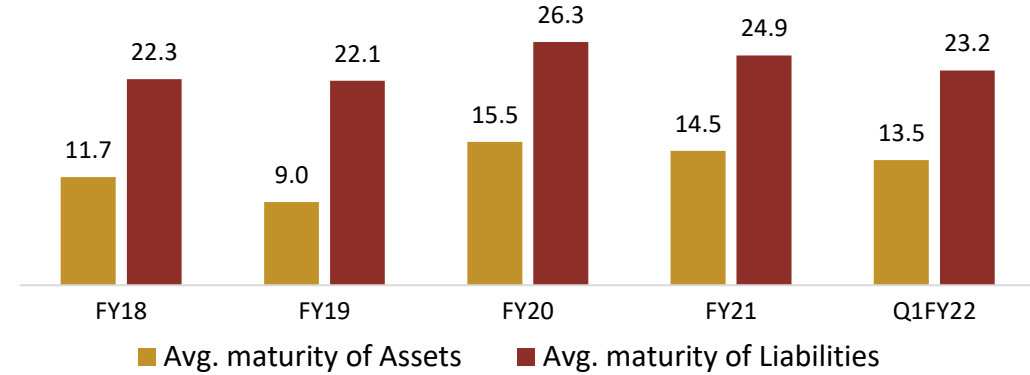
6. Strong Capitalization with Ample Liquidity



Healthy CRAR to Support Growth Opportunities



Benefit of Positive ALM Continues



Static ALM as on 30 th Jun'21 (Rs. Crore)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Inflows							
Liquidity at the beginning of month*	1,497	1,445	1,523	1,517	1,492	1,415	1,497
Principal - Loan portfolio	234	255	277	249	258	318	1,591
Interest - Loan portfolio	69	71	71	63	65	66	404
Total (A)	1,800	1,771	1,871	1,829	1,815	1,799	3,492
Outflows							
Principal repayments	317	187	288	302	377	212	1,682
Interest repayments	38	61	66	35	23	59	281
Total (B)	355	248	353	337	400	270	1,963
Cumulative Mismatch (A-B)	1,445	1,523	1,517	1,492	1,415	1,529	1,529

*Excluding margin money deposits of Rs. 284 crore lien with lenders and undrawn sanction in hand of Rs. 135 crore as of date



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 99% of TFSL's total disbursement for Jun'21; 7% collection through cashless mode
- » TFSL has a low-risk business model which is highly capital efficient
- » AUM stood at Rs 671 crore, with presence across 7 states
- » The Company operates through 213 branches, and has more than 3.7 lacs clients
- » TFSL now sources business for SCNL & SFL under Nai Roshni

Satin Housing Finance Ltd (SHFL)

- » 100% retail book comprising of:
 - » Affordable home loans – 79%
 - » Loan against property – 21%
- » Excellent portfolio quality since inception, Collection Efficiency of ~95% during Q1FY22
- » Mainly caters to clients belonging to Middle and Low-Income Groups in peripherals of Tier II and below cities
- » CRAR of 95.8% and gearing of 1.3x. Total equity stands at Rs 93.7 crore
- » Total AUM Rs 224 crore including DA of Rs 20 crore
- » Three consecutive profitable quarters despite challenging business environment
- » Standalone rating of CARE BBB (Stable)

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 125 crore
- » CRAR for Q1FY22 is 85.6%
- » Total equity stands at Rs 106.5 crore
- » Business focus on secured retail MSME lending
- » 15 Branches across 8 states with 1,747 active loan clients
- » SFL has migrated to in-house software

Learnings from Demonetization

Implementation of best-in-class technology

- Reduced TAT
- Real-time data
- Enhanced Productivity
- Improved monitoring and control

Diversifying Geographical Presence

- Increasing exposure to Newer states
- 97.7% of Districts with <1% exposure
- UP share brought down from 40.9% in Dec'16 to 20.3% in Jun'21

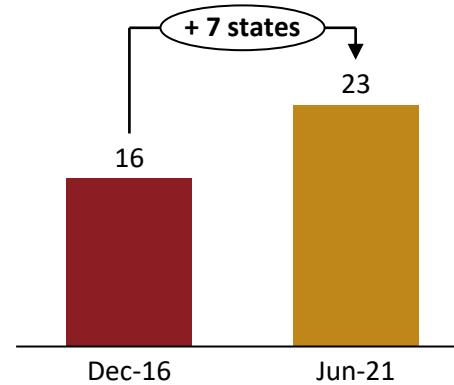
Strong Capitalization with Ample Liquidity

- Capital Adequacy has improved from 18.3% in 2016 to 24.0% currently
- Raised Rs 560 crore equity capital
- Liquidity of around Rs 1,500 crore

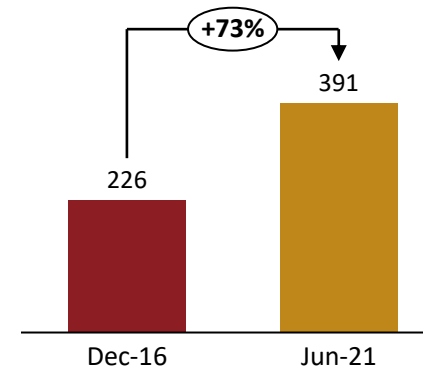
Strategic Changes

- Diversified out of unsecured MFI portfolio by floating subsidiaries in housing and MSME finance
- Changed center meeting to bi-weekly
- Process re-engineering
- Strengthened management team

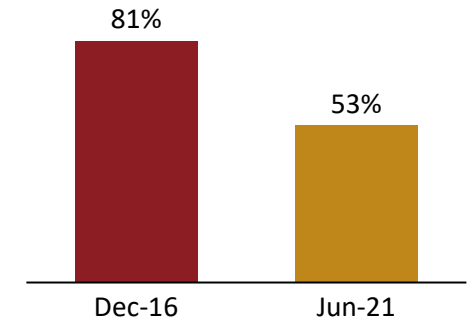
De-risking Geographic Concentration (No. of States)



