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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 have been regrouped.

# Business Update & New Initiatives



- *The State government has signed MoU with lenders and will dedicate close to Rs. 7,200 crore as relief*
- *Assam cabinet approved Rs. 1,800 crore to provide relief to around 11 lacs microfinance borrowers (maximum up to Rs. 25,000 per borrower), who are making regular payments to banks (category 1)*
- *The Bill is positive for the MFI Industry and the Company is expecting significant recoveries from the same*
- *In Q2FY22, The Company's Assam on-book MFI Portfolio stood at Rs. 215 crore*
- *GNPA of Assam portfolio stands at Rs. 98 crore*

Assam Portfolio	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q4FY21	Q2FY22
AUM (Rs. crore)	251	308	244	227	244	215
% of Total AUM	5.5	5.8	4.3	4.4	4.3	4.0
GNPA (Rs. crore)	79	130	102	115	102	98

# Quarterly Business Updates (1/2)



## Collection Efficiency

- Oct'21 (till 22<sup>nd</sup>) collection efficiency stood at 97% excl. Assam
- Collection efficiency for Sep'21 stood at 91% excl. Assam
- Cumulative collection efficiency for Q2FY22 stood at 90% excl. Assam
- Non-paying clients at 4% in H1FY22, improvement from 11% in H1FY21
- For Q2FY22, Collection Efficiency in top 4 states stood at 93%

## Fund Raise & Liquidity

- Successfully closed ~Rs. 120 crore Rights Issue in Aug'20, fully paid up as of Sep'21
- Till date, the Company did a fundraise of Rs. 1,337 crore from various lenders
- Sufficient liquidity of ~Rs. 1,400 crore as on 30<sup>th</sup> Sep'21

## Provisions

- The Company has made a cumulative on-book provision of Rs. 466 crore, as on 30th Sep'21, which is 8.7% of AUM
- Maintained adequate provisions and write offs for bad loans
- On-book GNPA stood at Rs. 468 crore, which is 8.7% of AUM

## Portfolio Re-structuring

- Re-structuring in JLG & MSME Portfolio : Restructured portfolio related to individuals and small businesses amounting to Rs. 1,151 crore in accordance with the RBI's guideline - Resolution Framework - 2.0, which is 21% of on-book AUM

# Quarterly Business Updates (2/2)



## 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 85% 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 ~90,000 bicycles and ~50,000 solar products to women in India with an aim to enhance the mobility and livelihood of these women as well as to promote gender equality

## Disbursement

- For Q2FY22, disbursement stood at Rs. 1,315 crore on consolidated basis. As things improve, we expect disbursement to pick up in the coming quarters
- Disbursement in Sep'21 stood at Rs. 634 crore on consolidated basis, approaching normal monthly run rate

## Other Updates

- Very granular MFI book – No district has more than 2% exposure
- Book Value Per Share at Rs. 194 on consolidated basis
- 4 consecutive profitable quarters of SHFL with nil GNPA. SHFL eroded all losses since inception
- SFL profitable for two consecutive years despite challenges in external environment

# Business Trends...



Rs. **7,381** crore

GROSS LOAN PORTFOLIO

Rs. **1,315** crore

DISBURSEMENT in Q2FY22

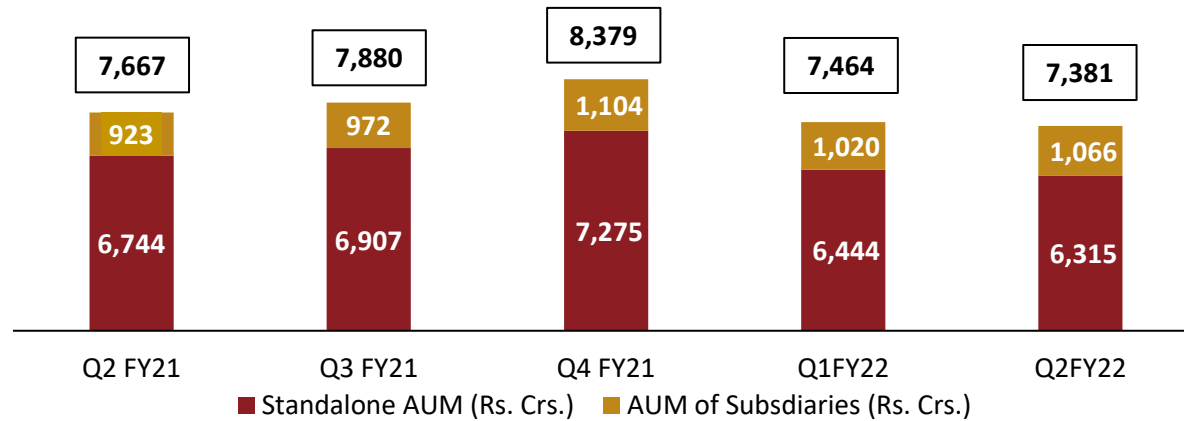
**29** Lacs

ACTIVE CUSTOMERS

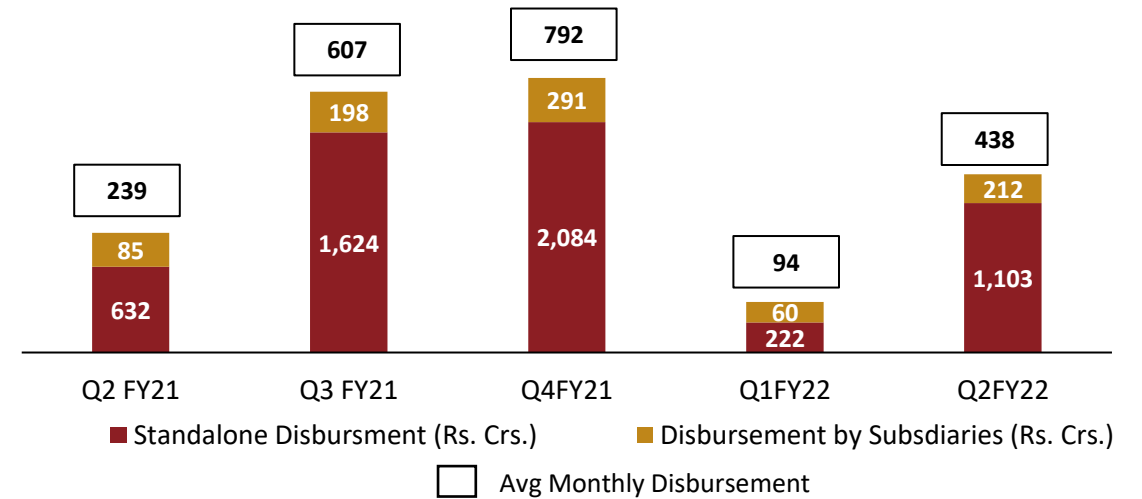
**1,279**

NO. OF BRANCHES

## Asset under Management Trends (Q-o-Q)



## Disbursement Trends (Q-o-Q)



### Standalone Information:

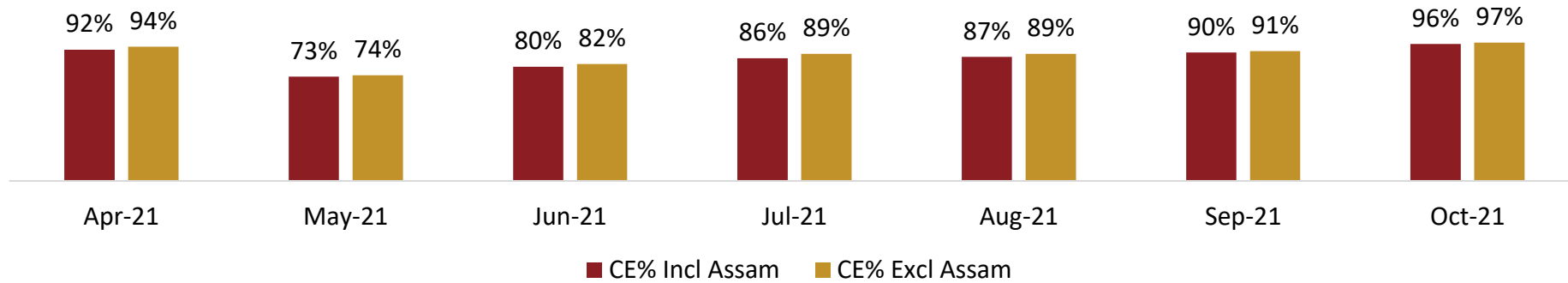
- GLP stood at Rs. 6,315 crore
- Disbursement for Q2FY22 stood at Rs. 1,103 crore
- Collection Efficiency of top 4 states in Oct'21 stood at 102%
- MTD Collection efficiency for Oct'21 is 97% excl. Assam



# ...Trends in Collection Efficiency



## Month on Month Collection Efficiency Trends



## Collection Efficiency Trends in Key States – 53% of AUM

States	CE % (Incl. Arrears)				
	Jun-21	Jul-21	Aug-21	Sep-21	Till 22 <sup>nd</sup> Oct-21
Uttar Pradesh	92%	95%	94%	96%	103%
Bihar	90%	95%	93%	96%	108%
Madhya Pradesh	81%	90%	89%	92%	95%
Punjab	83%	83%	82%	83%	90%
<b>Total</b>	<b>89%</b>	<b>93%</b>	<b>91%</b>	<b>93%</b>	<b>102%</b>

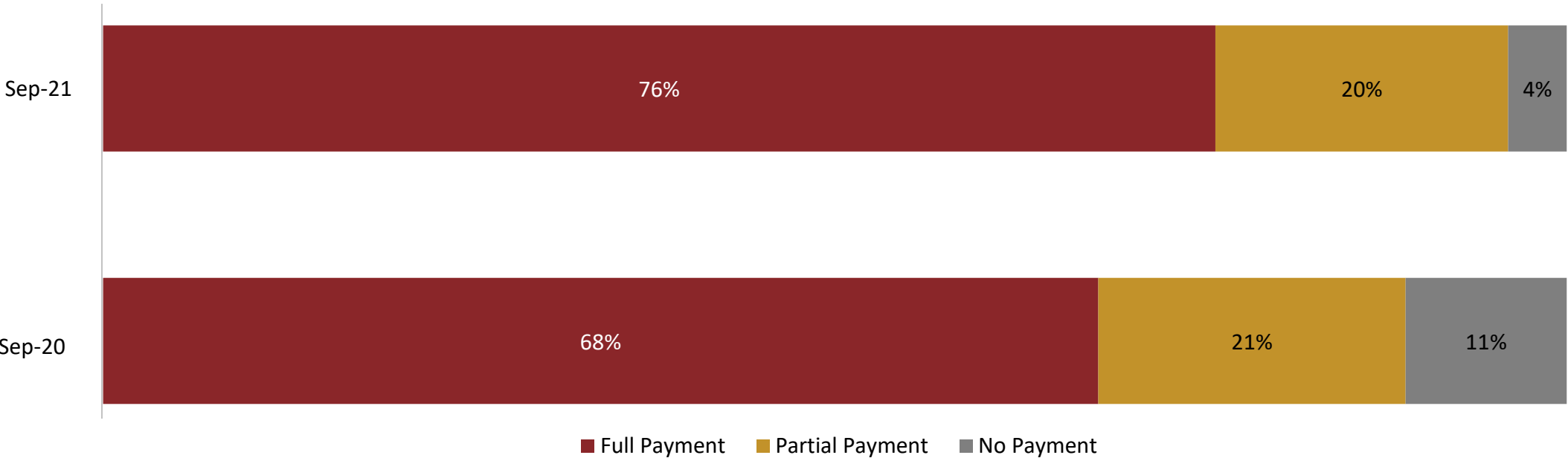


# Trend of % of Non-Paying Customers



## Breakup of Paying and Non-Paying Clients\*

- *There is no intent issue since 96% clients have paid at least one instalment between Apr-Sep’21 – difficulty in paying due to adverse external environment*
- *Non-paying clients were 4% during H1FY22, this number was 11% in H1FY21, which is a promising sign*
- *We have not disbursed any loan to delinquent clients*



