



October 27, 2023

**To,**  
**The Manager,**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra East, Mumbai-400051

**The Manager,**  
**BSE Limited**  
25<sup>th</sup> Floor, P. J. Towers,  
Dalal Street,  
Mumbai – 400001

**Symbol: SATIN**

**Scrip Code: 539404**

**Sub: Investor Presentation**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and in terms of other applicable laws, if any, please find enclosed Investor Presentation for the quarter and half year ended September 30, 2023.

The above is being made available on the Company's website i.e. [www.satincare.com](http://www.satincare.com)

This is for your information and record.

Thanking You.

Yours faithfully,  
For **Satin Creditcare Network Limited**

**(Vikas Gupta)**  
**Company Secretary & Chief Compliance Officer**

**Encl.: a/a**



**SATIN CREDITCARE NETWORK LTD.**  
*Reaching out!*

Investor Presentation  
October 2023

**Relentless**  
Exploring Prospects.  
Growing footprint.





**03 - 18**

Business Update



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Satin a Compelling Investment Story



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Key Financial & Operational Metrics



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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 may reflect some price-sensitive information in terms of SEBI regulations and Companies Act, 2013, as amended from time to time. The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any persons of such change or changes. 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 may have been regrouped.

# Satin Group's AUM Hit a Significant Milestone



**AUM** crossed **Rs. 10,000 crore**

**33+ Years** of Building a Legacy

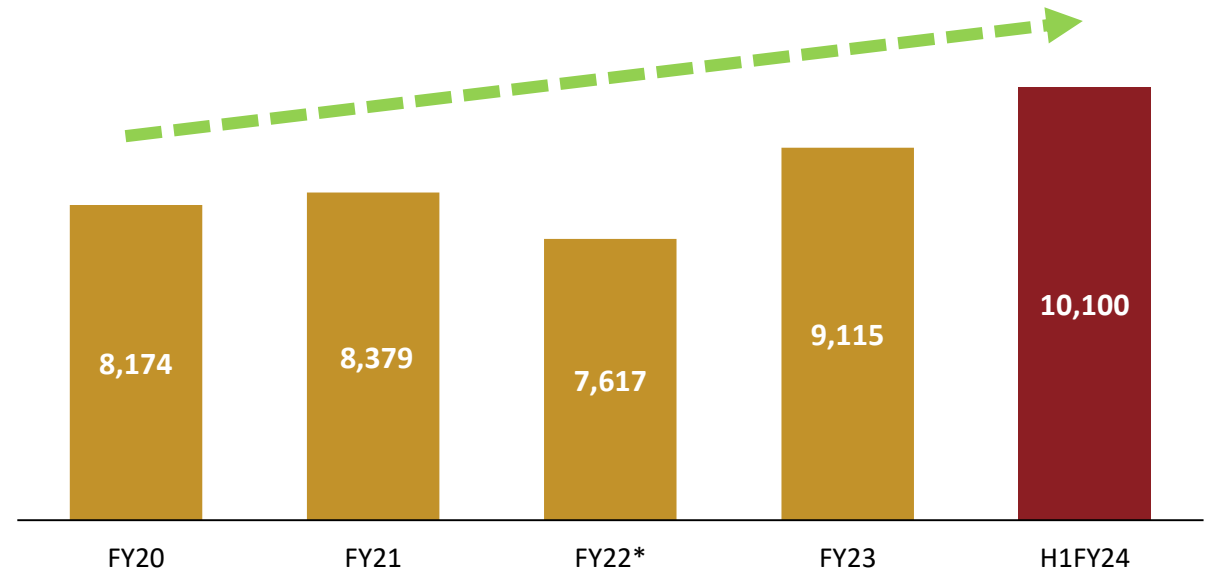
**32.1** Lacs  
ACTIVE CLIENTS

**24**  
STATES & UTs

**96,000**  
VILLAGES

**1,335**  
BRANCHES

Asset under Management (Rs. crore)



**YoY – 33%**

**QoQ – 6%**

\*De-growth during COVID-19 pandemic, deliberate decision to emphasize quality over quantity

# Key Highlights for the Quarter



(YoY change)

## DISBURSEMENT

Rs. **2,403** crore



**41%**

(Q2FY23 – Rs. 1,709 crore)

## TOTAL REVENUE

Rs. **538** crore



**49%**

(Q2FY23 – Rs. 361 crore)

## RETURN ON ASSETS

**4.8%**

↑ +168 bps

## PROFIT AFTER TAX

Rs. **107** crore



**87%**

(Q2FY23 – Rs. 57 crore)

## COST TO INCOME RATIO

**46.4%**



**-1404 bps**

(Q2FY23 – 60.5%)

## RETURN ON EQUITY

**23.6%**

↑ +739 bps

Highest ever H1 profitability in last 5 years

*Leveraging the Outreach through our Subsidiaries*

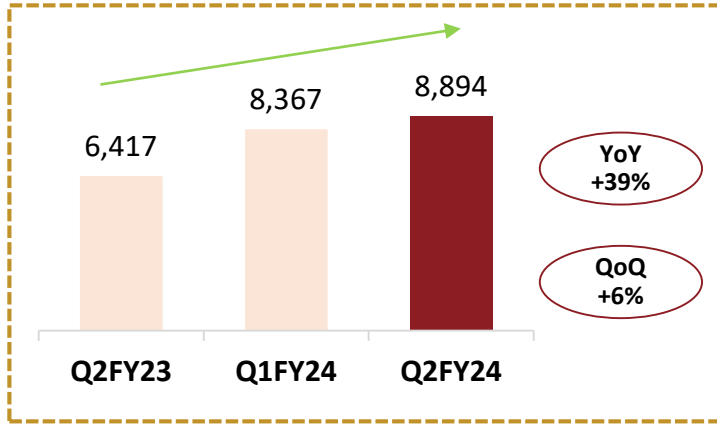
*Consistently delivering robust growth and sustained profitability*

# Overview: SCNL and Subsidiaries' Performance



## SATIN Holding MFI Company

AUM (Rs. crore)



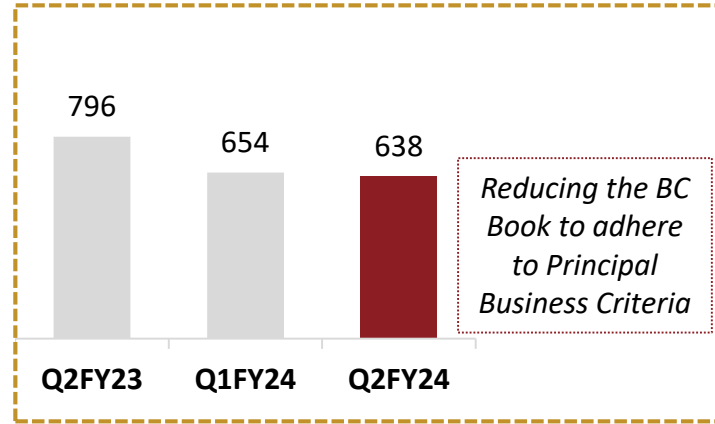
Disbursement  
Rs. 2,202 crore

GNPA  
2.4%

PAT  
Rs. 103 crore

CRAR  
25.7%

## SFL MSME Arm



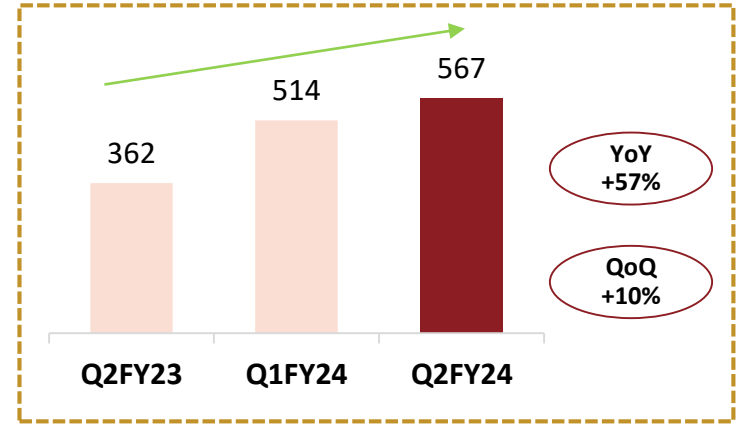
Disbursement  
Rs. 105 crore

GNPA  
4.7%

PAT  
Rs. 1.2 crore

CRAR  
51.6%

## Satin Housing Finance Ltd. Affordable Housing



Disbursement  
Rs. 95 crore

GNPA  
0.8%

PAT  
Rs. 1.9 crore

CRAR  
51.1%

Diversified financial offerings catering to rural India

# Standalone Update



# Strong & Consistent Performance for last 5 Quarters



## Asset Growth

**In line with the guided growth of 25%+**

**76% portfolio in rural India; 96% districts have exposure of <1%**

## Superior Asset Quality & Adequate Provisioning

**Better than the industry average PAR of portfolio originated Jul'21 onwards**

**Stage-3 Provision Coverage Ratio stood at 61.1% as on Q2FY24**

## Strong Profitability

**Resilient bottom line; witnessed highest ever profitable quarter**

**Stable NIMs > 12.0% and limited credit cost of < 1.5%, leading to RoA of > 4.0%**

## Sufficient Liquidity & Robust Capitalization

**Raised ~Rs. 33,000 crore in the last 6.5 years; absolutely clean repayment track record with no delay / default since inception**