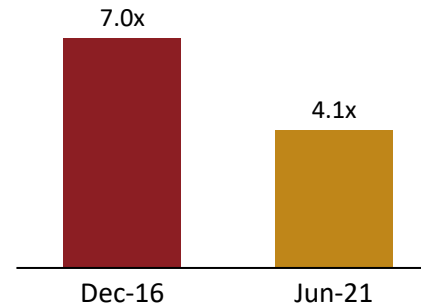
District Diversification



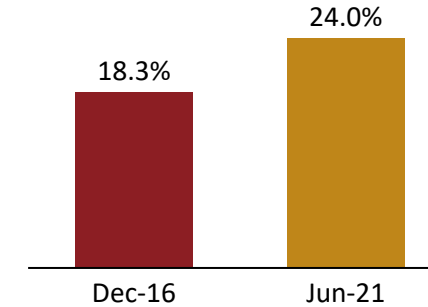
Reduction in Top 4 State Contribution



Reduced Leverage



Improved Capital Adequacy

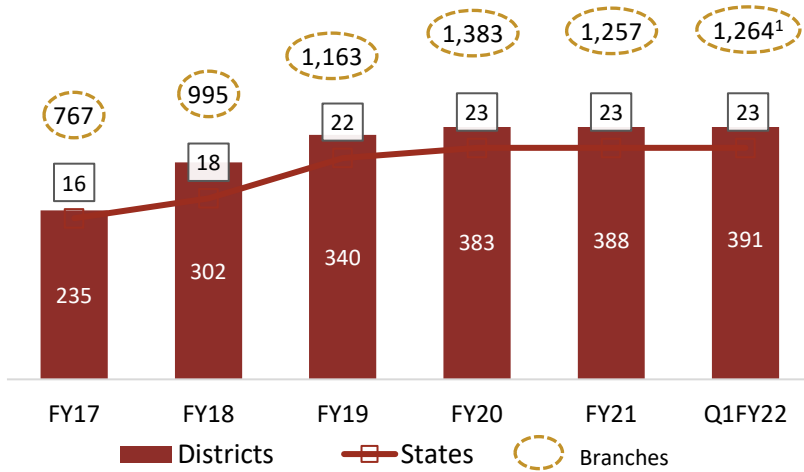


Key Financial & Operational Metrics

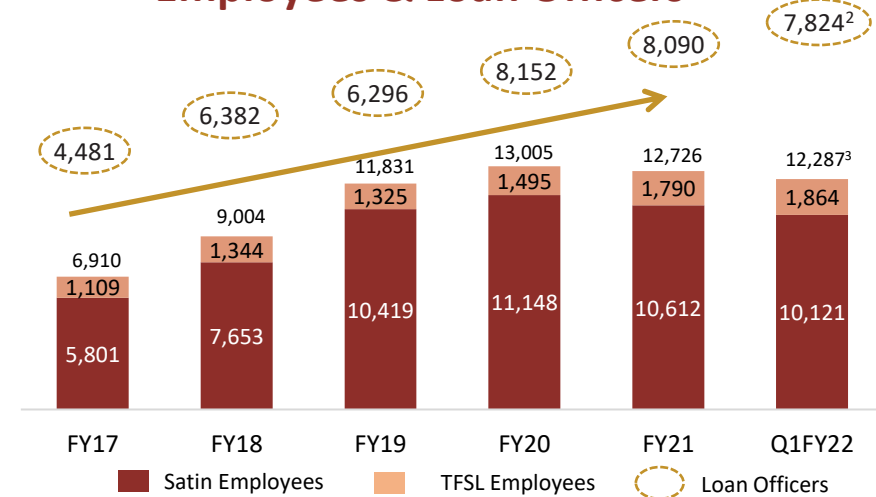




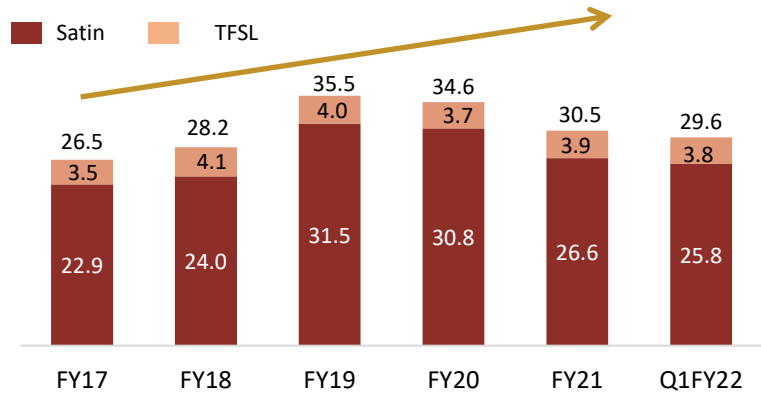
Districts, States and Branches



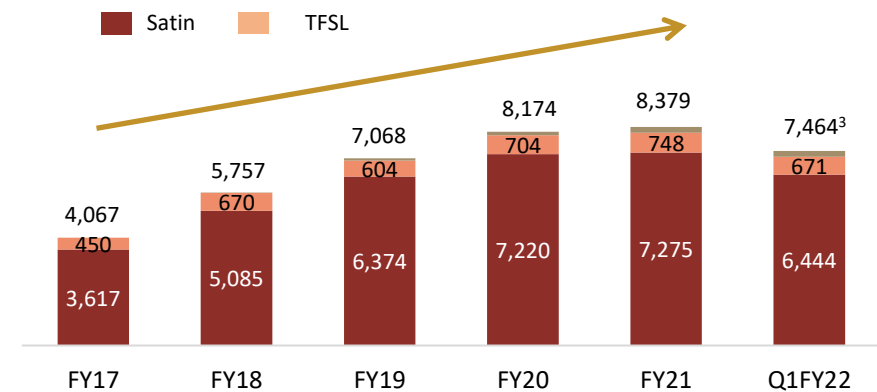
Employees & Loan Officers



Clients (lacs)