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

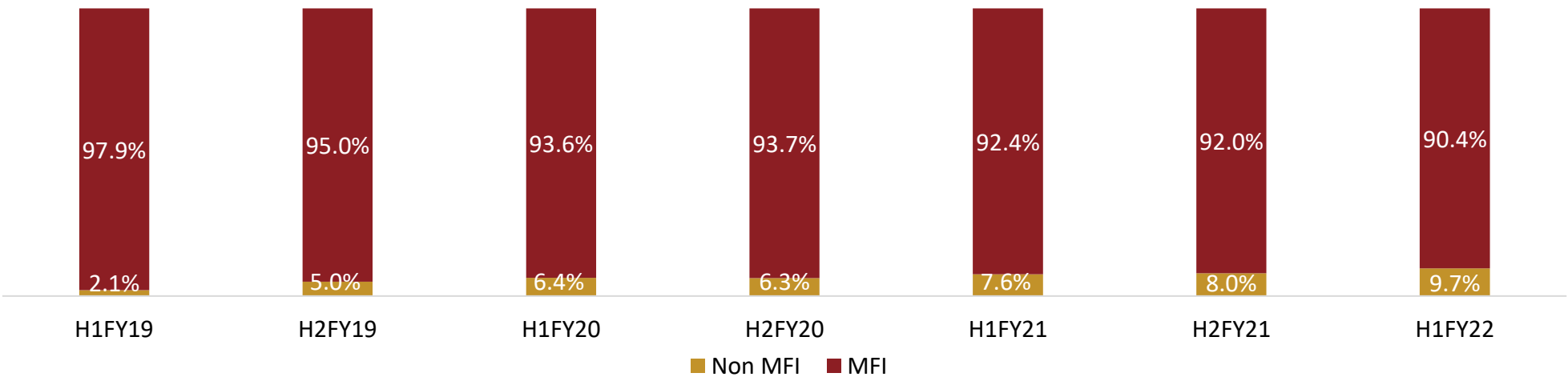
# Diversifying to Secured Assets – Future Upside Potential



## Non-MFI Portfolio

- *Non-MFI book of the Company includes the MSME and Housing Finance Business*
  - *MSME Book grew from Rs. 105 crore in H1FY19 to Rs. 464 crore in H2FY22 (i.e. 341% growth)*
  - *Housing Finance Book grew from Rs. 27 crore in H1FY19 to Rs. 246 crore in H2FY22 (i.e. 828% growth)*
  - *The strategy to diversify portfolio is yielding results. The value created is not reflected in financials*

## Non-MFI Portfolio



# *'Adam Smith Awards Asia 2021' Highly Commended Winner in the Category of "Best New Technology Solution"*



- *Satin Creditcare Network Limited was "Highly Commended Winner" in the Prestigious 'Adam Smith Awards Asia 2021 in the Category of "Best New Technology Solution"*
- *This award is a remarkable achievement for the Company*
- *Treasury Today Group's Adam Smith Awards Asia are universally recognized as the ultimate industry benchmark for corporate treasury achievement*

# Update on Subsidiaries – SHFL Eroded All Losses



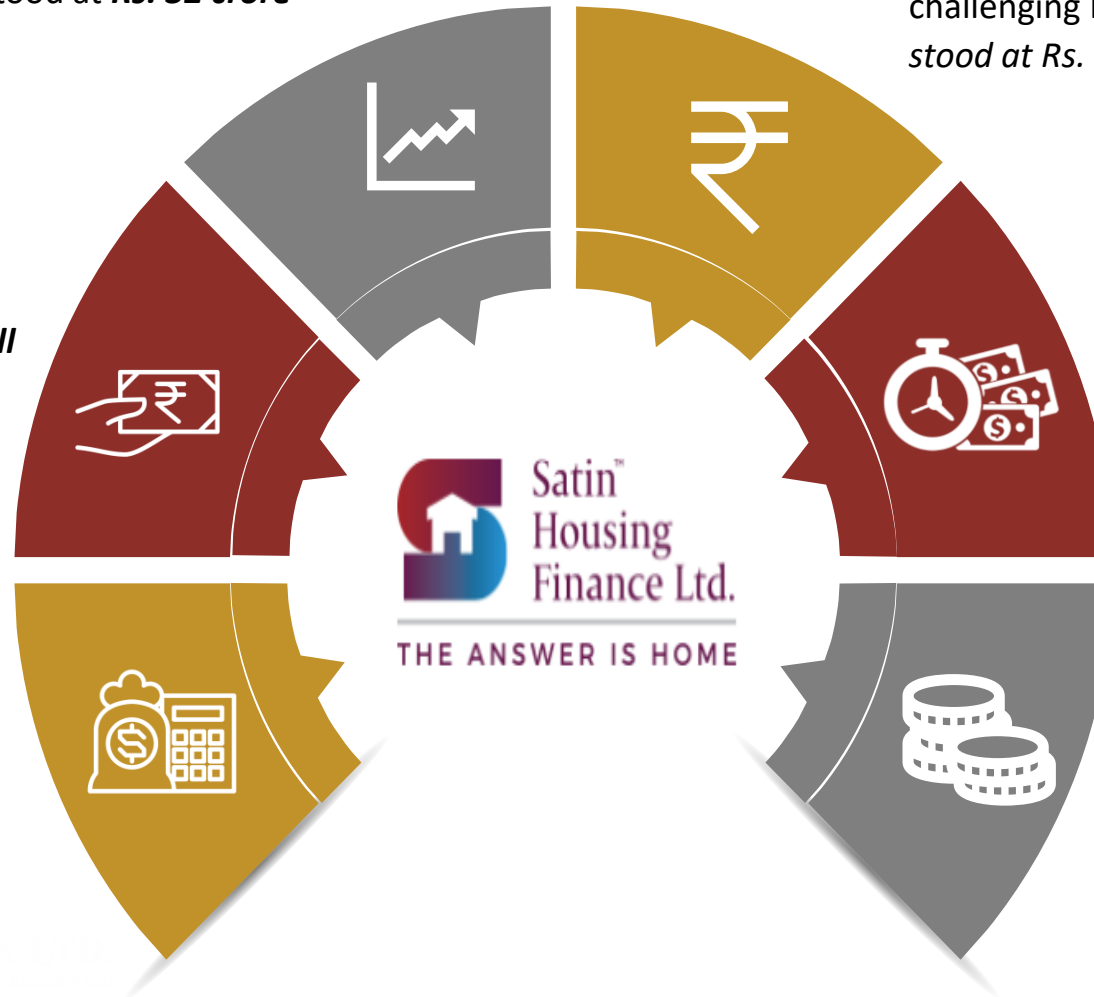
## Satin Housing Finance Limited

AUM grew by 51% in Q2FY22 YoY  
Q2FY22 disbursement stood at **Rs. 32 crore**

SHFL had 4 successive profitable quarters despite  
challenging business environment, *PAT for Q2FY22*  
*stood at Rs. 0.6 crore*

**Company knocked off all  
accrued losses since  
inception**

Healthy **CRAR 89.3%**  
10 lenders including  
NHB refinance



No willful default or fraud since  
inception  
Eligible for SARFAESI enforcement

Impressive collection efficiency for  
Q2FY22 at 96%  
**GNPA – Nil**

# Update on Subsidiaries – TFSL & SFL



## Taraashna Financial Services Limited

- ✓ Collection Efficiency for Sep'21 stood at 91%
- ✓ Disbursement stood at Rs. 155 crore for Q2FY22
- ✓ Sourcing business for SCNL & SFL under Nai Roshni



## Satin Finserv Limited

- ✓ AUM growth of 15% YoY in Q2FY22
- ✓ Healthy CRAR of 77.91%
- ✓ Cumulative collection efficiency in Q2FY22 stood at 88%; GNPA of 3.9% & ECL of 1.9%
- ✓ 13% 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

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 – Q2FY22



Rs. **1,103** crore

DISBURSEMENT

**27.6** Lacs

LOAN ACCOUNTS  
OUTSTANDING



**23**

STATES & UT's

**1,028**

BRANCHES

**2.5** Lacs

NO. OF LOANS DISBURSED



Rs. **6,315** crore

GROSS LOAN PORTFOLIO



Rs. **12** crore

PROFIT AFTER TAX

**22.3%**

CAPITAL ADEQUACY

**0.6%**

RETURN ON ASSETS



Rs. **43,000**

AVERAGE TICKET SIZE\*

**3.3%**

RETURN ON EQUITY

# Corporate Overview Consolidated – Q2FY22



Rs. **326** crore

REVENUES

**29** Lacs

CLIENTS



**1,279**

BRANCHES



Rs. **171** crore

NET INTEREST INCOME



Rs. **7,381** crore

GROSS LOAN PORTFOLIO



**23**

STATES & UT's



**0.6%**

RETURN ON ASSETS



**3.2%**

RETURN ON EQUITY

Rs. **11** 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 Sep'21	MFI <sup>(1)</sup>	Taraashna Financial Services Limited <sup>(2)</sup>	Satin Housing Finance Limited <sup>(3)</sup>	Satin Finserv Limited (SFL) <sup>(4)</sup>
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	1,027*	220	16	15
AUM (Rs. crore)	5,989 <sup>(5)</sup>	682	246	138
No. of loan accounts	27,62,849	3,77,267	2,711	2,296
Avg. Ticket Size for Q2FY22	Rs. 43,000** (JLG)	Rs. 34,000	Rs. 1,093,000	Rs. 2,78,500 (Retail) <sup>(6)</sup>

## Notes

(1) Includes 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. 326 crore other than MFI portfolio

(6) Average Ticket Size of Retail Financing is 2.78 lacs. Overall, the average ticket size of SFL is Rs. 6.01 lacs

\*There were 1,027 branches with Microfinance operations & 24 branches with MSME operations. Out of the 24 MSME branches, 23 of them also had microfinance operations & 1 was 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

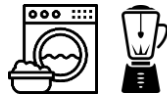
Financing ~Rs. 19 crore during H1FY22, dip due to second wave led lockdown