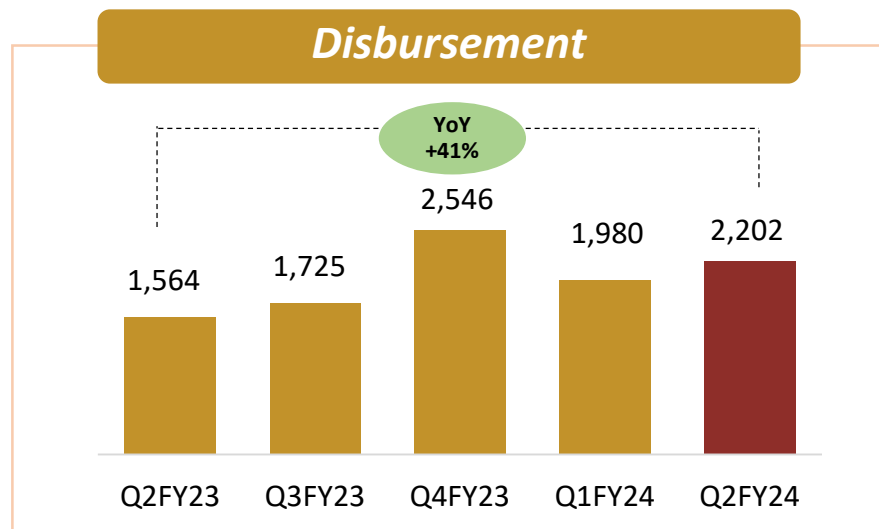
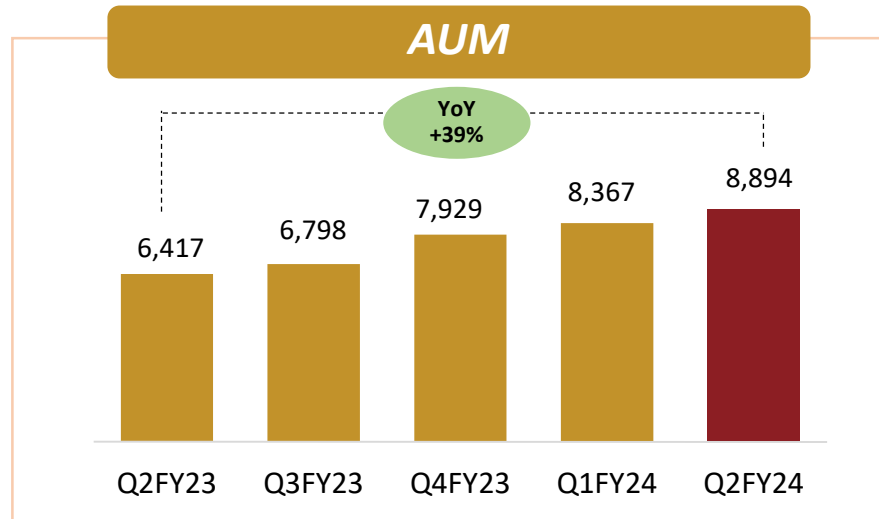
**Maintained CRAR above 25% during the last 5 years; successfully raised capital whenever required**



# Sustainable AUM Growth



(Rs. crore)



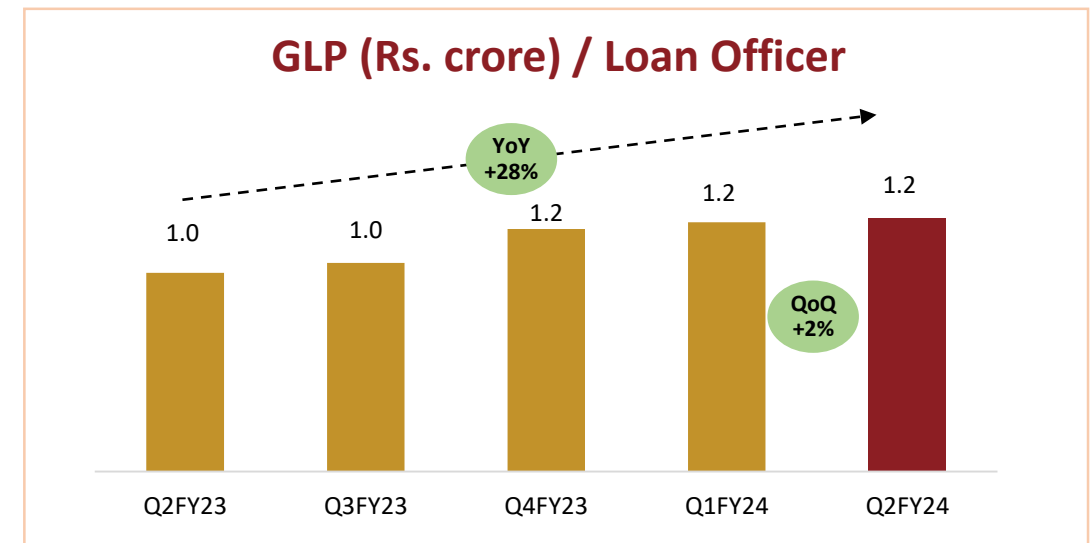
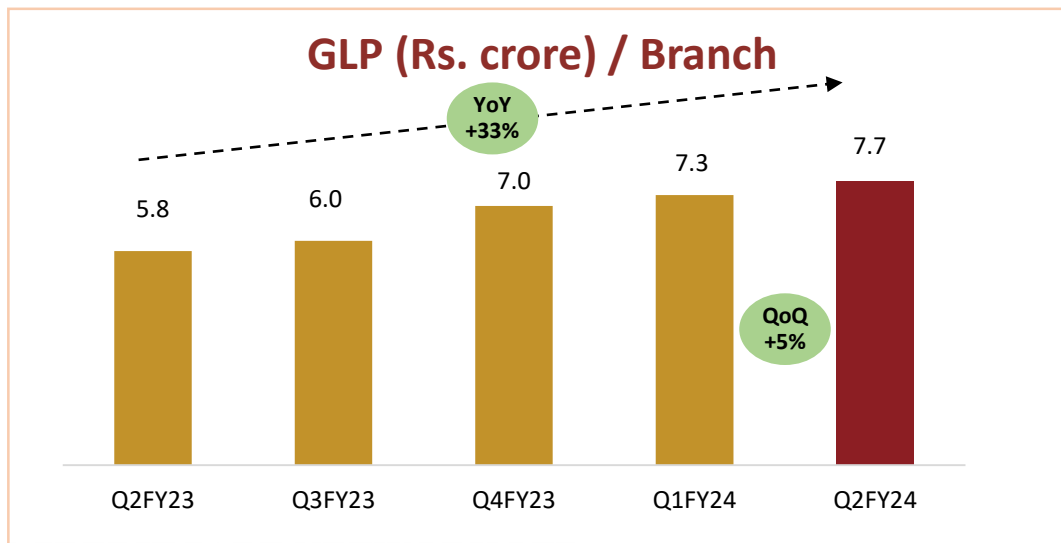
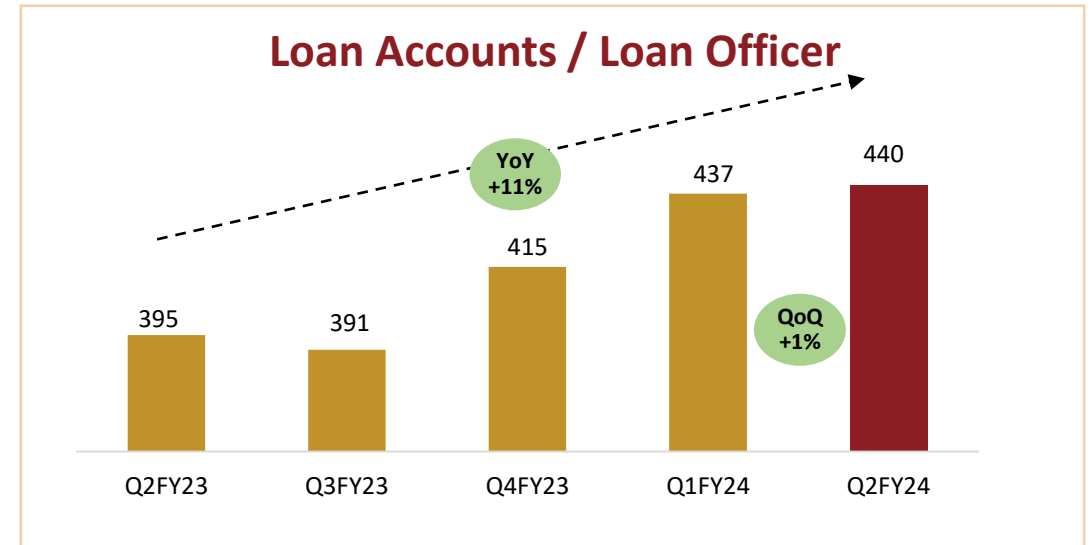
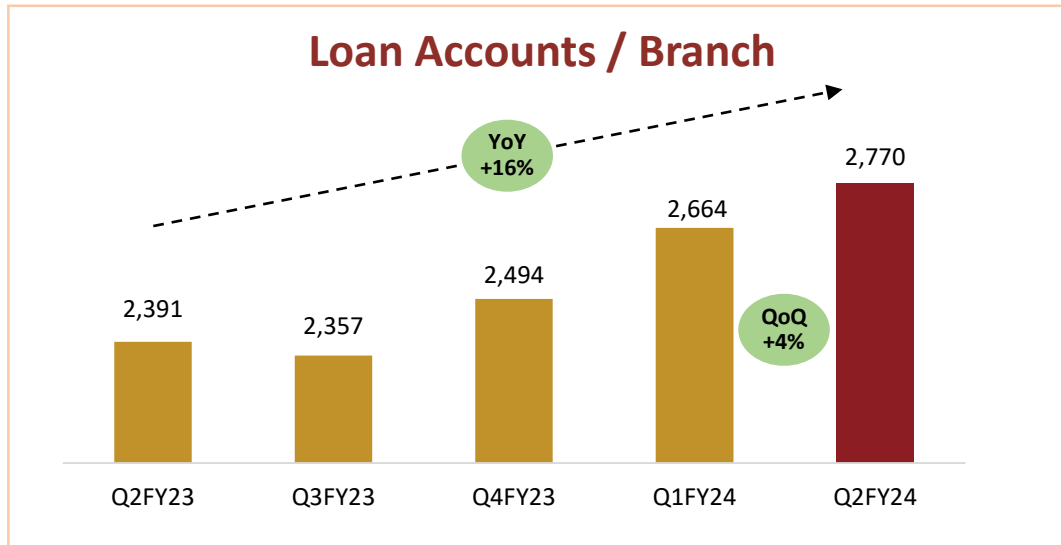
**Strong net customer addition of 4.1 Lacs in H1FY24**