Gross Loan Portfolio (Rs. crore)

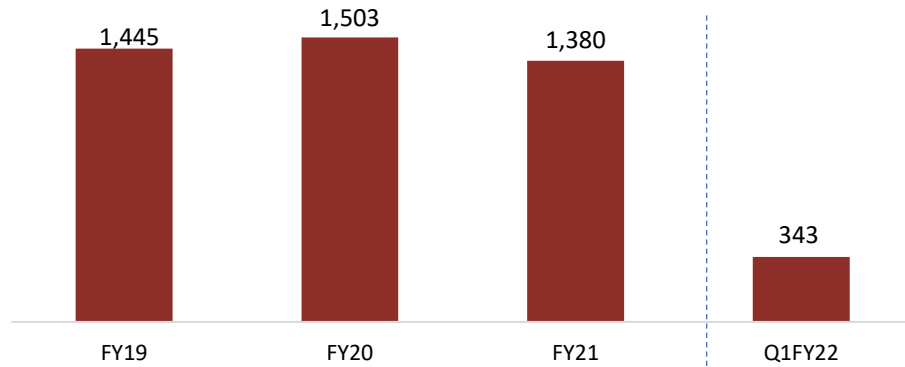


Note: (1) Data on Consolidated basis. On a standalone basis, the number of branches were 1,022; (2) Data on a consolidated basis. On a standalone basis the number of loan officers were 6,170; (3) Consolidated figures includes Satin Housing Finance Limited and Satin Finserv Ltd. as well.

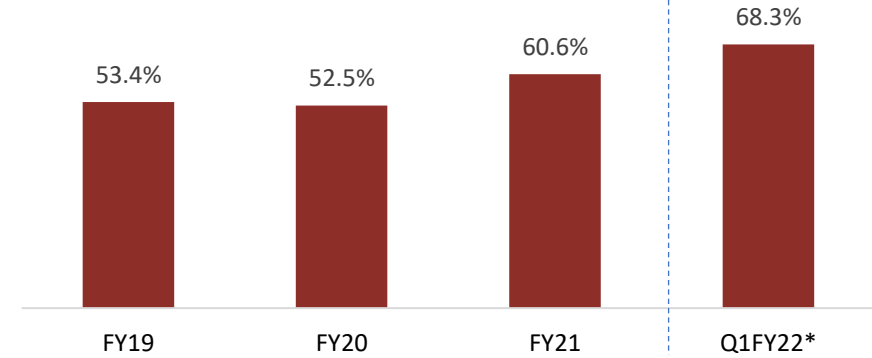
Key Consolidated Financials



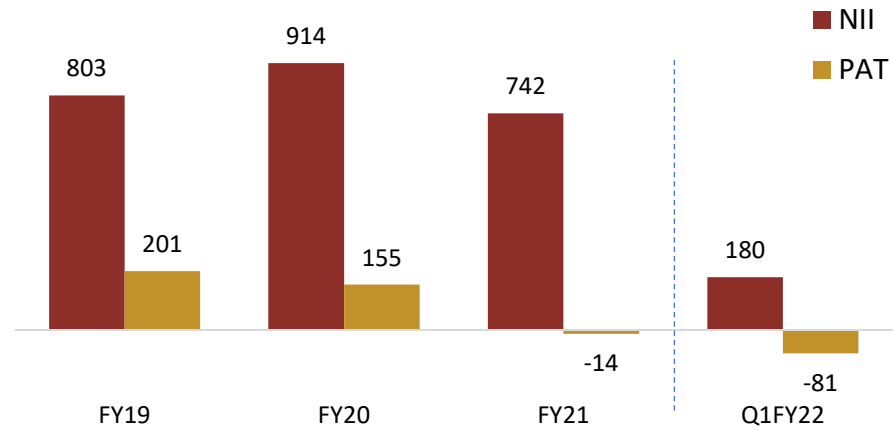
Gross Income (Rs. crore)



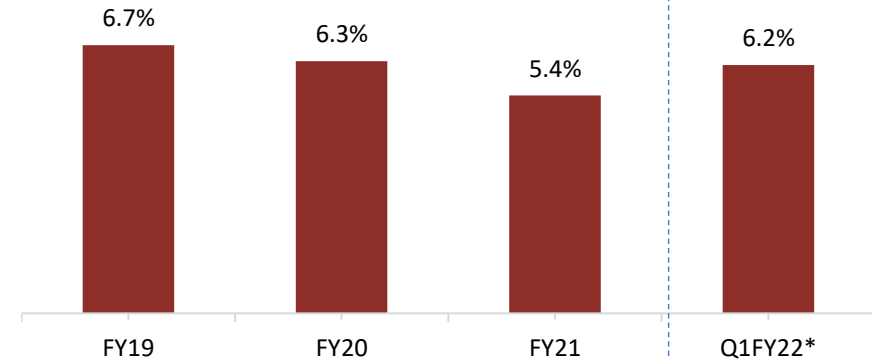
Cost to Income Ratio (%)



NII and PAT (Rs. crore)



Opex to Avg GLP (%)