### Product Financing



#### Green Loans

*1,092 loans disbursed*



#### Consumer Durables

*7,589 loans disbursed*



#### Water & Sanitation

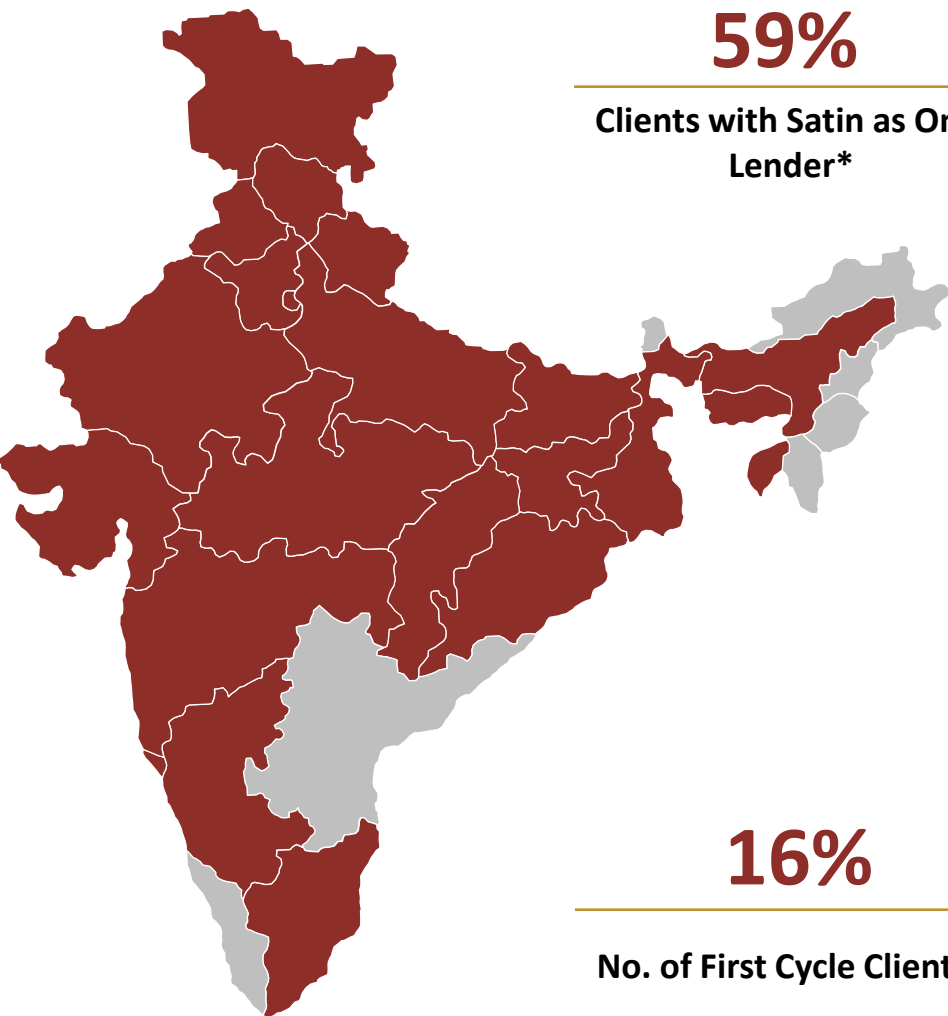
*5,826 loans disbursed*

### 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 29 lacs clients across India



59%

Clients with Satin as Only Lender\*

29 Lacs

No. of Active Clients

34 Lacs

No. of Loan Accounts

400

No. of Districts

83,000

No. of Villages

72

No. of Regional Offices

2.5 Lacs

No. of Centres

16%

No. of First Cycle Clients\*

8,313

No. of Loan Officers

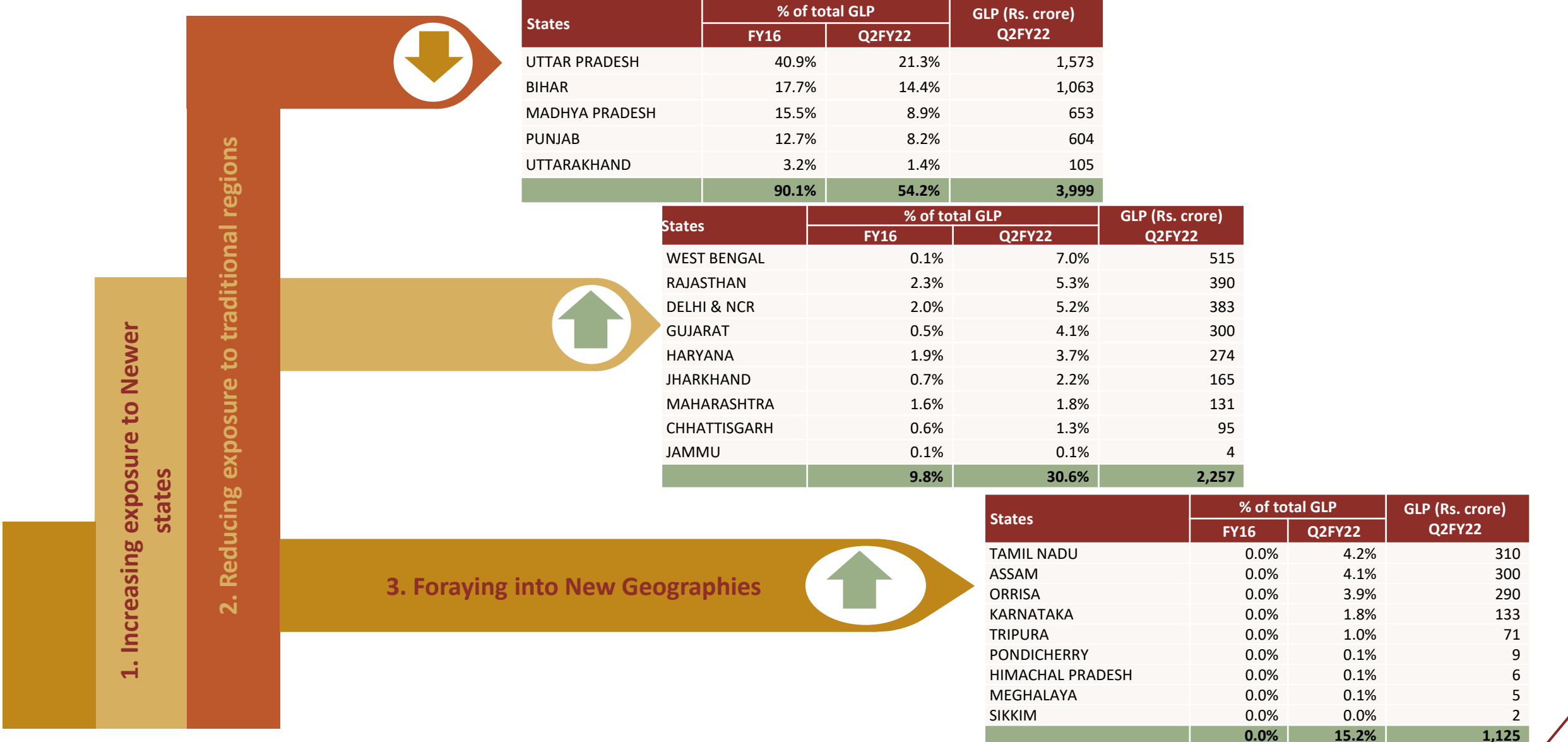
12,910

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

# ...Leading to increasing footprints

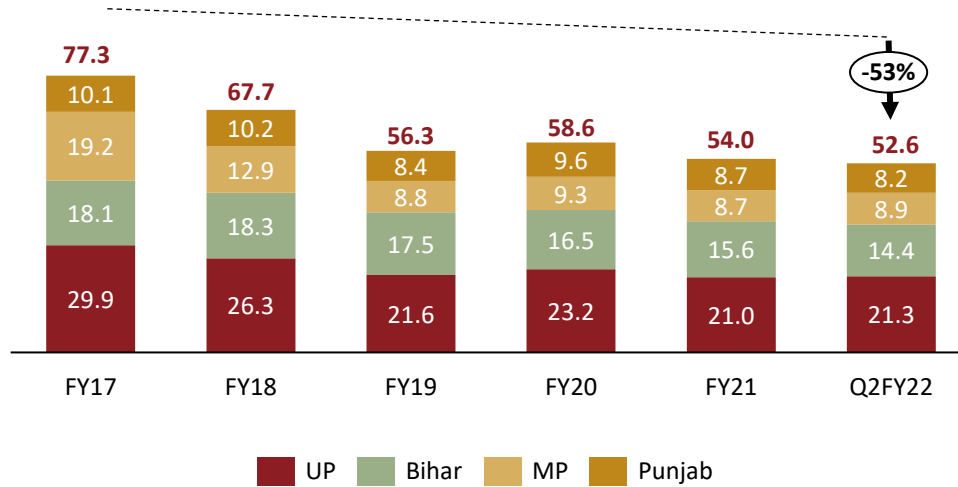


# ...And de-risking geographical concentration

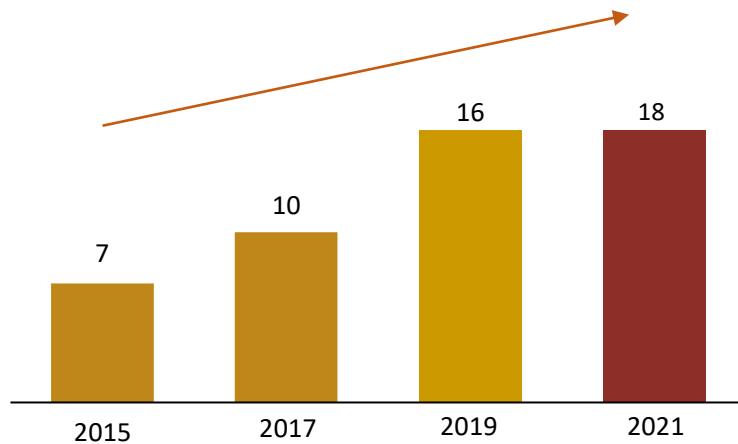
To remain a PAN India Player



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

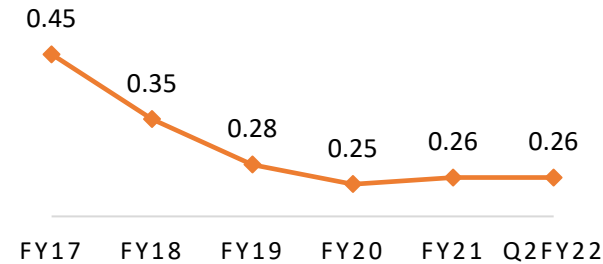


## Number of States contributing more than 1% to Total AUM

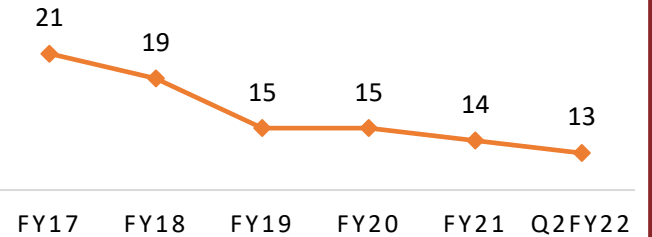


## Limiting Exposure per district

### Average exposure per district %

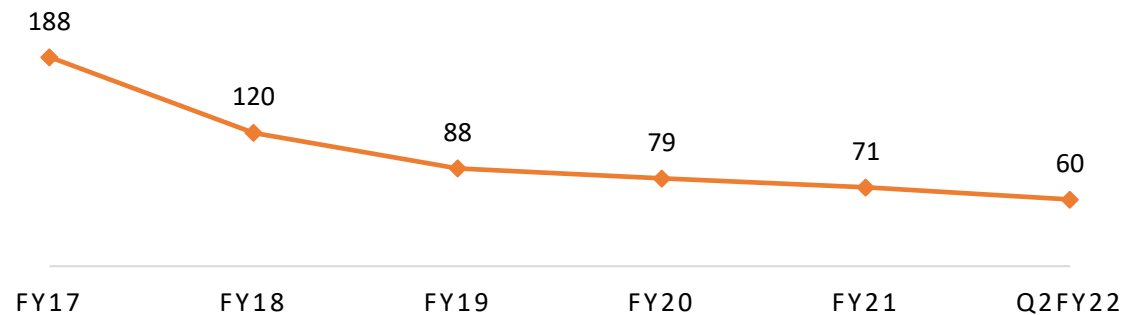


### % of Top 10 Districts to AUM



Particulars	FY17	FY18	FY19	FY20	FY21	Q2FY22
No. of Districts - JLG	236	306	359	397	388	400
% of Districts with <1% exposure	88.1%	92.5%	96.4%	96.5%	95.8%	97.3%
% 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

- 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)
- Intuitive Real-time Dashboards
- Real-time CB Checks
- Features enabling brand recall value (SMS, OTP, QR Code)
- Cross sell disbursement module with real-time partner inventory tracking
- HR Management Module (employee creation, transfer, attendance, exit, leave management etc.)
- Multiple channels of cashless processing in system (AEPS, Debit Card, QR Code, UPI, Net Banking)