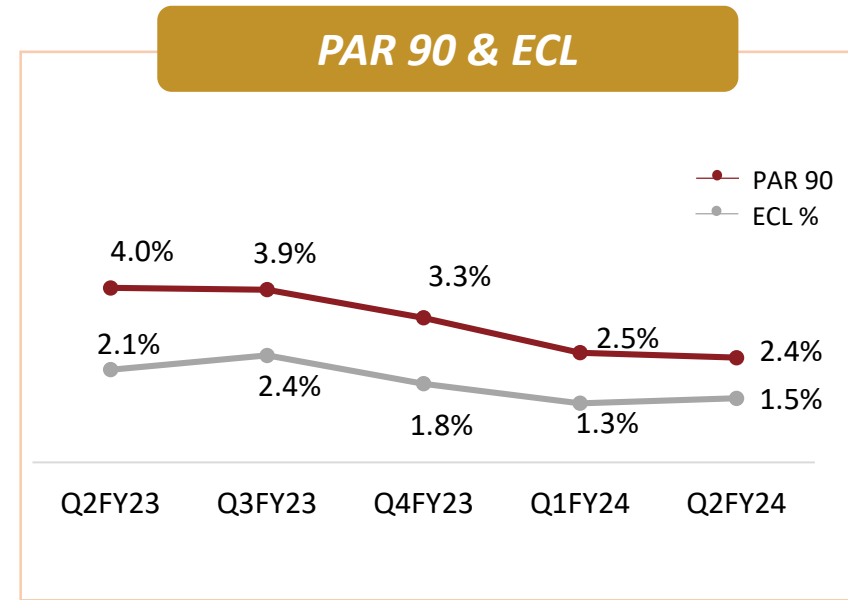
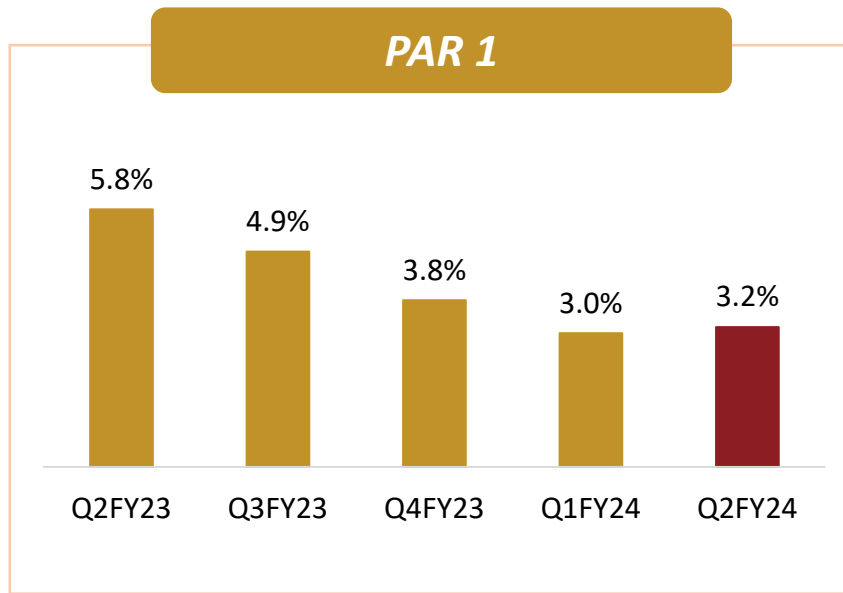


- The increase in AUM is driven by a healthy mix of increase in ticket size and new client addition
- Avg monthly disbursement run rate of Rs. 734 crore (Q2FY24)
- At the time of disbursement, ~31%\* of clients have Satin as the only lender
- 49% first cycle clients as on Q2FY24
- Added 17 new branches during the quarter

\*considering all retail loans

# Harnessing Operational Efficiencies





- On-book GNPA stood at Rs. 157 crore (2.38% of on-book portfolio)
- The Company has sufficient on-book provisions amounting to Rs. 124 crore as on Q2FY24, which is 1.9% of on-book portfolio. Provision required as per RBI is Rs. 108 crore
- During H1FY24, collection against write-offs was ~Rs. 28 crore
- Gross cumulative collection efficiency for H1FY24 stood at ~99.0%

## Update on AMFIRS

- Relief to Category 1 & 2 borrowers has been successfully provided
- **For Category 3 borrowers – The government has released first tranche of relief in the month of Sep'23; received Rs. 10.7 crore. We anticipate the balance amount to come in further tranches**

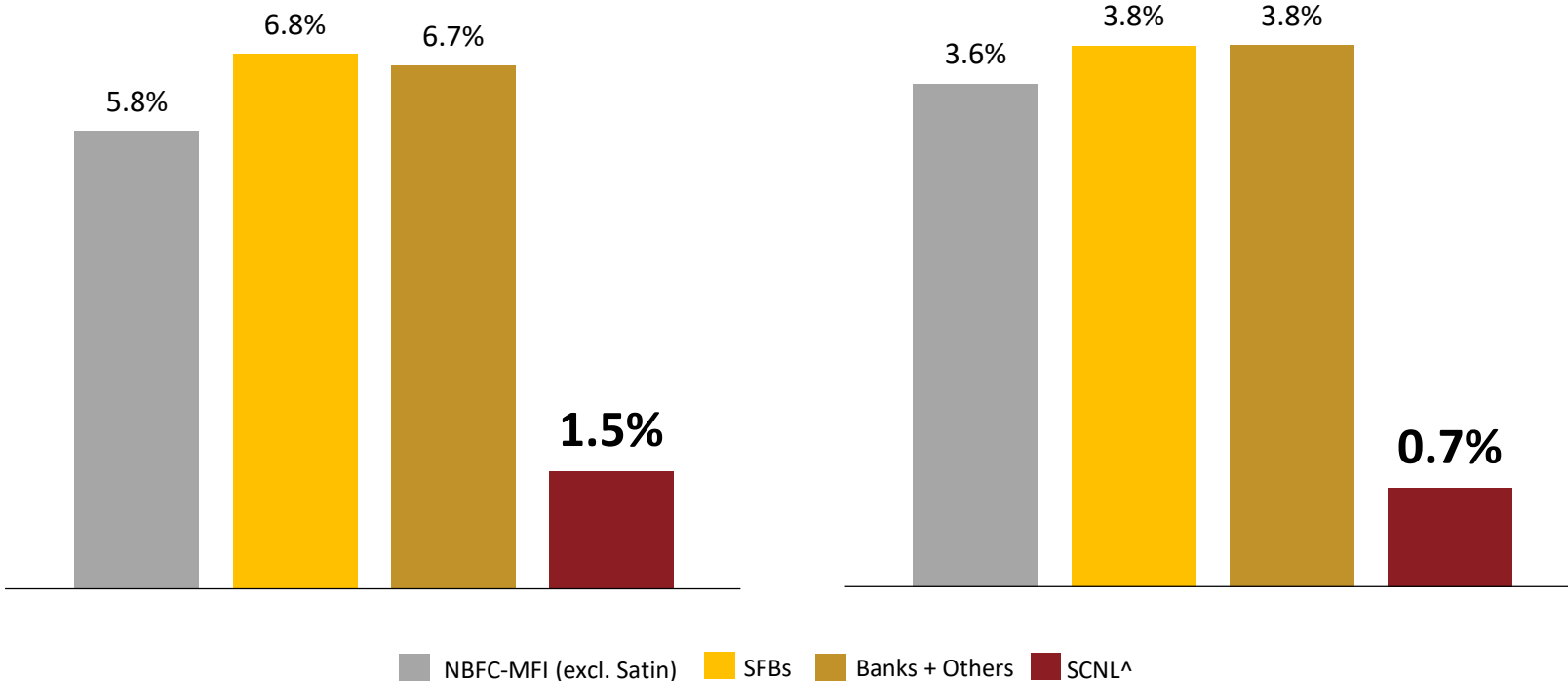
# Better than Industry Portfolio Quality post Pandemic



*Portfolio originated Jul'21 onwards showing excellent performance*

## PAR 1

## PAR 90



**PAR 1**  
 NBFC-MFI: 5.8% vs 4.4% as last reported  
 Satin: 1.5% vs 0.9% as last reported

**PAR 90**  
 NBFC-MFI: 3.6% vs 2.6% as last reported  
 Satin: 0.7% vs 0.5% as last reported

^Data of SCNL for JLG on-book portfolio

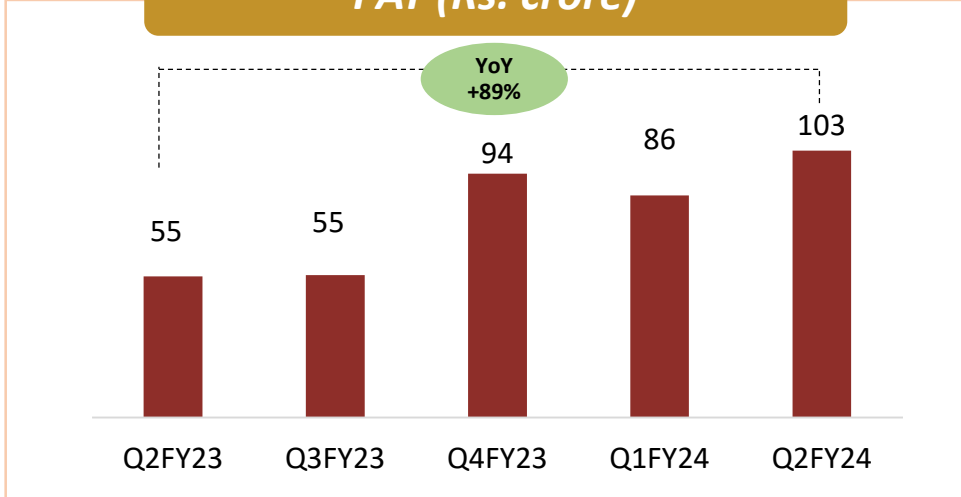
Data available as of Aug'23

Source: As per CRIF Highmark

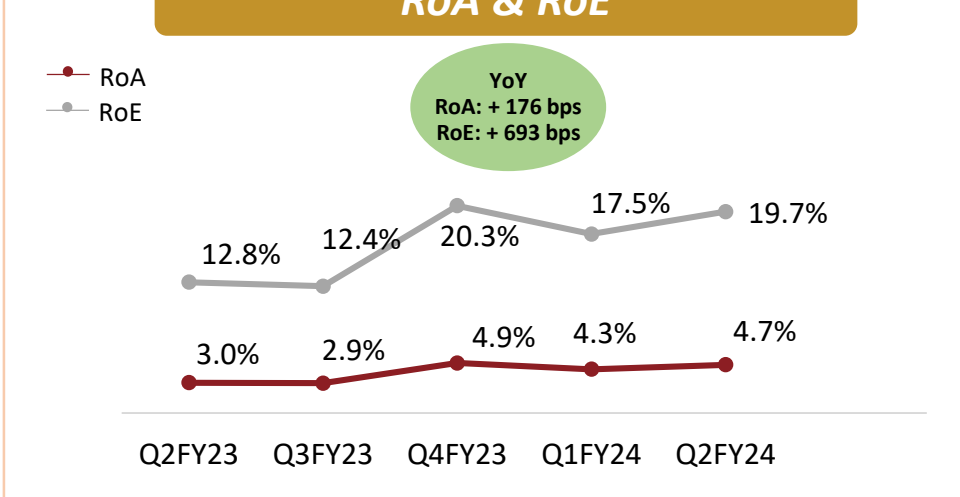
# Stable Financial Performance each Consecutive Quarter