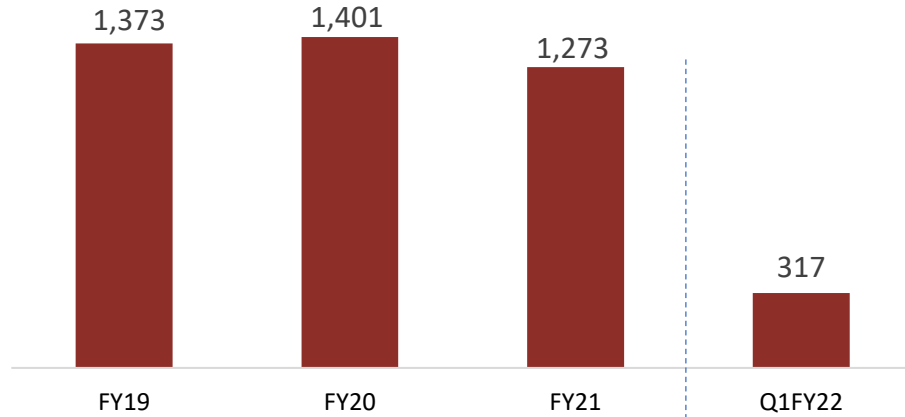


*Cost to Income and Opex / AUM is temporarily high due to lower business volume

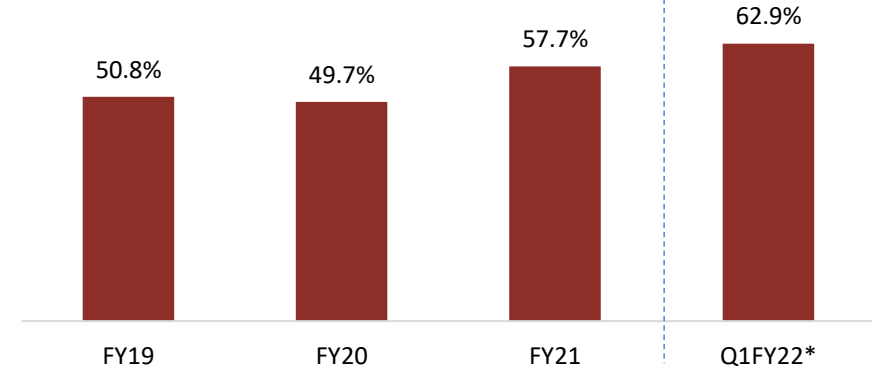
Key Standalone Financials



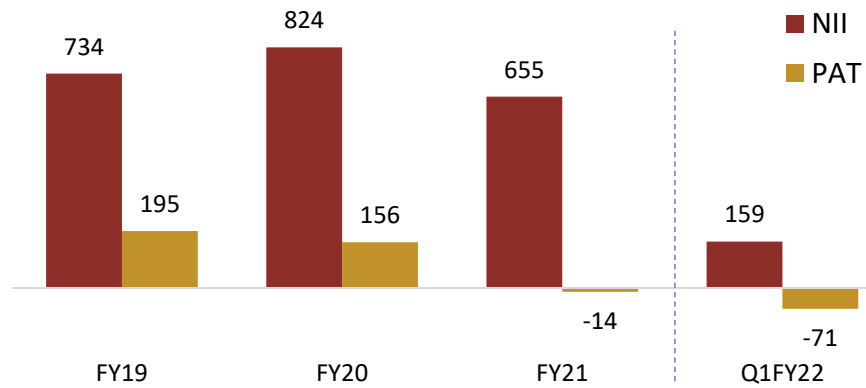
Gross Income (Rs. crore)



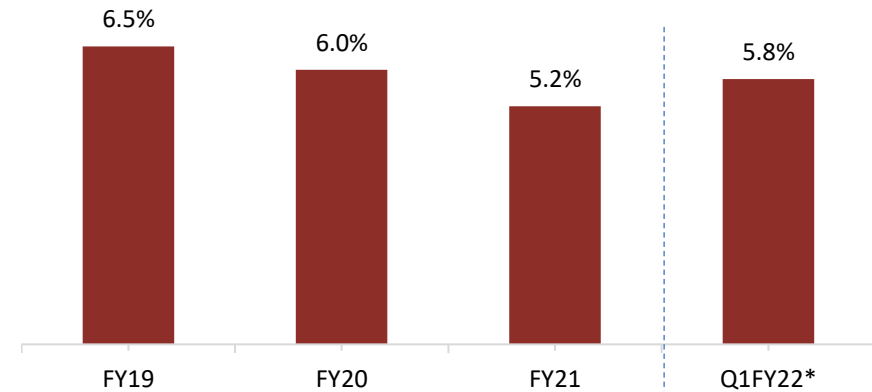
Cost to Income Ratio (%)



NII and PAT (Rs. crore)



Opex to GLP (%)



*Cost to Income and Opex / AUM is temporarily high due to lower business volume

Financial & Operational Details
(Consolidated)



Annexure – Business Details – Consolidated



Particulars	Q1FY22	Q1FY21	YoY%	Q4FY21	QoQ%
AUM (Rs. crore)	7,464	8,119	-8.1%	8,379	-10.9%
On-Book JLG AUM*	5,143	4,653		5,660	
Securitization	59	46		72	
Assignment	1,093	2,009		1,375	
Business Correspondence	207	519		256	
TFSL - Business Correspondence	671	677		748	
SHFL - Housing Finance ⁽¹⁾	224	144		226	
SFL	125	118		131	
AUM Mix (Rs. crore)	7,464	8,119	-8.1%	8,379	-10.9%
MFI Lending	5,905	6,349		6,685	
Product Financing	20	26		24	
MSME	312	287		310	
Business Correspondence - IndusInd Bank	207	519		256	
TFSL - Business Correspondence	671	677		748	
SHFL - Housing Finance	224	144		226	
SFL	125	118		131	
No. of Branches	1,264	1,355	-6.7%	1,257	0.6%
SCNL	1,022	1,117		1,011	
TFSL	213	208		217	
SHFL	14	15		14	
SFL	15	15		15	

Note:

* Includes securitization, differences due to rounding off

1) The portfolio also includes Assigned portfolio of Rs.20 crore

Annexure – P&L Statement – Consolidated



Particulars (Rs. crore)	FY21	FY20	YoY%	Q1FY22	Q1FY21	YoY%	Q4FY21	QoQ %
Revenue								
Interest and Fee Income	1,076	994		303	258		297	
Loss/gain due to DA	112	236		-3	14		54	
Treasury Income	71	117		18	20		13	
BC Fees	88	127		20	12		31	
Other Operating Income	32	29		5	8		11	
Total Revenue	1,380	1,503	-8.6%	343	312	10.1%	406	-15.5%
Expenses								
Finance Cost	638	589		163	160		163	
Employee Benefit Expenses	337	351		92	79		94	
Credit Cost & FLDG for BC	302	223		164	33		57	
Other Expenses	98	111		27	18		35	
Depreciation and amortization expense	15	18		4	4		4	
Total Expenses	1,390	1,292	7.1%	450	295	52.7%	353	27.5%
Profit Before Tax	-10	212	-104.6%	-107	17	-	53	-
Tax expense	4	57		-26	4		15	
Profit after Tax	-14	155	-109.0%	-81	13	-	38	-
Other comprehensive income net of taxes	-35	45		-23	5		18	
Total Comprehensive Income	-49	200	-124.5%	-104	18	-	56	-

Financial Details (Standalone)



Annexure - Financial Performance – Standalone



Particulars (Rs. crore)	Q1FY22	Q4FY21	Q1FY21	FY21	FY20
Gross yield ⁽¹⁾	18.47%	21.03%	16.16%	17.57%	20.61%
Financial Cost Ratio ⁽²⁾	9.22%	8.88%	8.64%	8.52%	8.49%
Net Interest Margin ⁽³⁾	9.25%	12.16%	7.53%	9.04%	12.12%
Operating Expense ratio ^{(4)*}	5.82%	6.22%	4.80%	5.22%	6.02%
Loan Loss Ratio ⁽⁵⁾	8.98%	2.58%	1.76%	3.96%	2.97%
RoA ⁽⁶⁾	-3.76%	2.18%	0.72%	-0.18%	2.26%
RoE ⁽⁸⁾	-19.74%	11.95%	3.52%	-0.92%	12.00%
Leverage (Total Debt ⁽⁷⁾ / Total Net Worth)	4.07x	4.09x	3.68x	4.09x	3.76x
Cost to Income Ratio*	62.92%	51.19%	63.74%	57.74%	49.66%

Asset Quality (on-book)	Q1FY22	Q4FY21	Q1FY21	FY21	FY20
GNPA %	9.67	8.40	2.43	8.40	3.28
ECL as % of AUM	8.44	5.11	3.16	5.11	3.38

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 AUM
 5. Loan Loss Ratio represents the ratio of credit cost (including FLDG on BC) to the Average AUM
 6. RoA is annualized and represents ratio of PAT to the Average Total Assets
 7. Total Debt includes 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)
- *Opex is temporarily high due to lower business volume

Annexure - P&L Statement– Standalone



Particulars (Rs. crore)	FY21	FY20	YoY%	Q1FY22	Q1FY21	YoY%	Q4FY21	QoQ %
Revenue								
Interest and Fee Income	1,031	966		291	248		283	
Loss/gain due to DA	110	236		-4	14		53	
Treasury Income	66	112		15	19		12	
BC Income	35	62		7	3		15	
Other Operating Income	23	25		8	7		9	
Total Revenue	1,267	1,401	-9.6%	317	291	8.9%	373	-15.0%
Expenses								
Finance Cost	618	577		158	156		157	
Employee Benefit Expenses	281	297		75	67		77	
Credit Cost & FLDG for BC	287	202		154	32		46	
Other Expenses	78	97		21	16		30	
Depreciation and amortization expense	13	15		3	3		4	
Total Expenses	1,276	1,188	7.5%	412	274	50.5%	313	31.4%
Profit Before Tax	-10	213	-104.6%	-95	17	-	59	-
Tax expense	4	57		-24	5		17	
Profit After Tax	-14	156	-108.7%	-71	13	-	43	-
Other comprehensive income net of taxes	-35	45		-23	5		19	
Total Comprehensive Income	-48	201	-124.0%	-94	18	-	61	-

Financial Details (Subsidiaries)



Annexure - P&L Statement – TFSL



Particulars (Rs. crore)	Q1FY22	Q4FY21	Q1FY21	FY21	FY20
Revenue					
Total Revenue	13.6	17.7	10.4	59.3	69.8
Expenses					
Finance Cost	1.1	1.3	0.9	4.5	3.2
Employee Benefit Expenses	11.4	12.5	8.5	39.1	38.3
Credit Cost	7.9	10.3	0.8	11.3	13.4
Other Expenses	2.0	3.3	1.6	10.0	14.4
Depreciation and amortization expense	0.4	0.4	0.4	1.5	1.7
Total Expenses	22.9	27.7	12.2	66.3	71.0
Profit Before Tax	-9.3	-10.0	-1.8	-7.0	-1.2
Tax expense	-2.3	-2.7	0.5	-2.0	-0.2
Profit After Tax	-6.9	-7.3	-1.8	-5.0	-1.0
Other comprehensive income net of taxes	0.0	0.0	-0.5	-0.2	0.3
Total Comprehensive Income	-6.9	-7.3	-1.3	-5.2	-0.7

Annexure - P&L Statement – SHFL



Particulars (Rs. crore)	Q1FY22	Q4FY21	Q1FY21	FY21	FY20
Revenue					
Interest and Fee Income	7.7	8.1	5.1	25.8	17.1
Treasury Income	0.1	0.0	0.4	0.3	1.6
Other income	0.6	2.4	0.1	3.5	2.3
Total Revenue	8.4	10.5	5.7	29.6	21.0
Expenses					
Finance cost	3.9	3.8	3.3	13.6	8.3
Employee benefit expenses	3.0	3.2	2.4	10.5	9.7
Credit Cost	0.1	-0.2	0.1	0.1	1.2
Other expenses	0.8	1.1	0.4	2.9	2.5
Depreciation and amortization expenses	0.1	0.1	0.1	0.4	0.5
Total Expenses	7.8	7.9	6.2	27.5	22.2
Profit Before Tax	0.6	2.6	-0.5	2.1	-1.3
Tax expense	0.2	0.8	-0.2	0.7	-0.3
Profit After Tax	0.5	1.9	-0.4	1.4	-1.0
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Total Comprehensive Income	0.5	1.8	-0.4	1.4	-1.0