#### Turnaround Time : Customer Acquisition to Disbursement Journey reduced from 18 days to few minutes

- DMS (digitization of customer documents on cloud storage)
- 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
- Death case and Insurance Management Module
- Customer Service Application for clients
- Developed in-house software for subsidiaries
- In-house Customer Service Application for MFI business

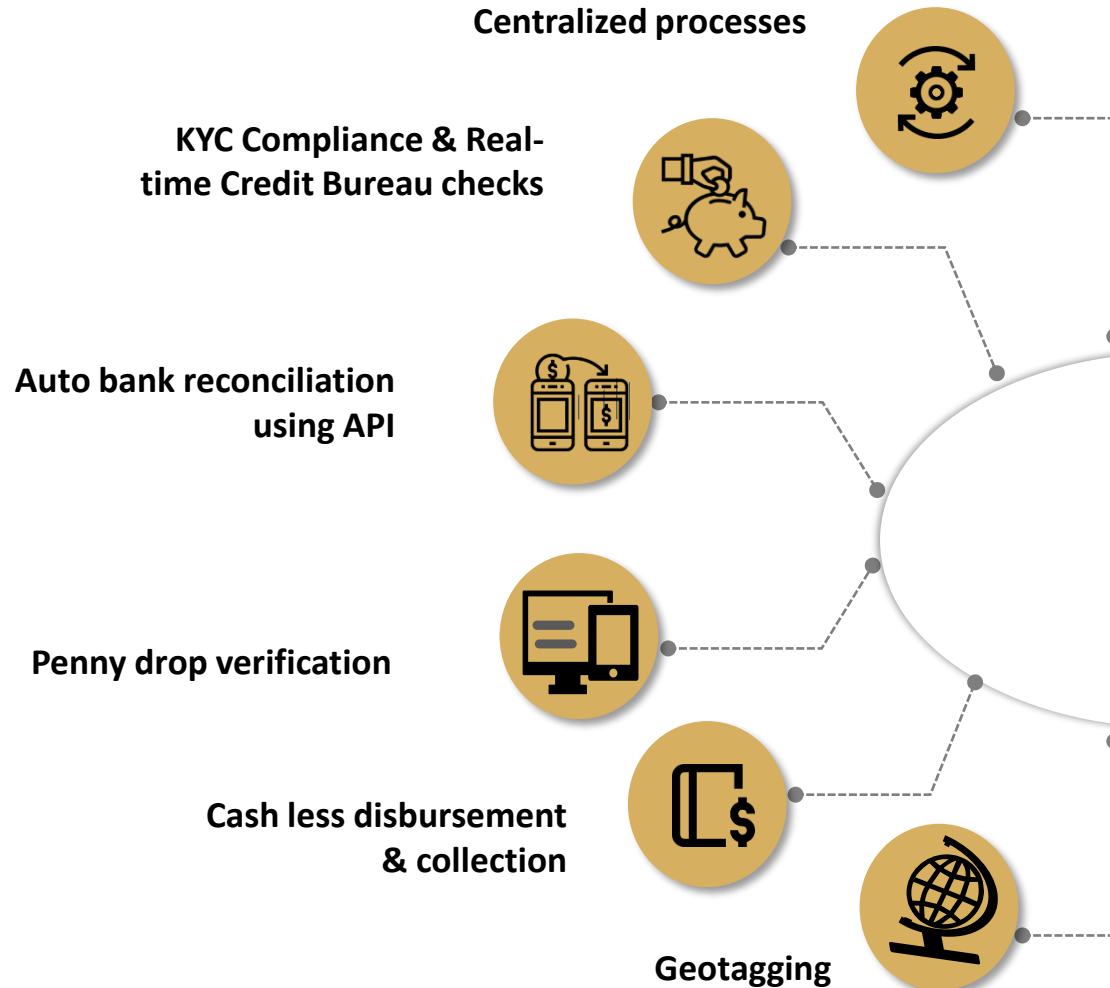
#### Gold Standard Information Security. ISO 27001:2013 Certified

- 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 organization
- 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

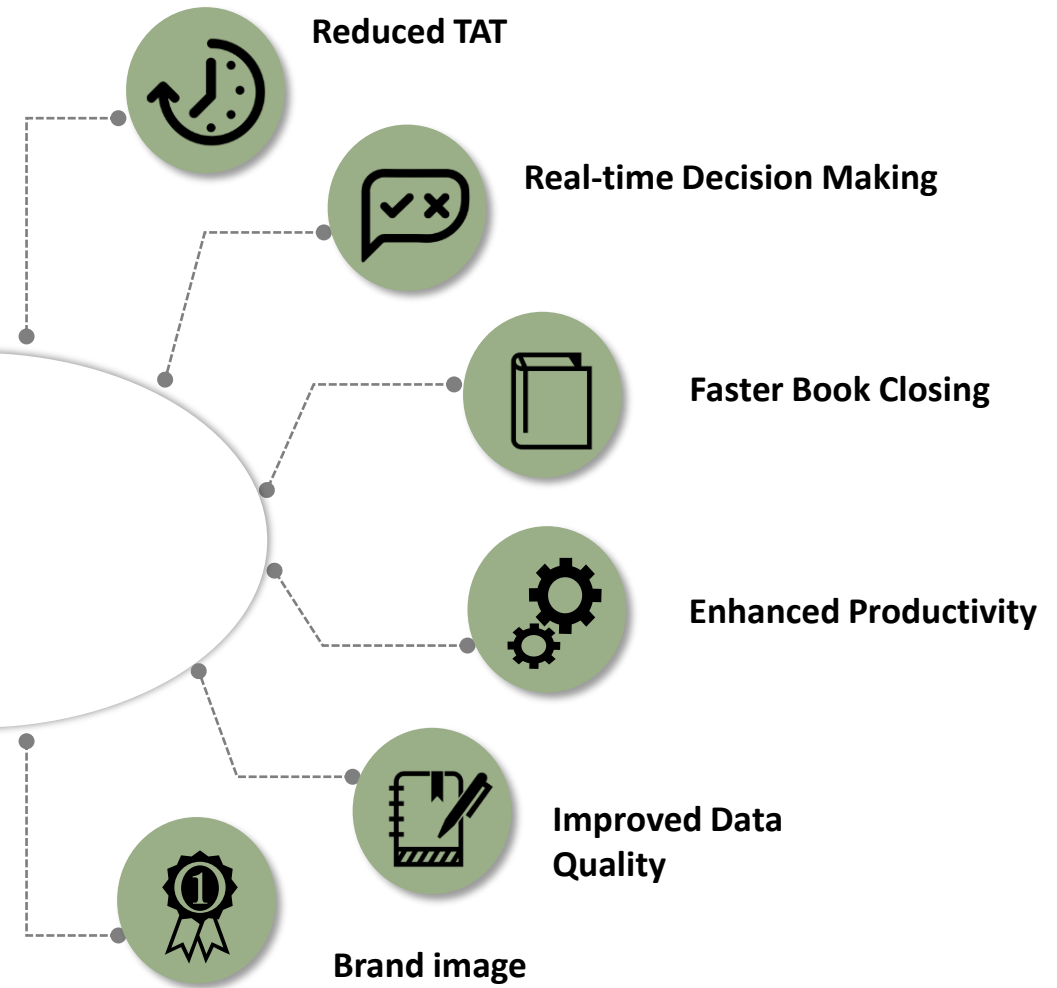
# ...Leading to Operating Efficiency & Scalability



## 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, 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

**107**

Zonal Auditors &  
Regional Auditors

**Feedback based**

Compliance Audit

**100% Digital**

on Audit Reports and Findings

**1,038 Audits**

completed in Q2FY22

**Quarterly Audit**

Regional Office, Branch & Social  
Performance Management

**19 man-days**

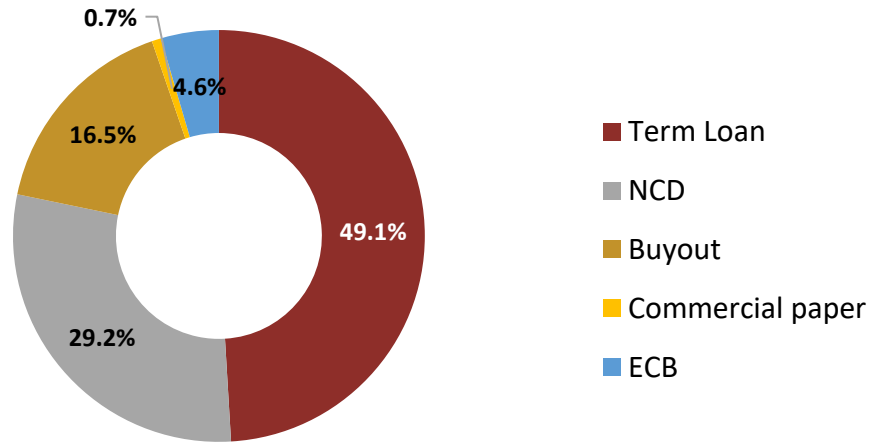
field audit per auditor per month



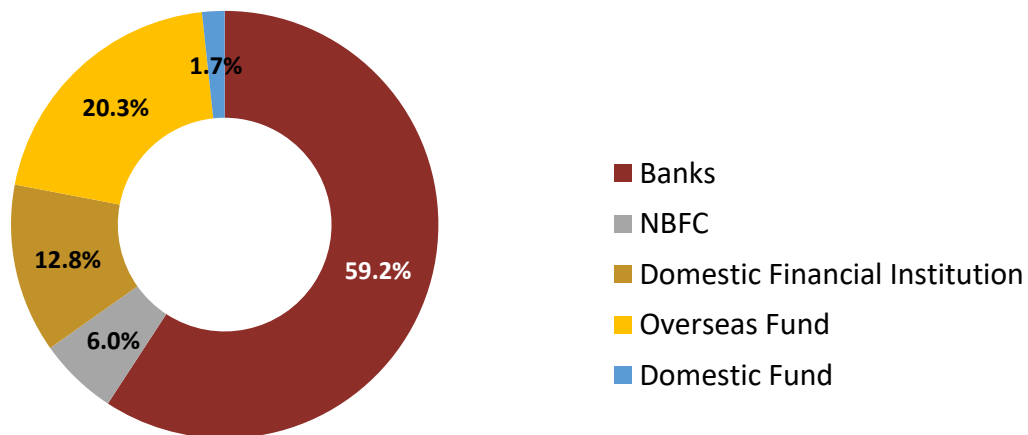
## 5. We have a well-diversified Liability Profile... ...insulated from Capital Market Turbulence



Product-wise Sep'21



Lender-wise Sep'21



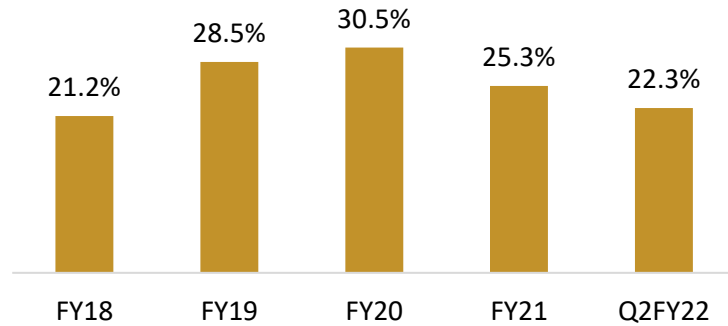
Large Lender Base  
55 Active Lenders

Top 10 Lending Partners	% Share as on 30 <sup>th</sup> Sep'21
Indian Bank	11%
NABARD	10%
IDFC First Bank	7%
Bank of Baroda	6%
Bandhan Bank	6%
Blue Orchard Microfinance Fund	6%
State Bank of India	5%
AAV S.A.R.L.	4%
Standard Chartered Bank	3%
Responsibility	3%
<b>Total of Top 10 lenders</b>	<b>61%</b>