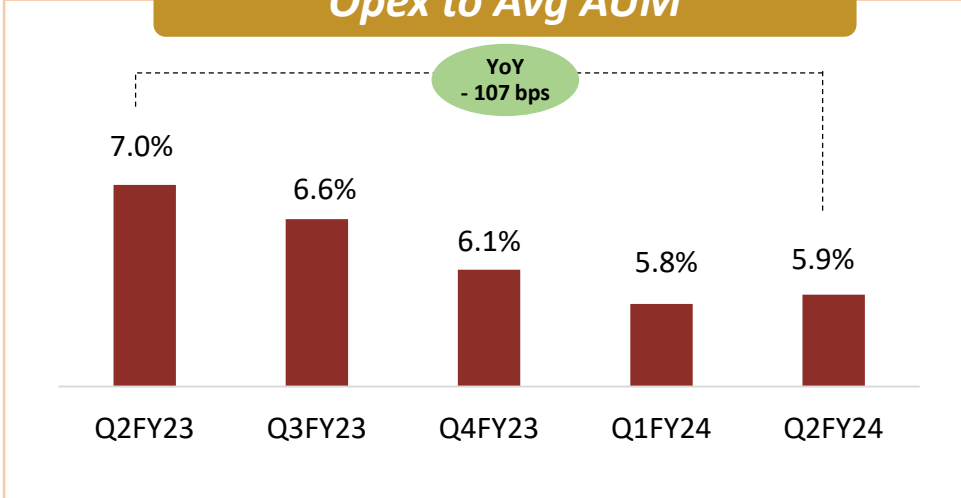
**PAT (Rs. crore)**



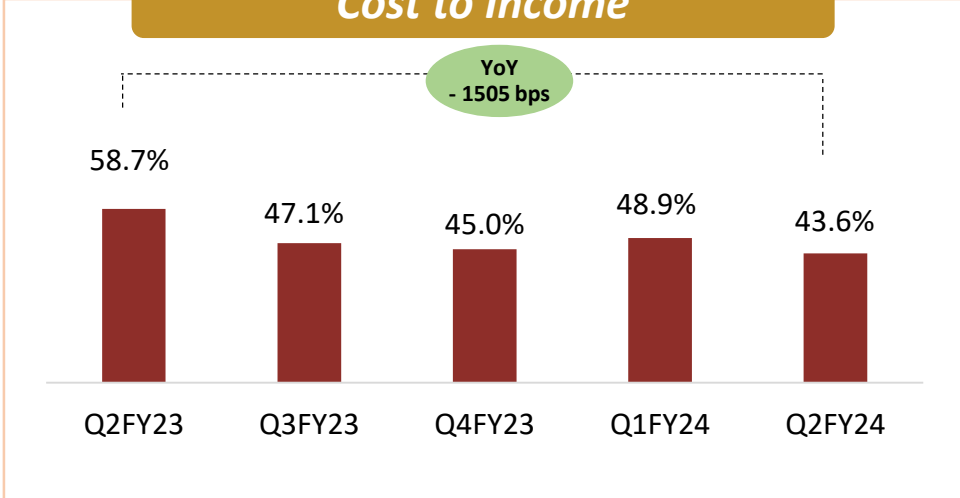
**RoA & RoE**



**Opex to Avg AUM**



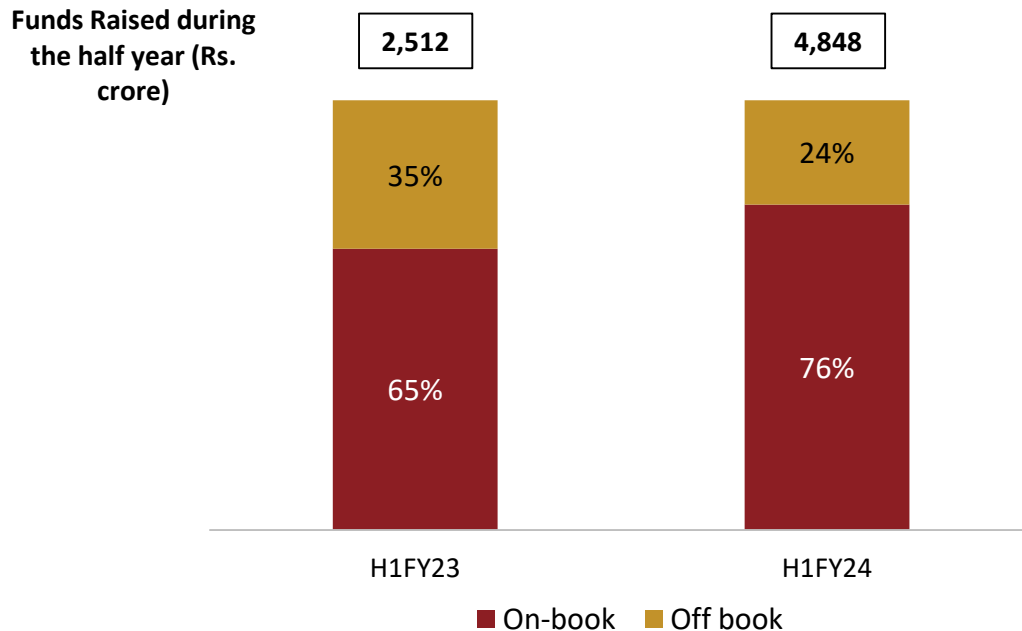
**Cost to Income**



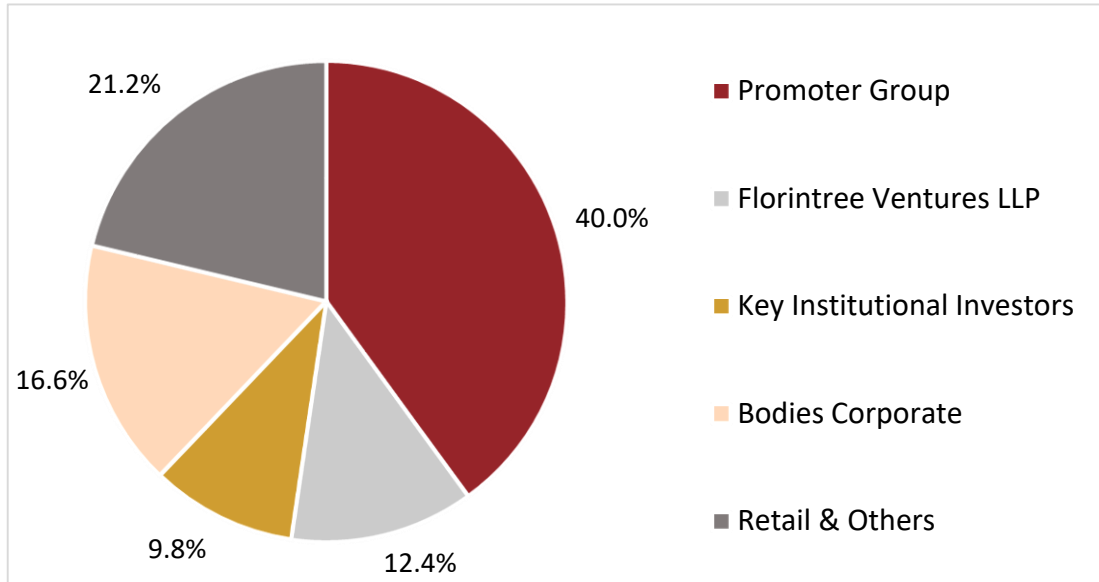
# Optimal Liquidity and Robust Capitalization



*93% YoY growth in funds raised during the period;  
~76% on-book borrowing*



- **CRAR of 25.7% as of Sep'23; well above regulatory requirement**
- Book Value per Share at Rs. 191 on a consolidated basis
- Sufficient liquidity of ~Rs. 1,400 crore as on Q2FY24
- Undrawn sanction in hand of Rs. 1,018 crore
- 9 new lenders added in H1FY24



**Market Cap of  
~ Rs. 2,300 crore\***

**Book Value^  
Rs. 191/ share**

**No. of Equity  
Shares  
9.96 crore**

**No. of  
Shareholders  
~24,000**

## Market Confidence

- 14 rounds of capital raise done since 2008; ability to raise funds even during crisis
- Raised Rs. 1,287 crore since 2008

## Skin in the Game

- Capital Infused by promoters at regular intervals at par with incoming investors



Won the Corporate Excellence Award  
for Making India Employable



Won the Most Impactful Scholarship  
Programme Initiative of the year by  
the Indian CSR Awards 2023





# Actual Performance vs Guidance



Particulars	FY24 E	H1 FY24 (Actual)
GLP Growth (%)	25%+	39%
NIM (%)	12.1% - 12.5%	12.8%
Cost-to-Income Ratio (%)	45% - 50%	45.6%
Operating cost/AUM (%)	5.60% - 5.75%	5.84%
Credit Cost (%)	1.25% - 1.50%	0.95%
RoA (%)	3.50% - 4.00%	4.52%
RoE (%)	17.5% - 19.0%	18.5%
Capital Adequacy	22.0% - 25.0%	25.7%
Debt/Equity	3.5x - 4.0x	3.1x

## Business Snapshot

- **100% retail book**; clients belonging to middle and low-income groups from tier II and below cities
- 22 active lenders, including NHB Refinance
- Healthy ALM balance
- Credit Rating: BBB+ from CARE & Infomeric

## Business Leveraging Potential

- **Opportunity to leverage on SCNL's vast geographical presence**
  - Tapping the High Income Customers of SCNL, with opportunity of Rs. 7,000 crore AUM, assuming 10% conversion of existing customer base



## Robust Asset Quality

- Zero Restructured Accounts since inception with no write-Off
- **Nil NPA till 4 years of operations and minimal delinquency till date even after facing 2 Covid Cycles**
- Eligible for SARFAESI enforcement

## Strong Governance

- Impeccable track record of 5+ years
- **Zero Non-Compliance observation as on date from any regulator**
- No willful default or fraud since inception

# SFL - Leveraging the Outreach through Retail MSME



On book AUM increased 45% YoY to reach Rs. 267 crore

**Huge untapped potential of the missing middle of small ticket business loans averaging  $\leq$  Rs. 2 Lacs secured against collateral**

Focus on secured retail MSME lending

**Leveraging SCNL Outreach – 2nd cycle + customer base - untapped potential of addl. AUM of Rs. 600 crore/month**

**PAR 90 < 2.5% for small ticket size loans, comprising ~91% of total retail portfolio**

14 active lenders, including Banks, Impact Funds etc.