Annexure - P&L Statement – SFL



Particulars (Rs. crore)	Q1FY22	Q4FY21	Q1FY21	FY21	FY20
Revenue					
Interest and Fee Income	5.8	6.5	5.8	23.8	13.6
Treasury Income	0.0	0.1	0.2	0.4	0.2
Other income	0.1	0.1	0.1	0.6	0.2
Total Revenue	5.9	6.6	6.0	24.8	14.0
Expenses					
Finance cost	1.1	1.2	1.0	4.4	1.8
Employee benefit expenses	2.0	2.1	1.7	7.1	6.7
Credit Cost	1.7	0.1	0.5	3.3	1.5
Other expenses	0.8	0.9	0.6	3.3	3.1
Depreciation and amortization expenses	0.1	0.1	0.0	0.3	0.1
Total Expenses	5.7	4.3	3.9	18.4	13.1
Profit Before Tax	0.2	2.3	2.1	6.4	0.9
Tax expense (DTA)	0.1	0.6	0.5	1.7	0.2
Profit After Tax	0.2	1.7	1.6	4.8	0.6
Other comprehensive income	0.0	-0.0	0.0	0.0	0.0
Total Comprehensive Income	0.2	1.6	1.6	4.8	0.6

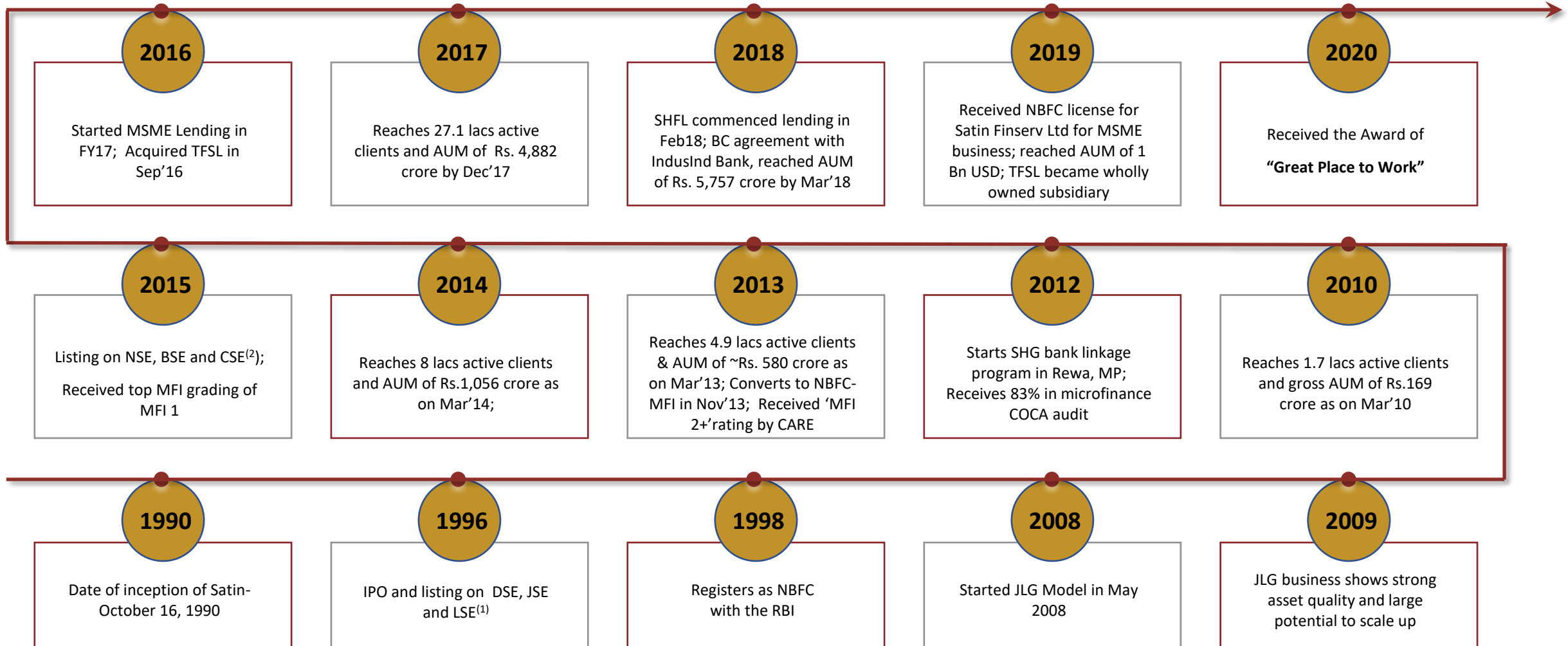
Company Background



Key milestones

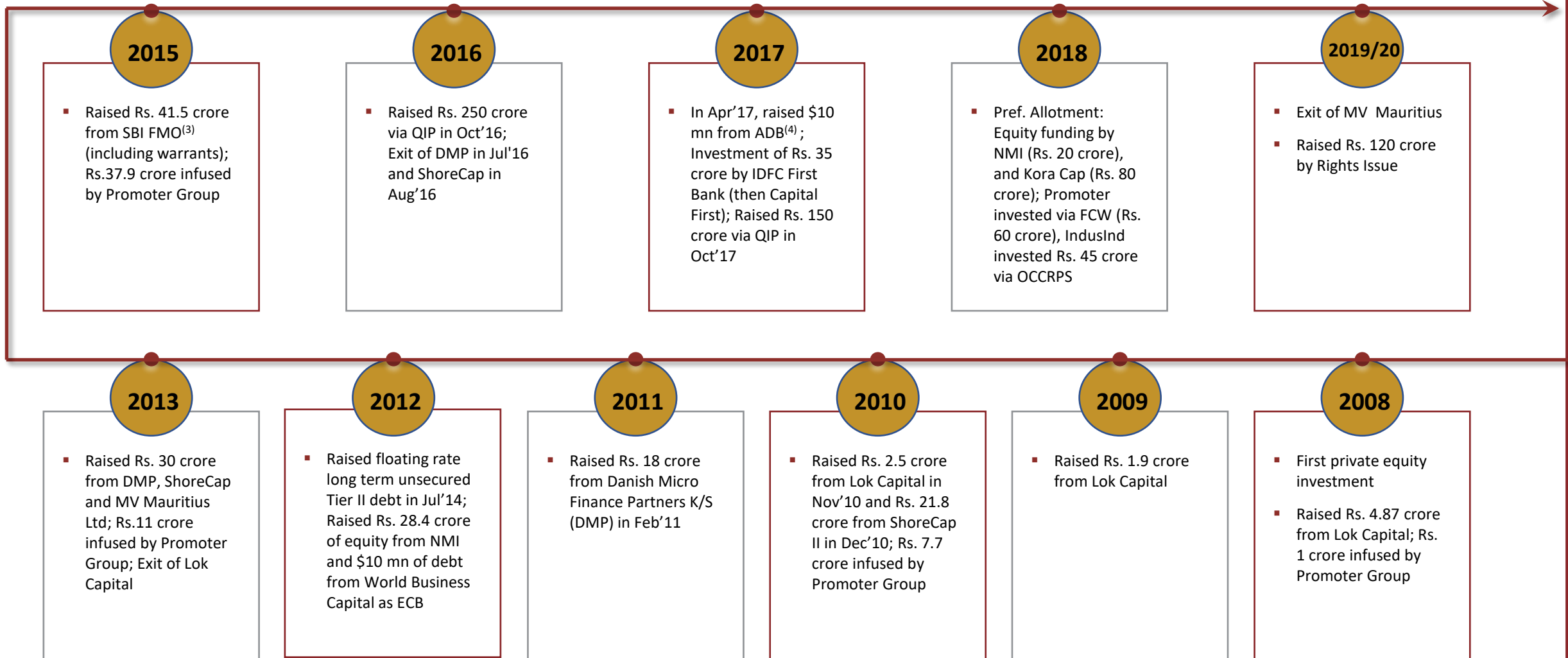


Business Timeline



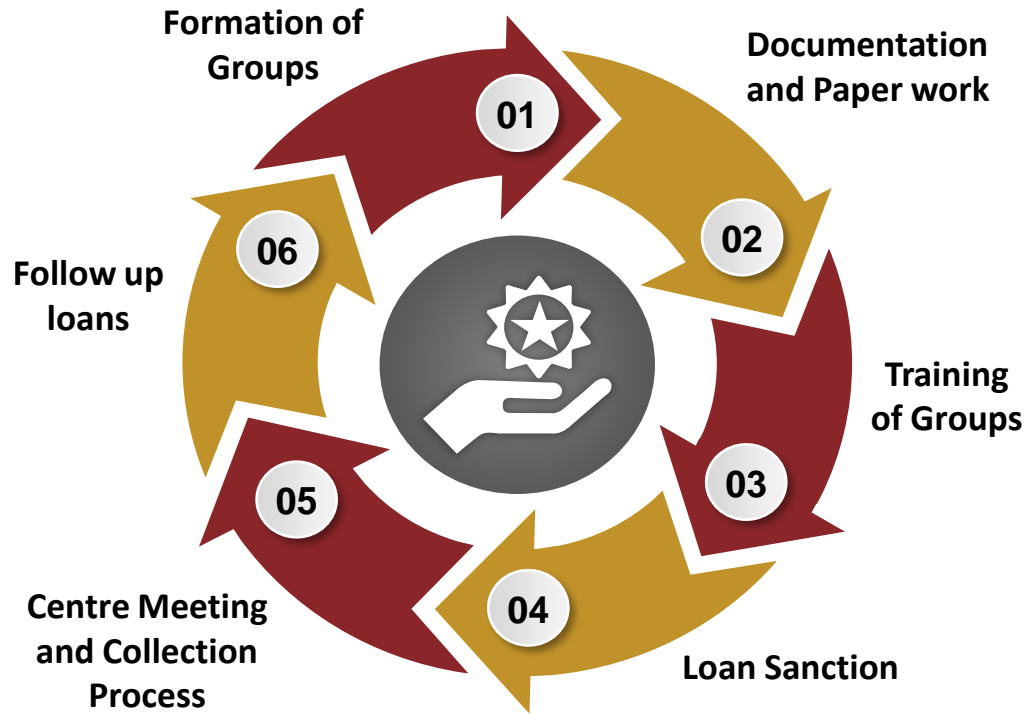
Note: 1. Regional Stock Exchanges (DSE – Delhi Stock Exchange, JSE – Jaipur Stock Exchange, LSE- Ludhiana Stock Exchange); (2) BSE - BSE Limited, NSE - National Stock Exchange of India Limited, CSE - The Calcutta Stock Exchange Limited