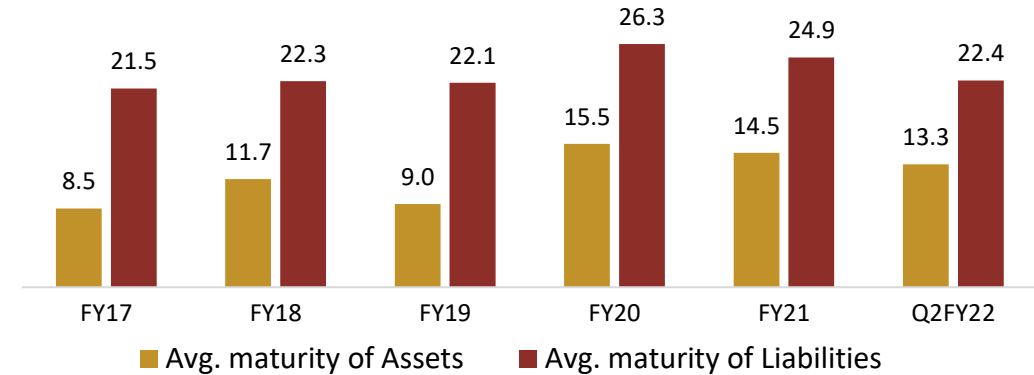
## 6. Strong Capitalization with Ample Liquidity



### Healthy CRAR to Support Growth Opportunities



### Benefit of Positive ALM Continues



Static ALM as on 30 <sup>th</sup> Sep'21 (Rs. crore)	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
<b>Inflows</b>							
Liquidity at the beginning of month*	1,373	1,337	1,235	1,345	1,433	1,507	1,373
Principal - Loan portfolio	252	265	334	292	289	308	1,740
Interest - Loan portfolio	80	81	84	70	66	67	448
<b>Total (A)</b>	<b>1,705</b>	<b>1,683</b>	<b>1,653</b>	<b>1,708</b>	<b>1,788</b>	<b>1,881</b>	<b>3,561</b>
<b>Outflows</b>							
Principal repayments	331	420	244	244	237	425	1,900
Interest repayments	37	28	64	31	45	48	253
<b>Total (B)</b>	<b>368</b>	<b>448</b>	<b>308</b>	<b>275</b>	<b>281</b>	<b>473</b>	<b>2,153</b>
<b>Cumulative Mismatch (A-B)</b>	<b>1,337</b>	<b>1,235</b>	<b>1,345</b>	<b>1,433</b>	<b>1,507</b>	<b>1,408</b>	<b>1,408</b>

\*Excluding margin money deposits Rs 335 crore lien with Lenders and undrawn sanction in hand Rs. 323 crore as on Sep'21

# 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
- » TFSL has a low-risk business model which is highly capital efficient
- » The cashless disbursement percentage has reached 98% of TFSL's total disbursement; 15% collection through cashless mode
- » AUM stood at Rs 682 crore, with presence across 7 states
- » The Company operates through 220 branches, and has around 3.8 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 – 78%
  - » Loan against property – 22%
- » Excellent portfolio quality since inception, Collection Efficiency of ~96% during Q2FY22
- » Clients belonging to Middle and Low-Income Groups in peripherals of Tier II and below cities
- » CRAR of 89.3% and gearing of 1.6x. Total equity stands at Rs 100 crore
- » Total AUM Rs 246 crore including DA of Rs 16 crore
- » Four 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
- » Business focus on secured retail MSME lending
- » Standalone credit rating of CARE BBB- (Stable)
- » Gross Loan Portfolio of Rs 138 crore
- » CRAR for Q2FY22 is 77.9%
- » Total equity stands at Rs 107 crore
- » 15 Branches across 8 states with 2,296 active loan clients
- » SFL has migrated to in-house software

# Successfully Navigated Crisis During Legacy of 30 Years



## 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
- 97.3% of Districts with <1% exposure
- UP share brought down from 40.9% in Dec'16 to 21.3% in Sep'21

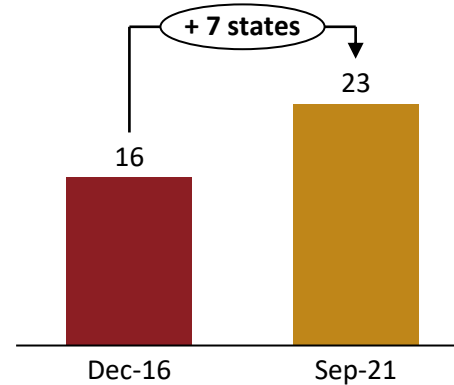
### ❑ Strong Capitalization with Ample Liquidity

- Capital Adequacy has improved from 18.3% in 2016 to 22.3% currently
- Raised Rs 560 crore equity capital
- Liquidity of around Rs 1,400 crore

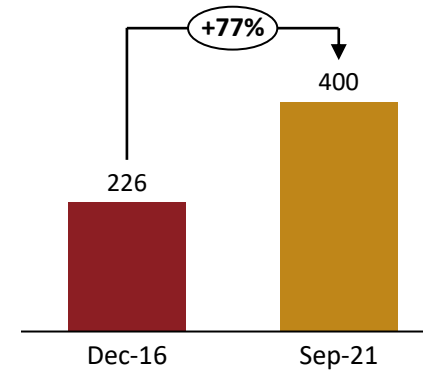
### ❑ Strategic Changes

- 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

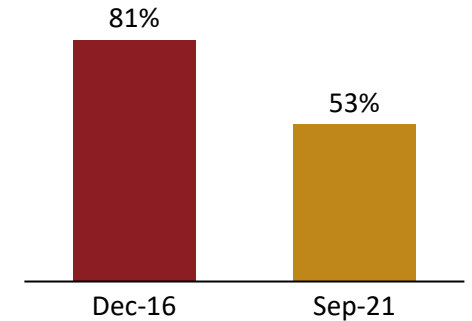
### De-risking Geographic Concentration (No. of States)



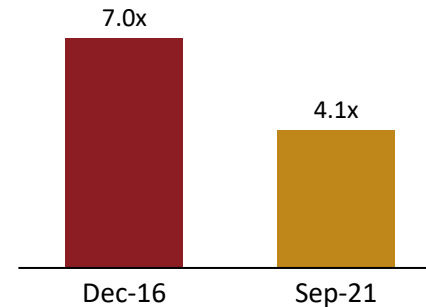
### District Diversification



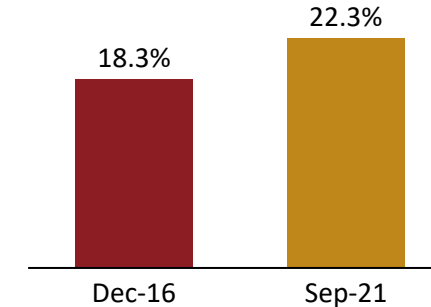
### Reduction in Top 4 State Contribution



### Reduced Leverage



### Improved Capital Adequacy



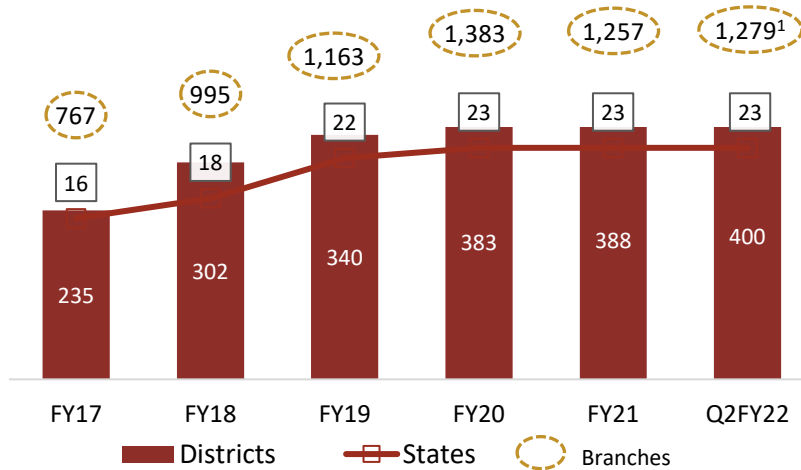
# Key Financial & Operational Metrics



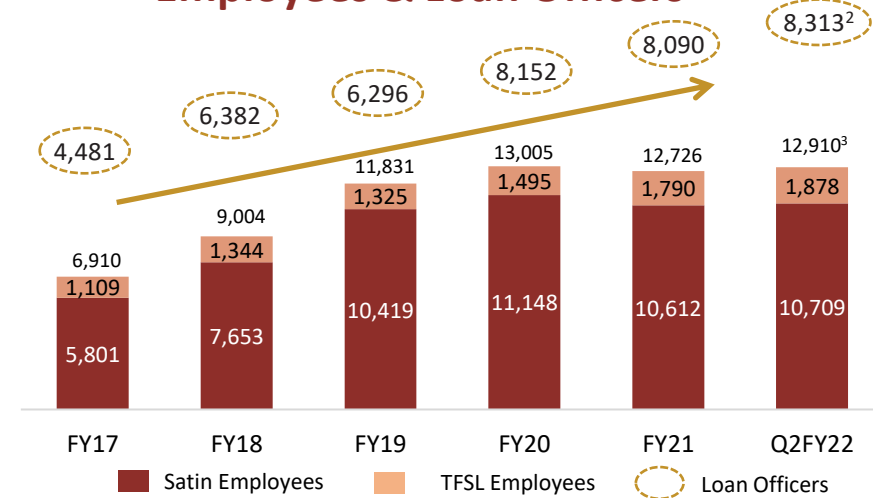
# Key Operation Metrics



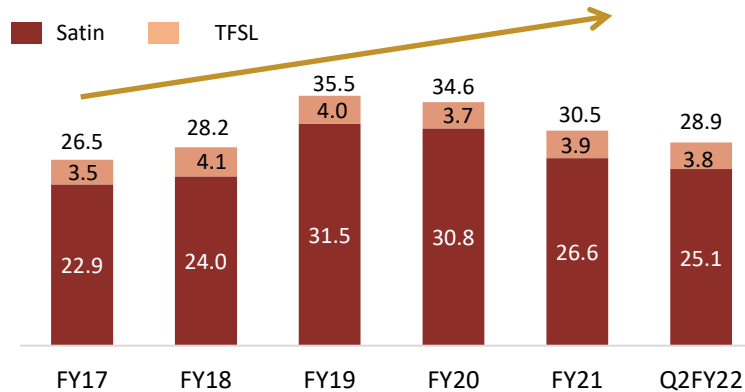
## Districts, States and Branches



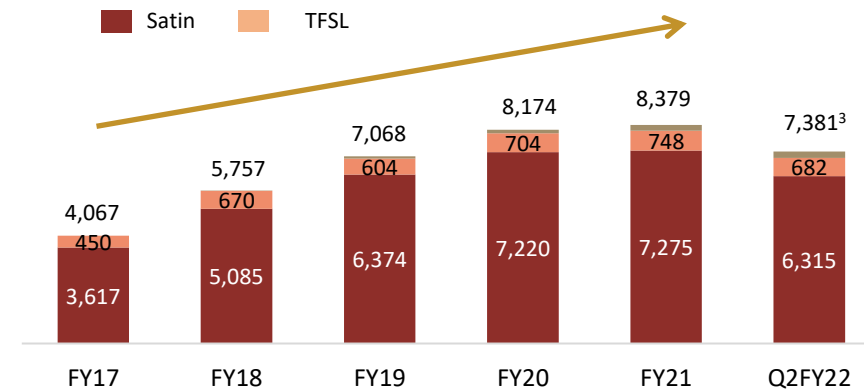
## Employees & Loan Officers



## Clients (lacs)



## Gross Loan Portfolio (Rs. crore)

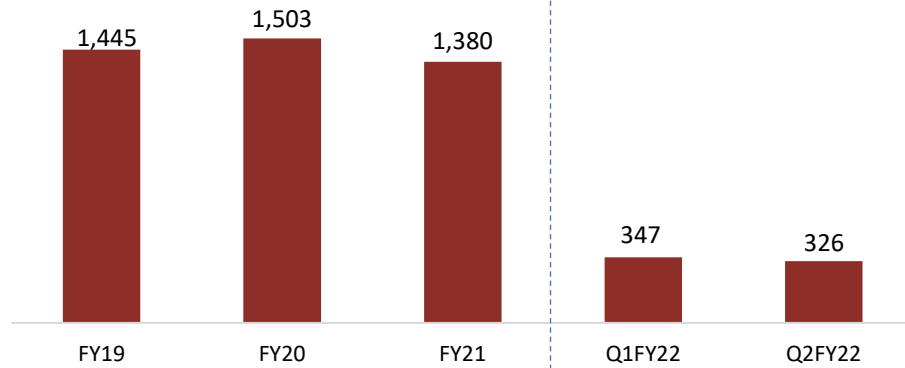


Note: (1) Data on Consolidated basis. On a standalone basis, the number of branches were 1,028; (2) Data on a consolidated basis. On a standalone basis the number of loan officers were 6,594; (3) Consolidated figures includes Satin Housing Finance Limited and Satin Finserv Ltd. as well.