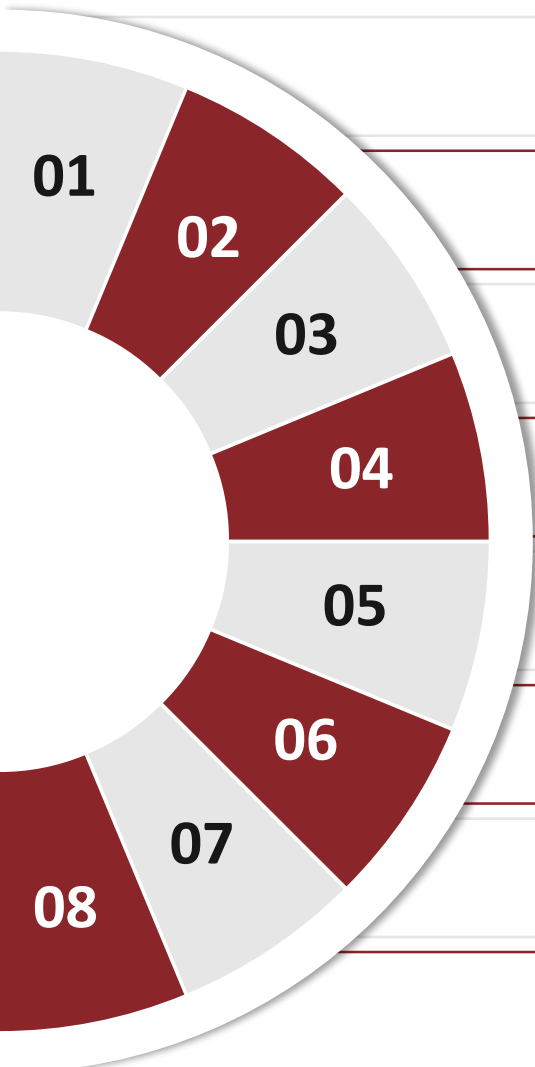
Robust in-house software

Credit Rating  
BBB+ from CARE & Acuite

What makes Satin a  
Compelling Investment Story



# What makes Satin a Compelling Investment Story



**Leading MFI Player With Diversified Financial Products catering to rural India**

**Diversified Geographical Reach**

**State of the Art Technology backed by robust IT infrastructure**

**Strong Underwriting Capability**

**Well-diversified Liability Profile**

**Positive ALM with Ample Liquidity**

**Strong & Experienced Management Team**

**Successfully Navigated Crisis During Legacy of Over Three Decades**

# 1. Diversified Product Offerings



	SCNL	Satin Housing Finance Limited <sup>(2)</sup>	Satin Finserv Limited <sup>(3)</sup>	
Product features as on Sep'23	MFI <sup>(1)</sup>	Housing Finance	Business Correspondent Services	MSME
Start Date	May'08 (JLG)	Feb'18	May'12	Mar'19
Ticket Size Range	Upto Rs. 75,000	Rs. 100,000 – 4,000,000	Upto Rs. 50,000 (JLG - Microfinance)	Rs. 100,000 – 100,000,000
Tenure	6 - 30 months	24 - 240 months	12 - 24 months	12 - 120 months
Frequency of Collection	Bi-Weekly	Monthly	Bi-Weekly	Monthly/Quarterly
No. of States/UTs	24	4	6	10
No. of Branches	1,115	37	154	29
AUM (Rs. crore)	8,545 <sup>(4)</sup>	567	371	267
No. of loan accounts	30,89,038	6,028	2,24,552	14,825
Avg. Ticket Size for Q2FY24	Rs. 47,000 (JLG)	Rs. 11,70,000	Rs. 39,800	Rs. 1,53,000 (Retail)

## Notes

(1) Includes MFI Lending (loans under JLG model, IndusInd BC and water & sanitation) and Product Financing (Loans for solar lamps, cycles etc.)

(2) Satin Housing Finance Ltd was incorporated on Apr 17, 2017

(3) SFL was incorporated on Aug 10, 2018 and TFSL acquisition was effective Sep 1, 2016. W.e.f. Mar 1, 2023 TFSL has merged into SFL

(4) SCNL also has MSME portfolio of Rs. 349 crore other than MFI portfolio

# ...Deepening Impact through Enhanced Value Creation



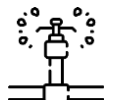
**Satin finances product purchase of solar lamps, bicycles, consumer durables etc. and grants loan for safe water and sanitation facilities**


Financed ~Rs. 80 crore during H1FY24

## Enriching Lives

 **Green Loans**  
*261 loans disbursed*

 **Consumer Durables**  
*12,634 loans disbursed*

 **Water & Sanitation**  
*32,309 loans disbursed*

 **Health**  
Facilitation through Doc Online  
*~4,00,000 lives touched*

## 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

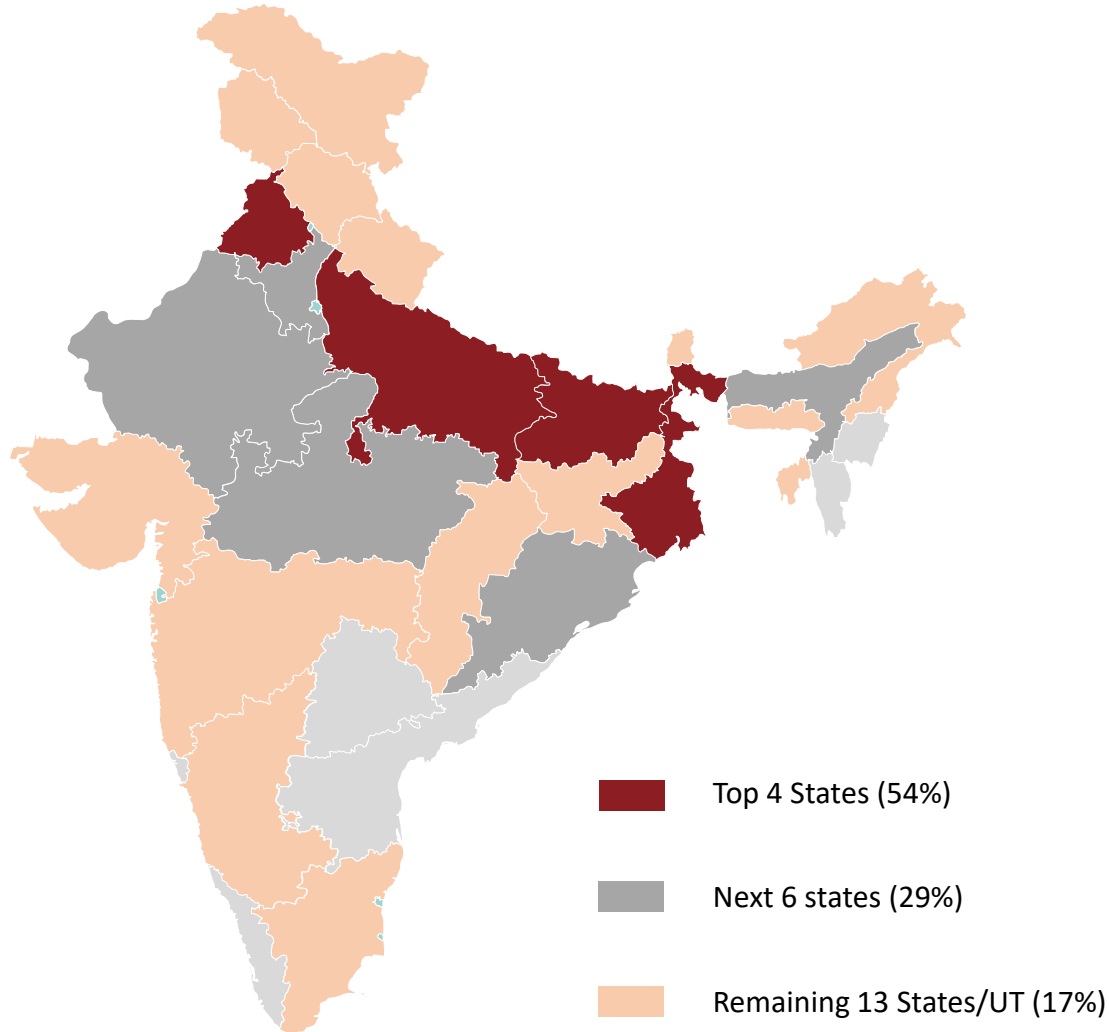
Certified by d.light for our contribution towards facilitating access to affordable & sustainable impact products