Fund Raising Timeline

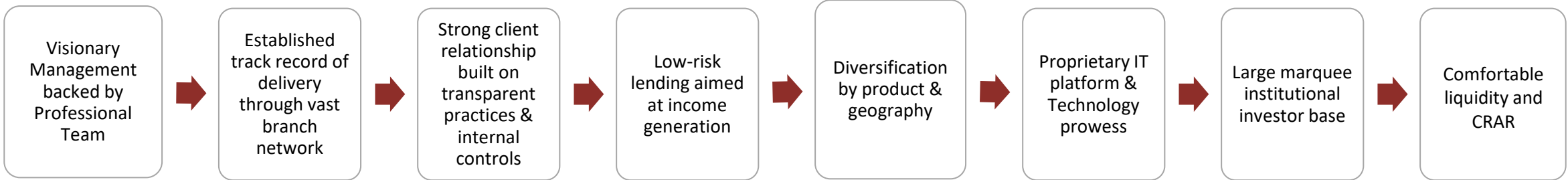


Note: (3) SBI FMO Emerging Asia Financial Sector Fund Pte. Limited; (4) ADB – Asian Development Bank

Our Business Model



MICROFINANCE... & BEYOND



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

Income Generation Loan (Prarambh)

Ticket Size :
Rs. 10,000 – Rs. 30,000

Tenure : 24 months

Long Term Loan (Vridhhi)

Ticket Size :
Rs. 30,000 – Rs. 50,000

Tenure : 24 months

Product Financing/Wash Loan

Ticket Size :
Rs. 799 – Rs. 17,999

Tenure : 3-18 months

Eligibility Criteria

- Household Income: Rural-Rs. 1.25 Lacs & Urban/Semi-Urban- Rs. 2 Lacs
- Satin can be 3rd lender & 2nd MFI
- Credit scorecard

- Outstanding (incl. applied loan): <=Rs. 1.25 Lacs
- OTP validation

Making a Difference to the Community



Supporting Local Communities During COVID-19 Pandemic

Distributed masks, ration and hygiene kits across districts in Punjab during COVID pandemic. Reached out to more than 3000 households. Outcome- Appreciation by the local administration and strengthened connect with clients

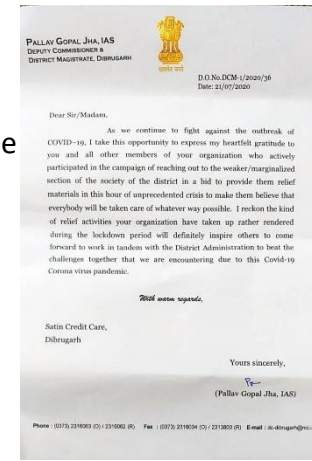


Health Check-up Camps

5 Free health check-up camps in Assam and Odisha



SCNL was awarded an appreciation letter from the District Collector, Dibrugarh (Assam) for our COVID relief initiatives in the district



Appreciation by the local administration and strengthened connect with clients



Financial Empowerment Workshops

Relaunched Financial Empowerment Workshops in a different format in the wake of COVID-19 - shorter duration and smaller gathering. Distributed ration and stationary kits.



Relief Work post Amphan Cyclone- West Bengal

- Reached out and provided ration kits to around 5000 households in the aftermath of the Amphan Cyclone.
- Undertook relief work in the most affected 150 villages in our operation area.



Flood & Cyclone Relief Initiatives

Flood relief camps in West Bengal, Assam and Bihar



Building a Difference to Make a Difference



Awards and Accolades

- Mr. HP Singh, CMD, was conferred the Best CEO of the Year at ‘**Golden Globe Tigers**’ virtual awards ceremony in Malaysia
- Mr. HP Singh received the ‘**Exemplary Leader**’ Award
- Mr. HP Singh received Business Leader of the Year Award in NBFC Sector at World HRD Congress by ET Now



November 2018

Got sA social rating from **Microfinanza**



December 2018

Won the “**SKOCH Award**” for Digital Transformation



January 2019

Received “**C1**” grade in Code of Conduct Assessment from **ICRA**



July 2019

Moved up in “**Fortune The Next 500**”



July 2019

Got 1st Prize in Customer Service Index by **MFIN**



September 2019

“Outstanding Contribution to Water and Sanitation Lending” from Sa-Dhan and Water.org



November 2019

Awarded “Company with Great Manager”



February 2020

Won “National Best Employer Brand” “Dream Companies to Work For”



February 2021

SCNL Annual Report FY20 “ranked 17 worldwide” at Vision Awards by LACP, USA



March 2021

Re-certified as “Great Place to Work”



April 2021

Featured in “India’s 30 Best Workplaces in BFSI-2021”



Great Place To Work®

Certified
MAR 2021–FEB 2022
INDIA

Environment

- **Water and Sanitation (WASH) Loans**
- SCNL has been constructively working towards safe water and sanitation in around 120 districts and more than 30,000 villages in 5 states of Assam, Bihar, Chhattisgarh, Uttar Pradesh and West Bengal
- In the FY21, SCNL disbursed a total of 26,819 WASH loans post reactivation in Oct'20
- **Clean Energy Loans**
- More than 1 lakhs clean energy loans were disbursed
- SCNL's clean energy programme is an illustration of its dedication to serve the society by providing customized financial solution
- Certificate of Excellence by UNFCCC's Clean Development Program

Social

- Our strength lies in our ground level knowledge and the strong bond that we have created with our stakeholders
- SCNL is reaching its borrowers through a suite of financial and non-financial services, tailored to meet their needs, including lending under Joint Liability Group model, loans to individual businesses, product financing, community level initiatives, financing household level toilet and water facility
- Almost all of SCNL clients are women, 75% of whom are based in rural hinterlands of India
- Around 72% of the clients are from BPL category

- Number of Board Meetings Conducted during the FY21: 10
- Average attendance rate at the Board and Board committee meetings (%): 100% approx.
- Number of Board Committee Meetings Conducted during the FY 2020-21: Audit Committee- 8, Risk Management Committee- 3, Nomination and Remuneration Committee- 5, Stakeholders Relationship Committee- 1, Corporate Social Responsibility Committee- 2, IT Strategy Committee- 2, Rights Issue Committee- 5, Working Committee Meeting- 46

Governance



SCNL and the UN Sustainable Development Goals

Contact Information



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