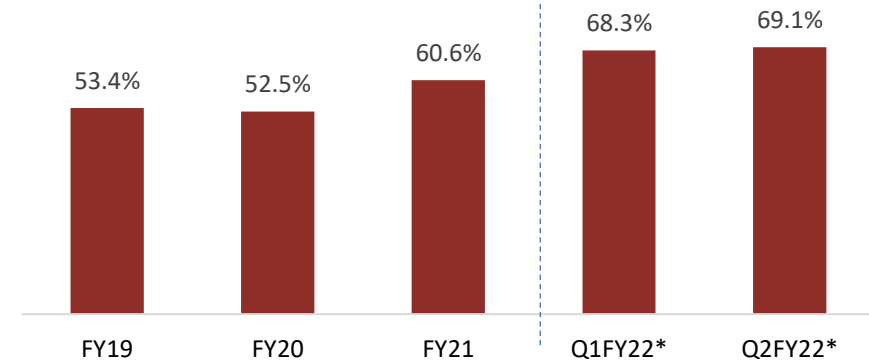
# Key Consolidated Financials



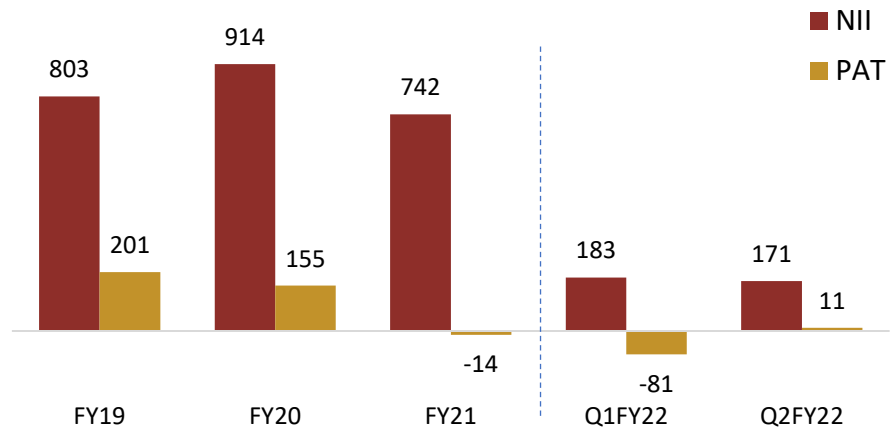
## Gross Income (Rs. crore)



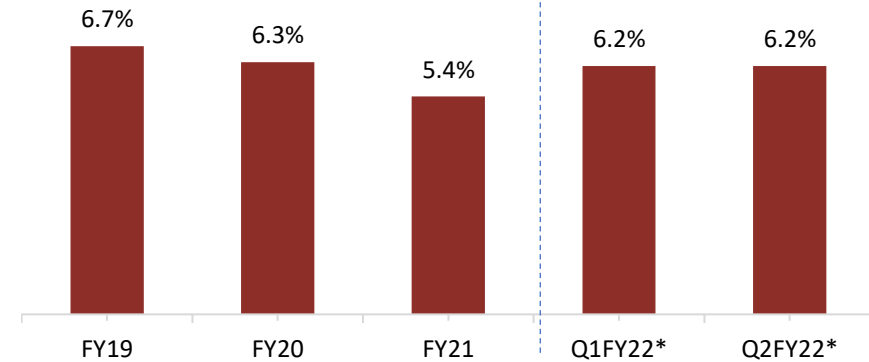
## Cost to Income Ratio (%)



## NII and PAT (Rs. crore)



## Opex to Avg AUM (%)



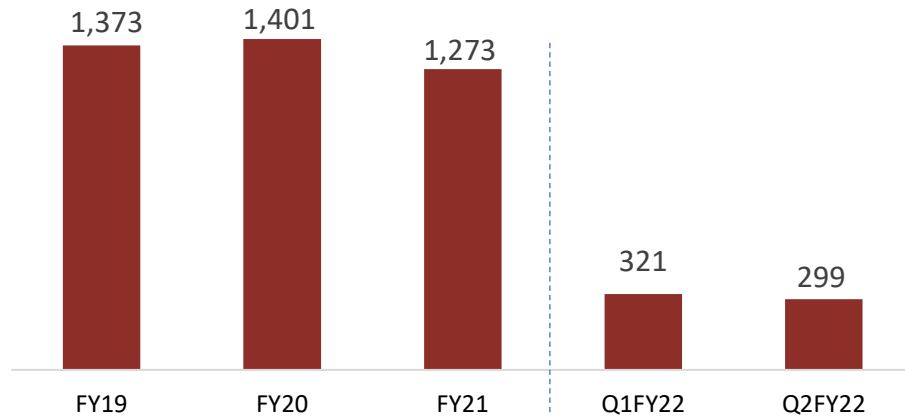
\*Cost to Income and Opex / AUM is temporarily high due to lower business volume



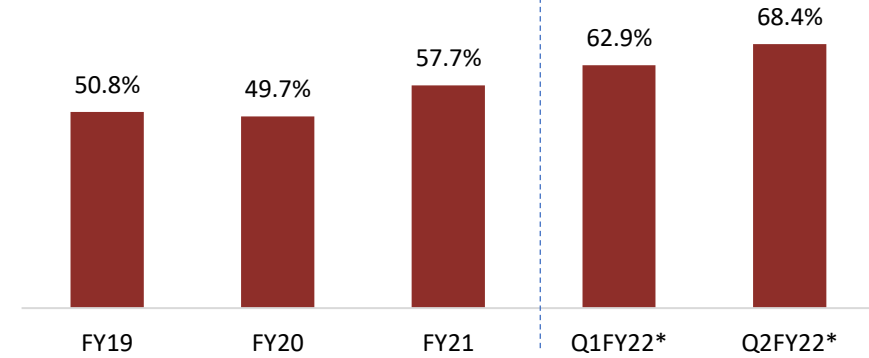
# Key Standalone Financials



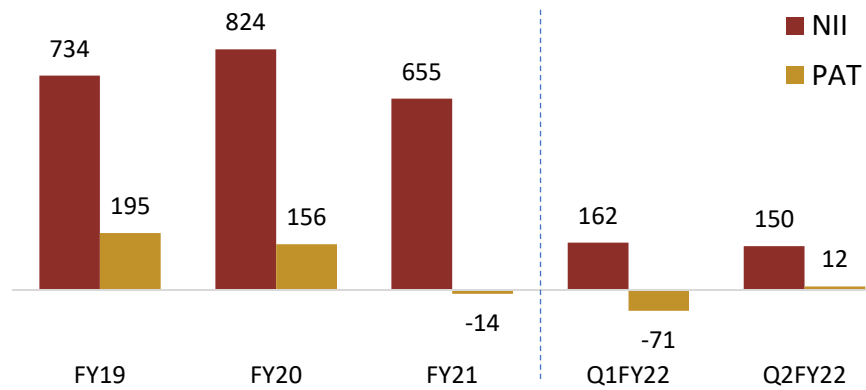
## Gross Income (Rs. crore)



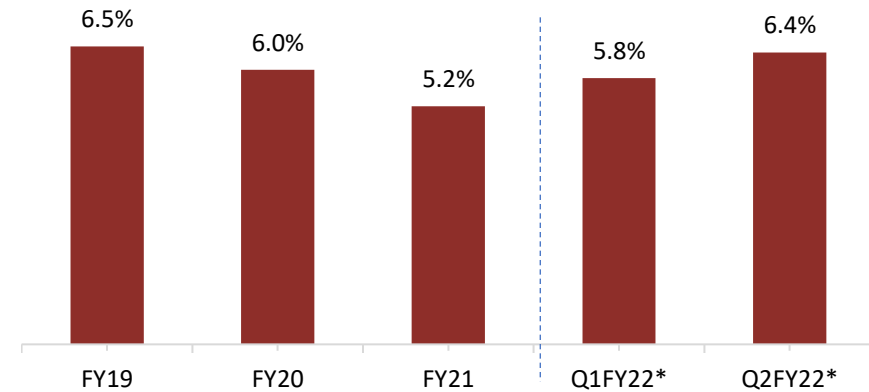
## Cost to Income Ratio (%)



## NII and PAT (Rs. crore)



## Opex to Avg AUM (%)



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

# Financial & Operational Details (Consolidated)



# Annexure – Business Details – Consolidated



Particulars	Q2FY22	Q2FY21	YoY%	Q1FY22	QoQ%
<b>AUM (Rs. crore)</b>	<b>7,381</b>	<b>7,667</b>	<b>-3.7%</b>	<b>7,464</b>	<b>-1.1%</b>
SCNL	6,315	6,744		6,444	
On-book AUM	5,371	4,572		5,143	
Assignment	795	1,699		1,093	
Business Correspondence	149	473		207	
TFSL	682	639		671	
SHFL <sup>(1)</sup>	246	164		224	
SFL	138	120		125	
<b>AUM Mix (Rs. crore)</b>	<b>7,381</b>	<b>7,667</b>	<b>-3.7%</b>	<b>7,464</b>	<b>-1.1%</b>
MFI Lending	6,671	7,087		6,803	
Business Correspondence	831	1,112		879	
Product Financing	21	15		20	
MSME	464	417		437	
Housing Finance	246	164		224	
<b>No. of Branches</b>	<b>1,279</b>	<b>1,255</b>	<b>1.9%</b>	<b>1,264</b>	<b>1.2%</b>
SCNL	1,028	1,025		1,022	
TFSL	220	201		213	
SHFL	16	14		14	
SFL	15	15		15	