# 2. Diversified Geographical Presence

...serving 32.1 Lacs clients across India



Presence across 24 States and UTs



96,000

No. of Villages

1,335

No. of Branches

412

No. of Districts

96.4%

Districts with <1% exposure

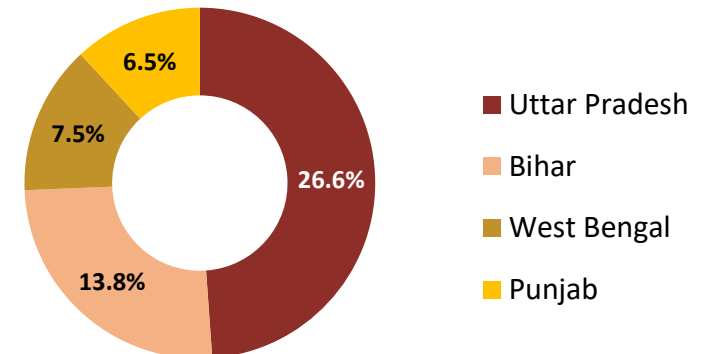
85

No. of Regional Offices

3.0 Lacs

No. of Centers

Top 4 States





# 3. Technology Prowess



## AePS Mode

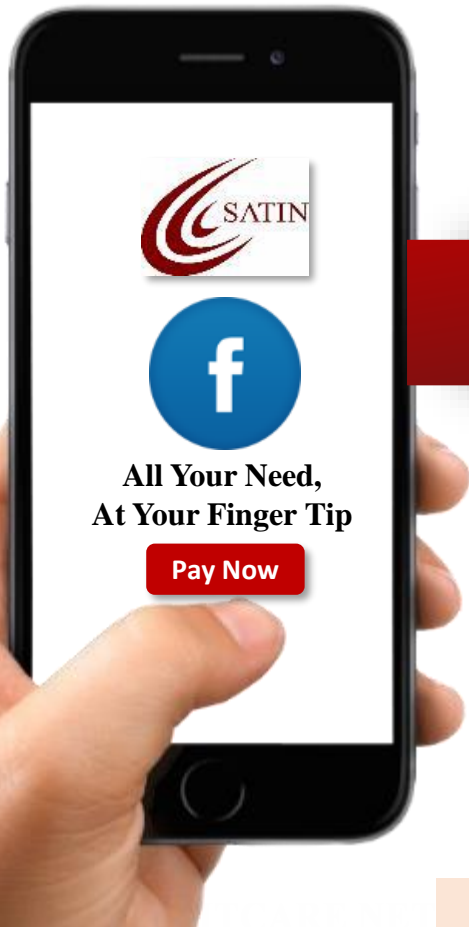
Aadhaar enabled Payment System, a strong lever to facilitate digital repayment of loan installments during the center meetings through Aadhaar authentication using biometric devices

## Website

- Payment gateway on the SCNL website
- Clients temporarily migrating for business are able to make timely payments

## UPI 2.0

- First in the industry to launch UPI 2.0 autopay
- One time registration & hassle-free auto debits make it a great substitute to E-NACH
- No burden of paying any bouncing charges on the client



## CSA

In-house developed Customer Service Application for easy repayment through various payment apps on a secured platform



## QR Code

- QR Code on Loan Card has ensured seamless collection of EMIs
- Client can now pay her EMIs by just scanning the QR Code



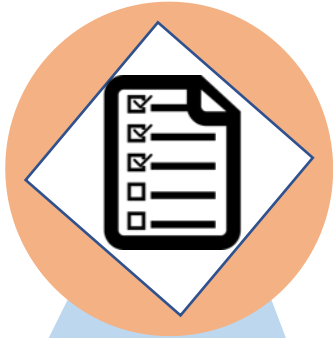
The entire cashless ecosystem revolves around UPI

# 4. Continuous Process Re-engineering



## Aadhaar E-Sign

- Another big step towards making the entire business process paperless to digitize the onboarding process
- Introducing customer authentication & document signing with Aadhaar as a base using a service provider



## Alignment with new RBI harmonized guidelines

- All required board approved policies have been formulated
- 100% field force has been trained to perform household income & expense assessment
- Changes in Underwriting guidelines, relevant processes & LMS have been completely executed

## Strengthening the loan origination journey

- 2 step OTP authentication process at the time of KYC punching and at the time of disbursement in the branch
- Capturing the exact location of the client and center with the help of geo-tagging
- Customer liveness check while clicking picture during KYC



## Tightened field level monitoring mechanisms

- Surprise Center Visits (SCVs) by the supervisors
- Visits being monitored through geo-tagging & center picture captured in the system
- SCVs to be a part of KRAs/Scorecards across supervisory layers

## Robust new customer onboarding process

- MFI scores being used as decision making tool while onboarding new customers in system
- Using the data from CICs to source new customers in pockets with good credit history

## In-house developed Loan Management System (LMS)

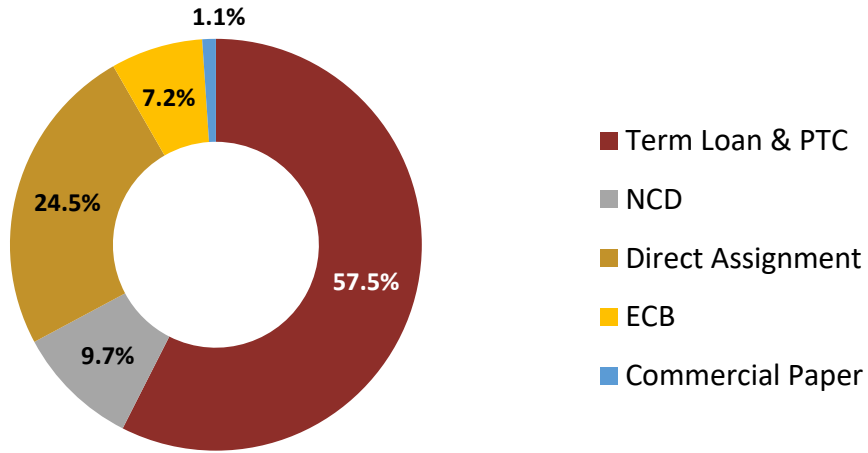
- Seamless customer onboarding & disbursement journey starting from Village surveys -Open General meetings - Group formation – KYC punching – Instant CB checks – Instant bank a/c validations – System Validations – Cashless Disbursement- Loan utilization check – Regular collection meetings all bundled in one app



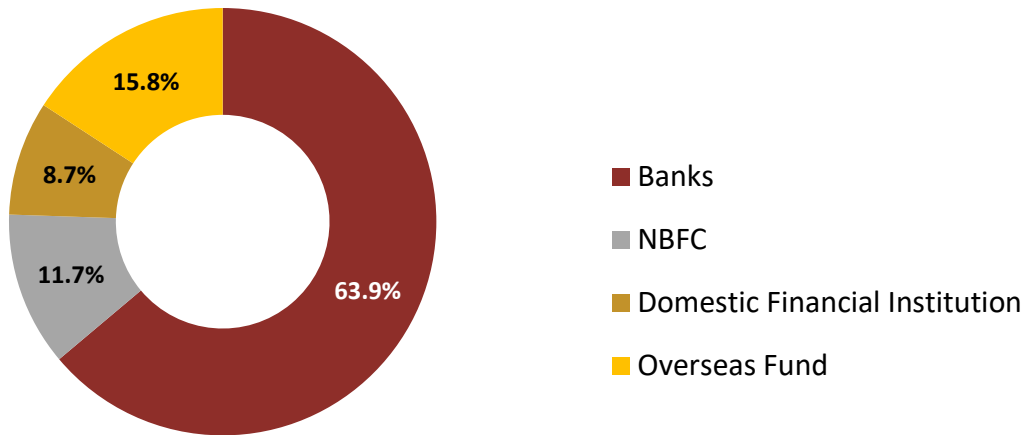
# 5. We have a well-diversified Liability Profile...



**Product-wise Sep'23**



**Lender-wise Sep'23**



**Large Lender Base  
72 Active Lenders**

Top 10 Lending Partners	% Share
State Bank of India	13%
Bank of Maharashtra	9%
Bank of Baroda	6%
Bandhan Bank Limited	5%
SIDBI	5%
Blue Orchard Microfinance Fund	4%
IDFC First Bank Ltd	4%
HSBC	4%
Axis Bank Limited	4%
Standard Chartered Bank	3%
<b>Total of Top 10 lenders</b>	<b>57%</b>

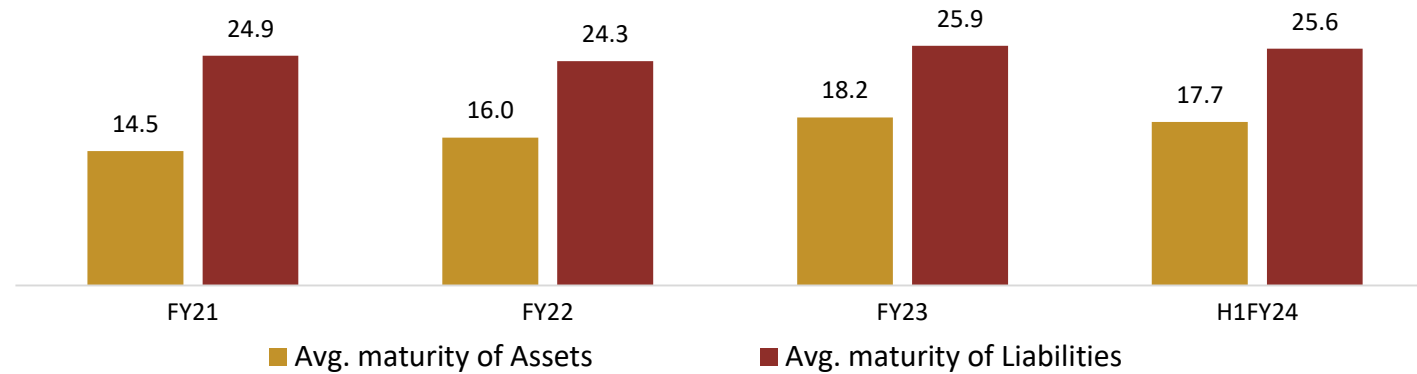
**Credit Rating**

- Bank Loans (Long term): "A- (Stable)" by ICRA
- Short-Term ratings: "A1" by ICRA

# 6. Positive ALM with Ample Liquidity



## Benefit of Positive ALM Continues



Static ALM as on 30 <sup>th</sup> Sep'23 (Rs. crore)	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
<b>Inflows</b>							
Liquidity at the beginning of month	1,394	1,581	1,857	1,934	2,093	2,274	1,394
Principal - Loan portfolio	317	321	351	359	362	334	2,044
Interest - Loan portfolio	123	128	108	110	100	86	656
<b>Total (A)</b>	<b>1,834</b>	<b>2,030</b>	<b>2,316</b>	<b>2,403</b>	<b>2,555</b>	<b>2,694</b>	<b>4,094</b>
<b>Outflows</b>							
Principal repayments	211	128	308	268	247	285	1,448
Interest repayments	42	45	74	42	34	61	298
<b>Total (B)</b>	<b>253</b>	<b>173</b>	<b>382</b>	<b>311</b>	<b>281</b>	<b>346</b>	<b>1,746</b>
<b>Cumulative Mismatch (A-B)</b>	<b>1,581</b>	<b>1,857</b>	<b>1,934</b>	<b>2,093</b>	<b>2,274</b>	<b>2,348</b>	<b>2,348</b>

Undrawn sanctions in hand of Rs. 1,018 crore as on Sep'23

# 7. Strong Management Team with over 250+ years of Experience



**HP Singh**  
*Chairman cum Managing Director*



**Jugal Kataria**  
*Group Controller*



**Rakesh Sachdeva**  
*CFO*



**Subir Roy Chowdhury**  
*CHRO*



**Manoj Agrawal**  
*Deputy CFO*



**Aditi Singh**  
*Head - Strategy*



**Anil Kwatra**  
*Head - Operations*



**Sunil Yadav**  
*Head - IT*



**Dhiraj Jha**  
*CRO*



**Bhuvnesh Khanna**  
*President - SFL*



**Amit Sharma**  
*MD & CEO - SHFL*

# 8. Successfully Navigated Crisis During Legacy of Over Three Decades



## Learnings from Demonetization

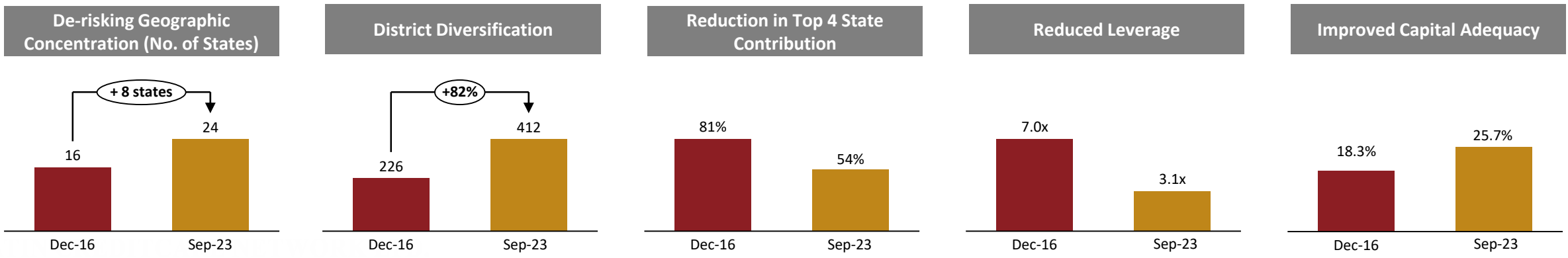
- ❑ **Implementation of best-in-class technology**
  - Reduced TAT
  - Real-time data
  - Enhanced Productivity
  - Improved monitoring and control
- ❑ **Diversifying Geographical Presence**
  - Increasing exposure to newer states
  - 96.4% of districts with <1% exposure
  - UP share brought down from 40.9% in Dec'16 to 26.6% in Sep'23

- ❑ **Strong Capitalization with Ample Liquidity**
  - Capital Adequacy has improved from 18.3% in 2016 to 25.7% currently
  - Raised Rs. 1,009 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

## Learnings from COVID-19

- ❑ **Technology and Underwriting**
  - "Customer Service App" launched
  - Contactless repayments via popular apps like Google pay, Paytm, Phonepe etc.
  - Addition of Satin on BBPS (Bharat Bill Payment System)
  - Payment link on the Satin website
  - QR code on customer loan card
  - First in the industry to launch UPI 2.0 (auto debit)
  - Dedicated manpower for collections
  - Switched to AWS
  - Authorized by UIDAI to perform E-KYC, IT integration in process

- ❑ **Fund Raising**
  - First MFI to successfully close an equity round during the peak of pandemic; raised ~Rs. 120 crore vis Rights Issue in Aug'20, fully paid up as of Sep'21
  - As on date, the Company has successfully completed preferential allotment of Rs. 225 crore via issue of equity shares and fully convertible warrants
- ❑ **Amalgamation of Subsidiaries**
  - The management decided to merge TFSL with SFL to leverage on the capital and outreach of the individual companies, combined entity is SFL

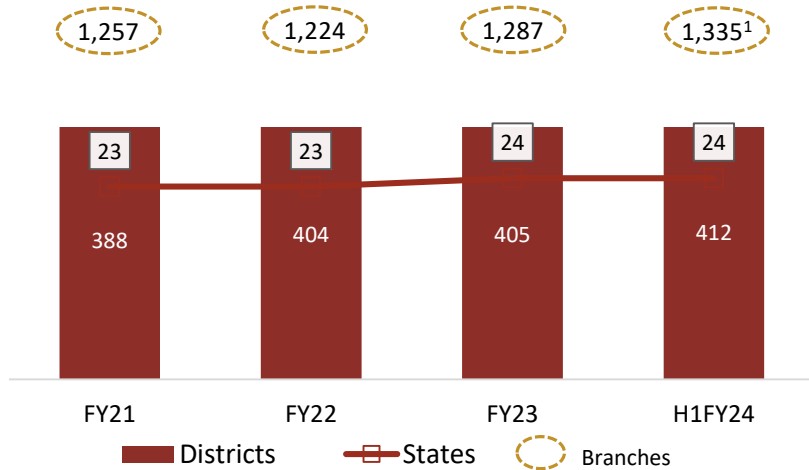


# Key Financial & Operational Metrics

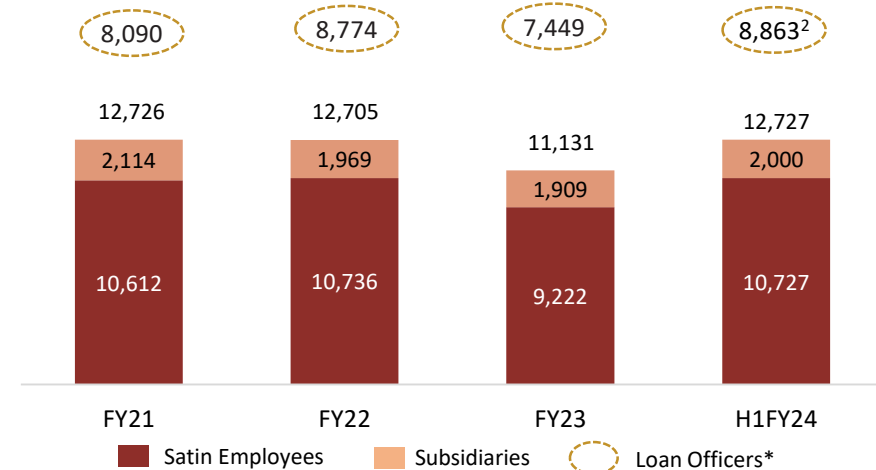




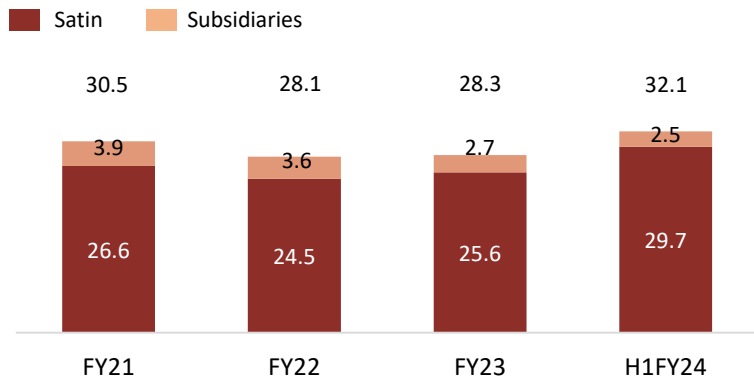
## Districts, States and Branches



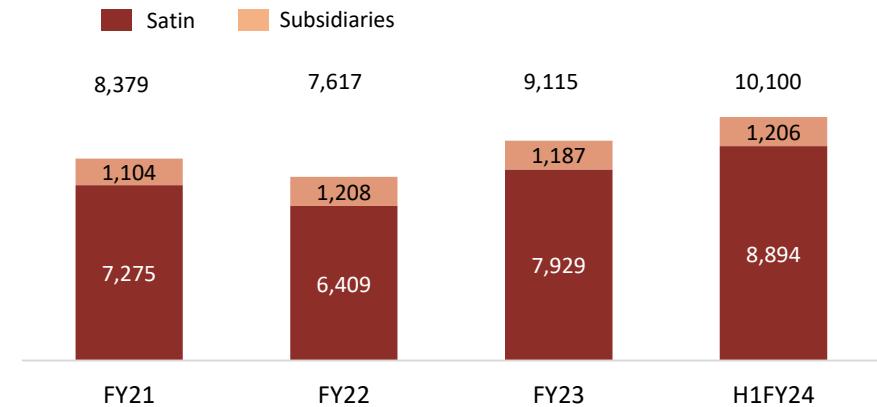
## Employees & Loan Officers



## Clients (Lacs)



## AUM (Rs. crore)



Note: (1) Data on Consolidated basis. On a standalone basis, the number of branches were 1,115; (2) Data on a consolidated basis. On a standalone basis the number of loan officers were 7,479

\*Loan officers include Trainee CSO & Quality officers



# Business Details



Particulars	Q2FY24	Q2FY23	YoY%	Q1FY24	QoQ%
<b>AUM (Rs. crore)</b>	<b>10,100</b>	<b>7,575</b>	<b>33.3%</b>	<b>9,535</b>	<b>5.9%</b>
SCNL	8,894	6,417		8,367	
On-book AUM*	6,588	4,996		6,232	
Assignment	2,295	1,390		2,117	
Business Correspondence	11	32		18	
SHFL	567 <sup>(1)</sup>	362		514	
SFL	638	796		654	
Business Correspondence	371	612		403	
<b>AUM Mix (Rs. crore)</b>	<b>10,100</b>	<b>7,575</b>	<b>33.3%</b>	<b>9,535</b>	<b>5.9%</b>
MFI Lending	8,916	6,610		8,387	
Business Correspondence	382	644		421	
Product Financing	26	25		26	
MSME	616	603		634	
Housing Finance	567	362		514	
<b>No. of Branches</b>	<b>1,335</b>	<b>1,237</b>	<b>7.9%</b>	<b>1,310</b>	<b>1.9%</b>
SCNL	1,115	1,039		1,096	
SHFL	37	24		32	
SFL	183	174		182	