**Note:**

\* Includes securitization, differences due to rounding off

1) The portfolio also includes Assigned portfolio of Rs.16 crore

# Annexure – P&L Statement – Consolidated



Particulars (Rs. crore)	Q2FY22	Q2FY21	YoY%	Q1FY22	QoQ	FY21	FY20	YoY%
<b>Revenue</b>								
Interest and Fee Income	286	251		303		1,076	994	
Loss/gain due to DA	1	44		0		112	236	
Treasury Income	14	20		18		71	117	
BC Fees	19	21		20		88	127	
Other Operating Income	6	2		5		32	29	
<b>Total Revenue</b>	<b>326</b>	<b>339</b>	<b>-4.0%</b>	<b>347</b>	<b>-6.0%</b>	<b>1,380</b>	<b>1,503</b>	<b>-8.6%</b>
<b>Expenses</b>								
Finance Cost	155	156		167		638	589	
Employee Benefit Expenses	95	82		92		337	351	
Credit Cost & FLDG for BC	39	53		164		302	223	
Other Expenses	19	19		27		98	111	
Depreciation and amortization expense	4	4		4		15	18	
<b>Total Expenses</b>	<b>312</b>	<b>313</b>	<b>-0.3%</b>	<b>453</b>	<b>-31.1%</b>	<b>1,390</b>	<b>1,292</b>	<b>7.1%</b>
<b>Profit Before Tax</b>	<b>14</b>	<b>26</b>	<b>-47.9%</b>	<b>-107</b>	<b>-112.8%</b>	<b>-10</b>	<b>212</b>	<b>-104.6%</b>
Tax expense	3	11		-26		4	57	
<b>Profit after Tax</b>	<b>11</b>	<b>16</b>	<b>-29.4%</b>	<b>-81</b>	<b>-113.6%</b>	<b>-14</b>	<b>155</b>	<b>-109.0%</b>
Other comprehensive income net of taxes	-27	-12		-23		-35	45	
<b>Total Comprehensive Income</b>	<b>-16</b>	<b>4</b>	<b>-549.5%</b>	<b>-104</b>	<b>-84.4%</b>	<b>-49</b>	<b>200</b>	<b>-124.5%</b>

# Financial Details (Standalone)



# Annexure - Financial Performance – Standalone



Particulars (Rs. crore)	H1FY22	Q2FY22	Q2FY21	Q1FY22	FY21	FY20
Gross yield <sup>(1)</sup>	18.19%	18.73%	18.14%	18.69%	17.57%	20.61%
Financial Cost Ratio <sup>(2)</sup>	9.14%	9.40%	8.83%	9.44%	8.52%	8.49%
Net Interest Margin <sup>(3)</sup>	9.05%	9.33%	9.32%	9.25%	9.04%	12.12%
Operating Expense ratio <sup>(4)*</sup>	5.94%	6.38%	5.06%	5.82%	5.22%	6.02%
Loan Loss Ratio <sup>(5)</sup>	5.46%	1.97%	2.95%	8.98%	3.96%	2.97%
RoA <sup>(6)</sup>	-1.56%	0.64%	0.72%	-3.76%	-0.18%	2.26%
RoE <sup>(8)</sup>	-8.21%	3.33%	3.45%	-19.74%	-0.92%	12.00%
Leverage (Total Debt <sup>(7)</sup> / Total Net Worth)	4.06x	4.06x	3.64x	4.07x	4.09x	3.76x
Cost to Income Ratio*	65.58%	68.40%	54.33%	62.92%	57.74%	49.66%

Asset Quality (on-book)	H1FY22	Q2FY22	Q2FY21	Q1FY22	FY21	FY20
GNPA %	8.71	8.71	2.90	9.67	8.40	3.28
ECL as % of AUM	8.67	8.67	3.87	8.44	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)	Q2FY22	Q2FY21	YoY%	Q1FY22	QoQ%	FY21	FY20	YoY%
<b>Revenue</b>								
Interest and Fee Income	274	241		291		1,031	966	
Loss/gain due to DA	1	44		0		110	236	
Treasury Income	16	20		15		66	112	
BC Income	6	7		7		35	62	
Other Operating Income	3	4		8		23	25	
<b>Total Revenue</b>	<b>299</b>	<b>316</b>	<b>-5.4%</b>	<b>321</b>	<b>-6.8%</b>	<b>1,267</b>	<b>1,401</b>	<b>-9.6%</b>
<b>Expenses</b>								
Finance Cost	150	154		162		618	577	
Employee Benefit Expenses	79	70		75		281	297	
Credit Cost & FLDG for BC	31	51		154		287	202	
Other Expenses	19	15		21		84	97	
Depreciation and amortization expense	3	3		3		13	15	
<b>Total Expenses</b>	<b>283</b>	<b>293</b>	<b>-3.4%</b>	<b>416</b>	<b>-31.9%</b>	<b>1,283</b>	<b>1,188</b>	<b>7.5%</b>
<b>Profit Before Tax</b>	<b>16</b>	<b>23</b>	<b>-31.0%</b>	<b>-95</b>	<b>-116.4%</b>	<b>-10</b>	<b>213</b>	<b>-104.6%</b>
Tax expense	4	10		-24		4	57	
<b>Profit After Tax</b>	<b>12</b>	<b>13</b>	<b>-8.7%</b>	<b>-71</b>	<b>-116.4%</b>	<b>-14</b>	<b>156</b>	<b>-108.7%</b>
Other comprehensive income net of taxes	-28	-12		-23		-35	45	
<b>Total Comprehensive Income</b>	<b>-16</b>	<b>1</b>	<b>-1,694.2%</b>	<b>-94</b>	<b>0.8%</b>	<b>-48</b>	<b>201</b>	<b>-124.0%</b>



# Financial Details (Subsidiaries)



# Annexure - P&L Statement – TFSL



Particulars (Rs. crore)	Q2FY22	Q2FY21	Q1FY22	FY21
<b>Revenue</b>				
<b>Total Revenue</b>	<b>15.9</b>	<b>18.2</b>	<b>13.6</b>	<b>59.3</b>
<b>Expenses</b>				
Finance Cost	1.4	1.1	1.1	4.5
Employee Benefit Expenses	11.8	8.9	11.4	39.1
Credit Cost	6.0	0.5	7.9	11.3
Other Expenses	2.4	2.7	2.0	10.0
Depreciation and amortization expense	0.4	0.4	0.4	1.5
<b>Total Expenses</b>	<b>22.0</b>	<b>13.6</b>	<b>22.9</b>	<b>66.3</b>
<b>Profit Before Tax</b>	<b>-6.1</b>	<b>4.6</b>	<b>-9.3</b>	<b>-7.0</b>
Tax expense	-1.6	1.1	-2.3	-2.0
<b>Profit After Tax</b>	<b>-4.5</b>	<b>3.5</b>	<b>-6.9</b>	<b>-5.0</b>
Other comprehensive income net of taxes	-0.3	-0.2	0.0	-0.2
<b>Total Comprehensive Income</b>	<b>-4.7</b>	<b>3.3</b>	<b>-6.9</b>	<b>-5.2</b>

# Annexure - P&L Statement – SHFL



Particulars (Rs. crore)	Q2FY22	Q2FY21	Q1FY22	FY21
Revenue				
Interest and Fee Income	7.8	5.6	7.7	25.8
Treasury Income	0.3	0.3	0.1	0.3
Other income	0.2	0.3	0.6	3.5
<b>Total Revenue</b>	<b>8.2</b>	<b>6.2</b>	<b>8.4</b>	<b>29.6</b>
Expenses				
Finance cost	4.0	3.1	3.9	13.6
Employee benefit expenses	2.4	2.3	3.0	10.5
Credit Cost	0.3	1.8	0.1	0.1
Other expenses	0.6	0.5	0.8	2.9
Depreciation and amortization expenses	0.1	0.1	0.1	0.4
Total Expenses	7.4	7.8	7.8	27.5
<b>Profit Before Tax</b>	<b>0.9</b>	<b>-1.6</b>	<b>0.6</b>	<b>2.1</b>
Tax expense	0.2	-0.4	0.2	0.7
<b>Profit After Tax</b>	<b>0.6</b>	<b>-1.3</b>	<b>0.5</b>	<b>1.4</b>
Other comprehensive income	0.9	0.0	0.0	0.0
<b>Total Comprehensive Income</b>	<b>1.6</b>	<b>-1.3</b>	<b>0.5</b>	<b>1.4</b>

# Annexure - P&L Statement – SFL



Particulars (Rs. crore)	Q2FY22	Q2FY21	Q1FY22	FY21
Revenue				
Interest and Fee Income	6.3	5.6	5.8	23.8
Treasury Income	0.1	0.1	0.0	0.4
Other income	0.1	0.3	0.1	0.6
<b>Total Revenue</b>	<b>6.5</b>	<b>6.0</b>	<b>5.9</b>	<b>24.8</b>
Expenses				
Finance cost	1.3	1.0	1.1	4.4
Employee benefit expenses	1.9	1.6	2.0	7.1
Credit Cost	1.4	1.8	1.7	3.3
Other expenses	1.0	0.8	0.8	3.3
Depreciation and amortization expenses	0.1	0.0	0.1	0.3
<b>Total Expenses</b>	<b>5.6</b>	<b>5.3</b>	<b>5.7</b>	<b>18.4</b>
<b>Profit Before Tax</b>	<b>0.8</b>	<b>0.7</b>	<b>0.2</b>	<b>6.4</b>
Tax expense (DTA)	0.1	0.2	0.1	1.7
<b>Profit After Tax</b>	<b>0.7</b>	<b>0.5</b>	<b>0.2</b>	<b>4.8</b>
Other comprehensive income	0.0	0.0	0.0	0.0
<b>Total Comprehensive Income</b>	<b>0.7</b>	<b>0.5</b>	<b>0.2</b>	<b>4.8</b>

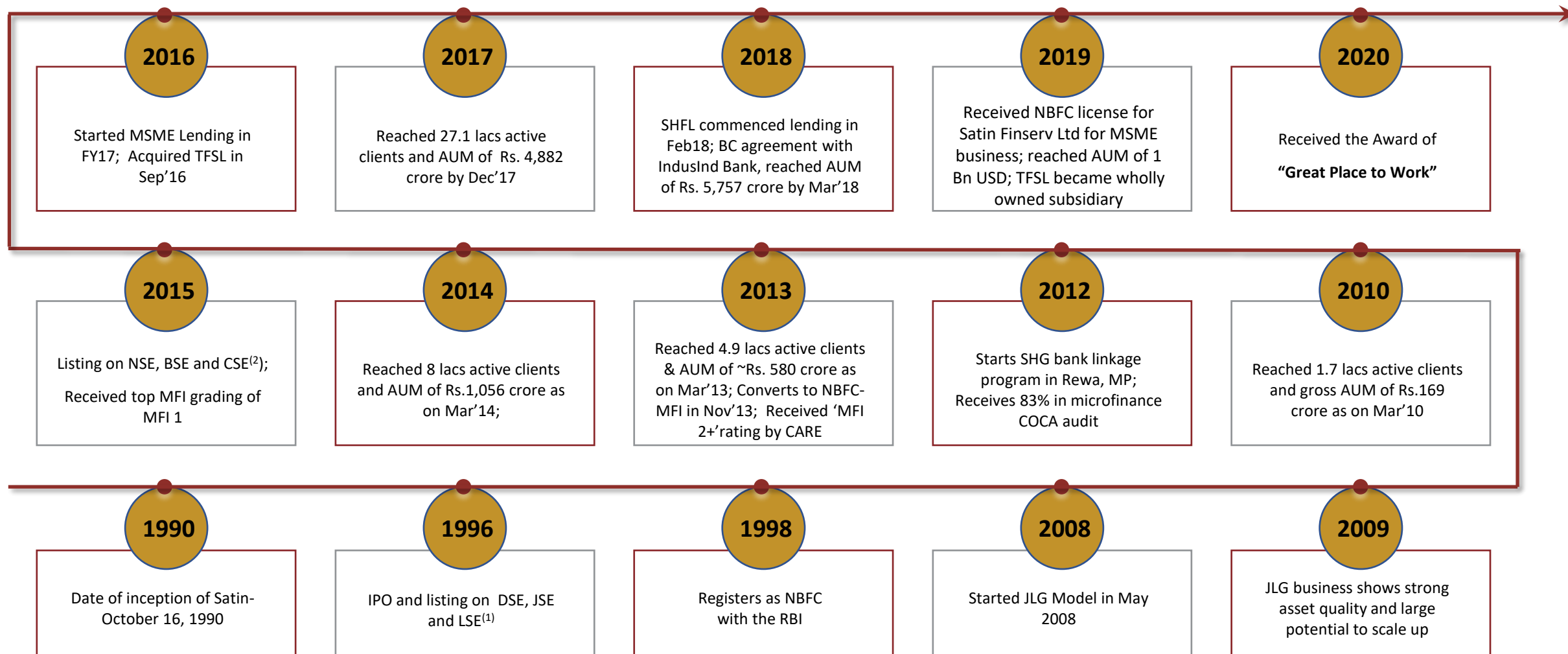
# Company Background



# Key Milestones



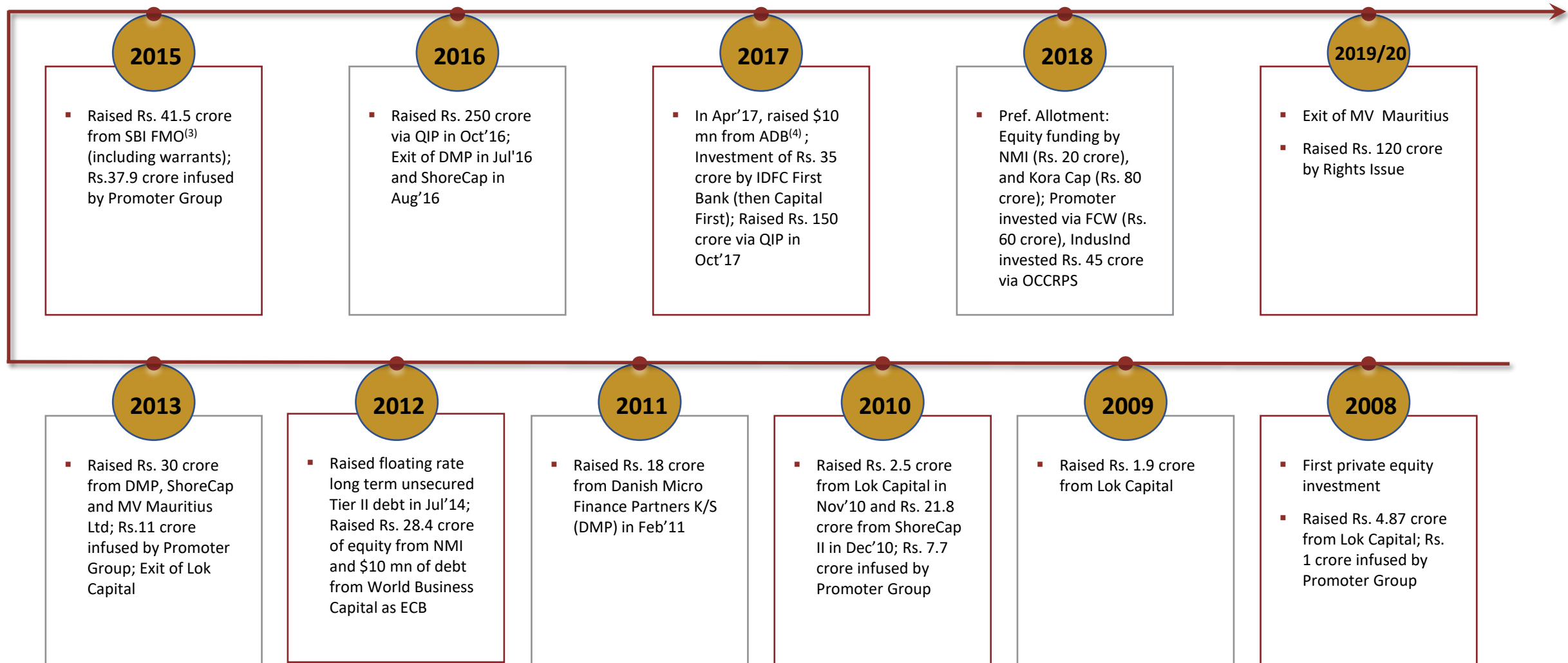
## Business Timeline



# Key Milestones

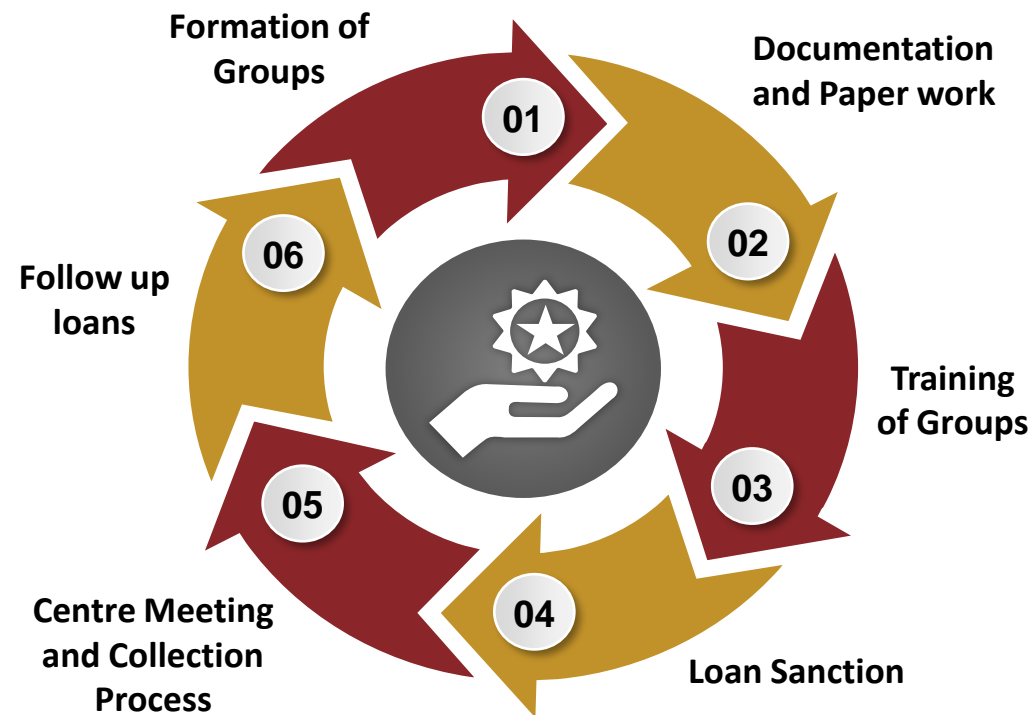


## Fund Raising Timeline

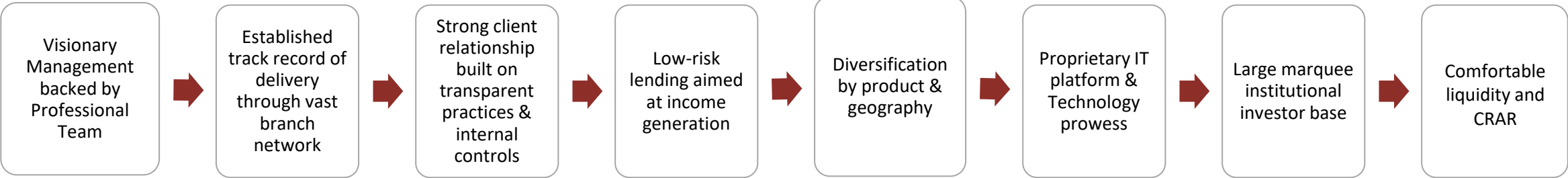
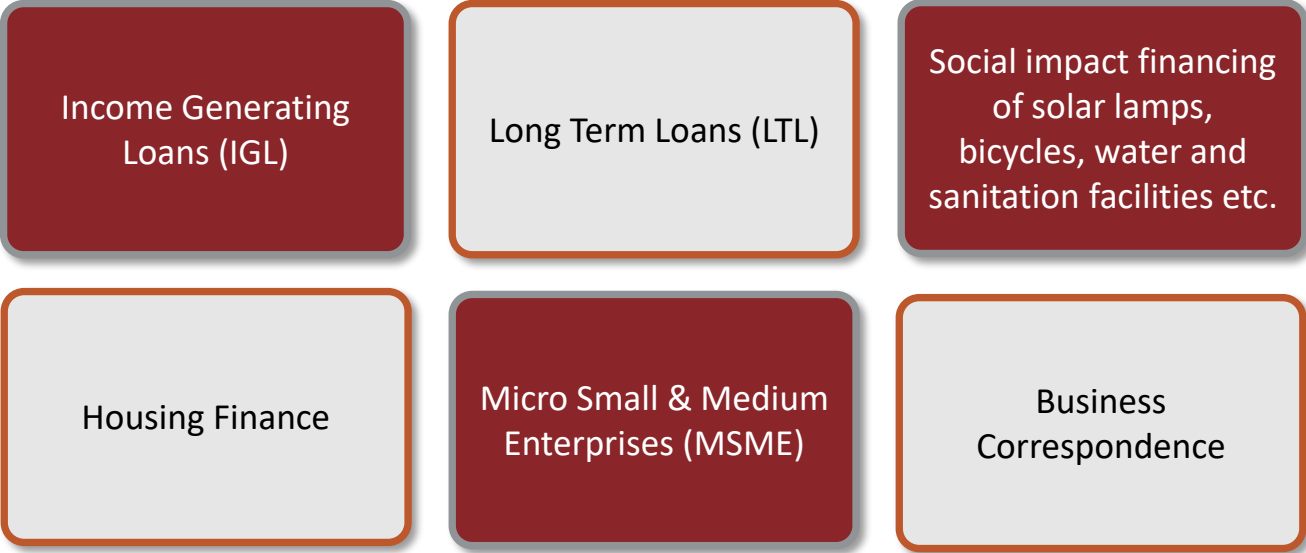




# Our Business Model



## MICROFINANCE... & BEYOND



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

# ...With Customised Products as per Client Needs



## Income Generation Loan (Prarambh)

Ticket Size :  
Rs. 10,000 – Rs. 30,000

Tenure : 24 months

## Long Term Loan (Vridhhi)

Ticket Size :  
Rs. 31,000 – Rs. 50,000

Tenure : 24 months

## Product Financing/Wash Loan

Ticket Size :  
Rs. 799 – Rs. 21,999

Tenure : 3-18 months

## Eligibility Criteria

- Household Income: Rural-Rs. 1.25 Lacs & Urban/Semi-Urban- Rs. 2 Lacs
- Satin can be 3<sup>rd</sup> lender & 2<sup>nd</sup> 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



## 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.

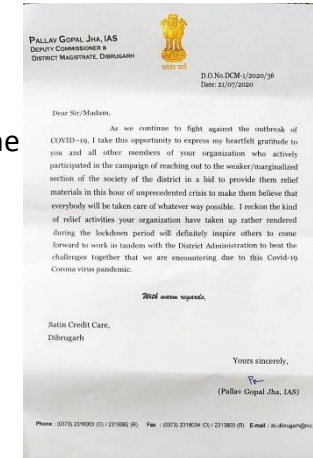


## Health Check-up Camps

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



## Skilling and Financial Literacy Workshop

Conducted a 5 day skilling and financial literacy workshop for 30 female borrowers in Faridkot, Punjab. The female borrowers from rural communities were trained in tailoring and beauty parlor skills along with coaching on financial literacy.



**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
- Mr. Subir Roy Chowdhury, was conferred the '**HR Leader Award**' by the Great Place To Work Institute.



**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**"



**October 2021**

"**Adam Smith Awards Asia 2021**" for Best New Technology Solution – Highly Commended Winner



**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 lacs 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 UNFCC'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



Company (Investors & Media) :

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