**Note:**

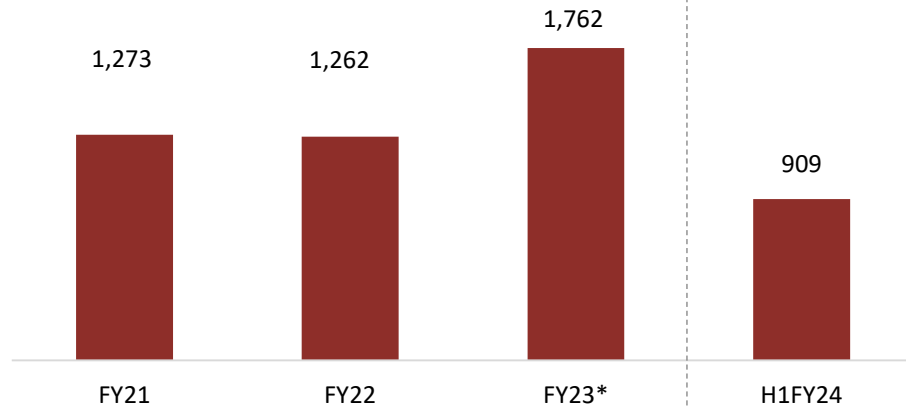
\* Includes securitization, differences due to rounding off

1) The portfolio also includes Assigned portfolio of Rs. 66 crore

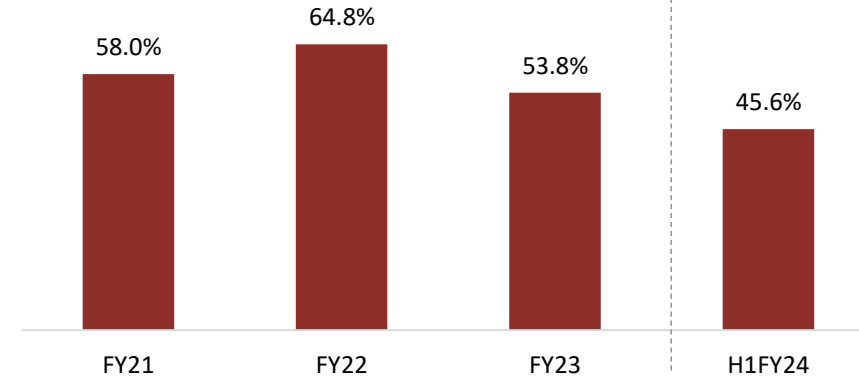
# Key Standalone Financials



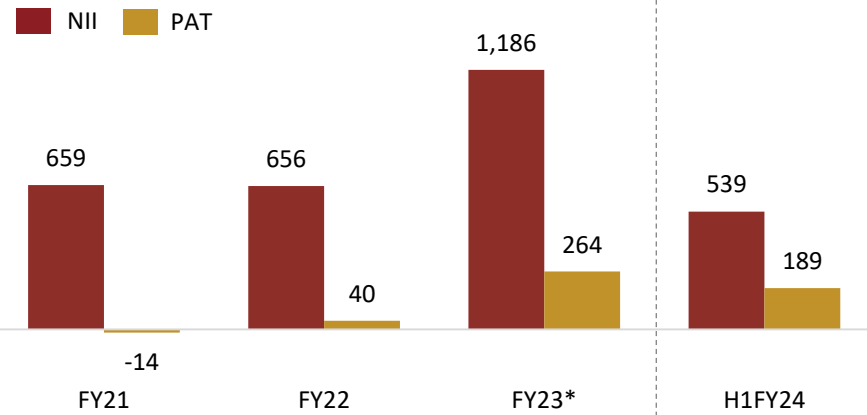
### Gross Income (Rs. crore)



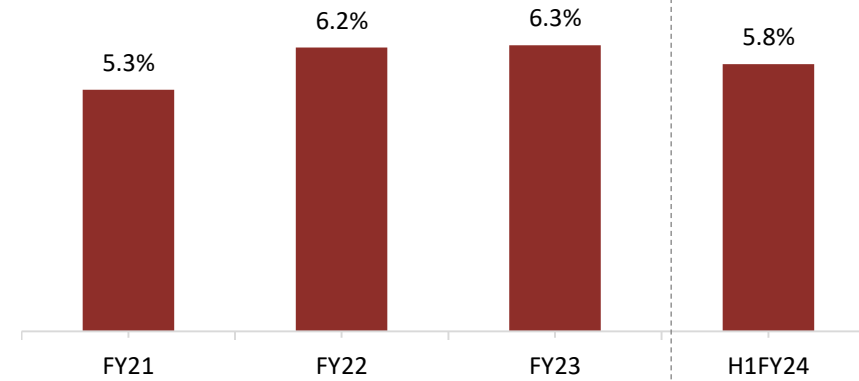
### Cost to Income Ratio



### NII and PAT (Rs. crore)



### Opex to Avg AUM



\*There was an extraordinary income on account of fair value change for investment in subsidiaries amounting to ~Rs. 350 crore during Q1FY23

# Financial Details (Standalone)



# Annexure - Financial Performance - Standalone



Particulars (Rs. crore)	H1FY24	Q2FY24	Q2FY23	Q1FY24	FY23
Gross yield <sup>(1)</sup>	21.62%	22.80%	20.31%	20.48%	19.66%
Financial Cost Ratio <sup>(2)</sup>	8.81%	9.28%	8.44%	8.35%	8.04%
Net Interest Margin <sup>(3)</sup>	12.81%	13.52%	11.87%	12.13%	11.62%
Operating Expense ratio <sup>(4)</sup>	5.84%	5.89%	6.96%	5.81%	6.25%
Loan Loss Ratio <sup>(5)</sup>	0.95%	1.21%	0.44%	0.69%	5.53%
RoA <sup>(6)</sup>	4.52%	4.72%	2.96%	4.28%	3.52%
RoE <sup>(7)</sup>	18.49%	19.72%	12.80%	17.52%	15.02%
Leverage (Total Debt / Total Net Worth)	3.13x	3.13x	3.01x	3.0x	2.9x
Cost to Income Ratio	45.56%	43.61%	58.67%	48.86%	53.78%^

Asset Quality (on-book)	H1FY24	Q2FY24	Q2FY23	Q1FY24	FY23
GNPA %	2.38	2.38	3.96	2.49	3.28
ECL %	1.89	1.89	2.96	1.65	2.10

1. Gross Yield represents the ratio of total Income in the relevant period to the Average AUM; **gross yield (including extraordinary income of ~Rs. 350 crore) for FY23 is 24.57%**
  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; **NIM (including extraordinary income of ~Rs. 350 crore) for FY23 is 16.54%**
  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. RoE is annualized and represents PAT to the average equity
- ^Adjusted Cost to Income ratio (excluding extraordinary income of ~Rs. 350 crore)

# Annexure - P&L Statement - Standalone



Particulars (Rs. crore)	Q2FY24	Q2FY23	Q1FY24	FY23	FY22
<b>Revenue</b>					
Interest and Fee Income	386	262	357	1,094	1,109
Gain due to DA	63	39	36	210	50
Treasury Income	24	12	14	413*	65
BC Income	0	1	0	4	19
Other Operating Income	19	10	15	41	19
<b>Total Revenue</b>	<b>492</b>	<b>325</b>	<b>422</b>	<b>1,762</b>	<b>1,262</b>
<b>Expenses</b>					
Finance Cost	200	135	170	576	606
Employee Benefit Expenses	88	76	85	316	324
Credit Cost & FLDG for BC	26	7	14	396	172
Other Expenses	34	32	34	116	87
Depreciation and amortization expense	5	3	4	16	13
<b>Total Expenses</b>	<b>354</b>	<b>254</b>	<b>307</b>	<b>1,421</b>	<b>1,203</b>
<b>Profit Before Tax</b>	<b>138</b>	<b>71</b>	<b>115</b>	<b>341</b>	<b>59</b>
Tax expense	35	17	29	77	19
<b>Profit After Tax</b>	<b>103</b>	<b>55</b>	<b>86</b>	<b>264</b>	<b>40</b>
Other comprehensive income net of taxes	(3)	-	-9	-19	-29
<b>Total Comprehensive Income</b>	<b>100</b>	<b>55</b>	<b>77</b>	<b>245</b>	<b>11</b>

\*includes an extraordinary income on account of fair value change for investment in subsidiaries amounting to ~Rs. 350 crore during Q1FY23

# Financial Details (Subsidiaries)



# Annexure - P&L Statement - SHFL



Particulars (Rs. crore)	Q2FY24	Q2FY23	Q1FY24	FY23	FY22
Revenue					
Interest and Fee Income	14.7	13.0	17.3	52.9	34.3
Treasury Income	2.1	0.4	0.5	2.0	0.8
Other income	6.0	0.8	0.8	7.0	3.0
<b>Total Revenue</b>	<b>22.8</b>	<b>14.1</b>	<b>18.5</b>	<b>61.9</b>	<b>38.0</b>
Expenses					
Finance cost	10.8	7.0	10.4	28.2	17.1
Employee benefit expenses	6.7	4.7	5.3	18.0	11.9
Credit Cost	0.5	0.4	0.0	2.0	1.0
Other expenses	1.8	1.3	1.5	5.4	3.5
Depreciation and amortization expenses	0.4	0.1	0.1	0.4	0.3
Total Expenses	<b>20.3</b>	<b>13.6</b>	<b>17.3</b>	<b>54.0</b>	<b>33.8</b>
<b>Profit Before Tax</b>	<b>2.6</b>	<b>0.5</b>	<b>1.2</b>	<b>7.8</b>	<b>4.3</b>
Tax expense	0.7	0.0	0.3	1.9	1.2
<b>Profit After Tax</b>	<b>1.9</b>	<b>0.5</b>	<b>0.9</b>	<b>5.9</b>	<b>3.0</b>
Other comprehensive income	3.9	0.0	-2.2	-1.5	0.0
<b>Total Comprehensive Income</b>	<b>5.7</b>	<b>0.5</b>	<b>-1.2</b>	<b>4.4</b>	<b>3.0</b>

# Annexure - P&L Statement - SFL



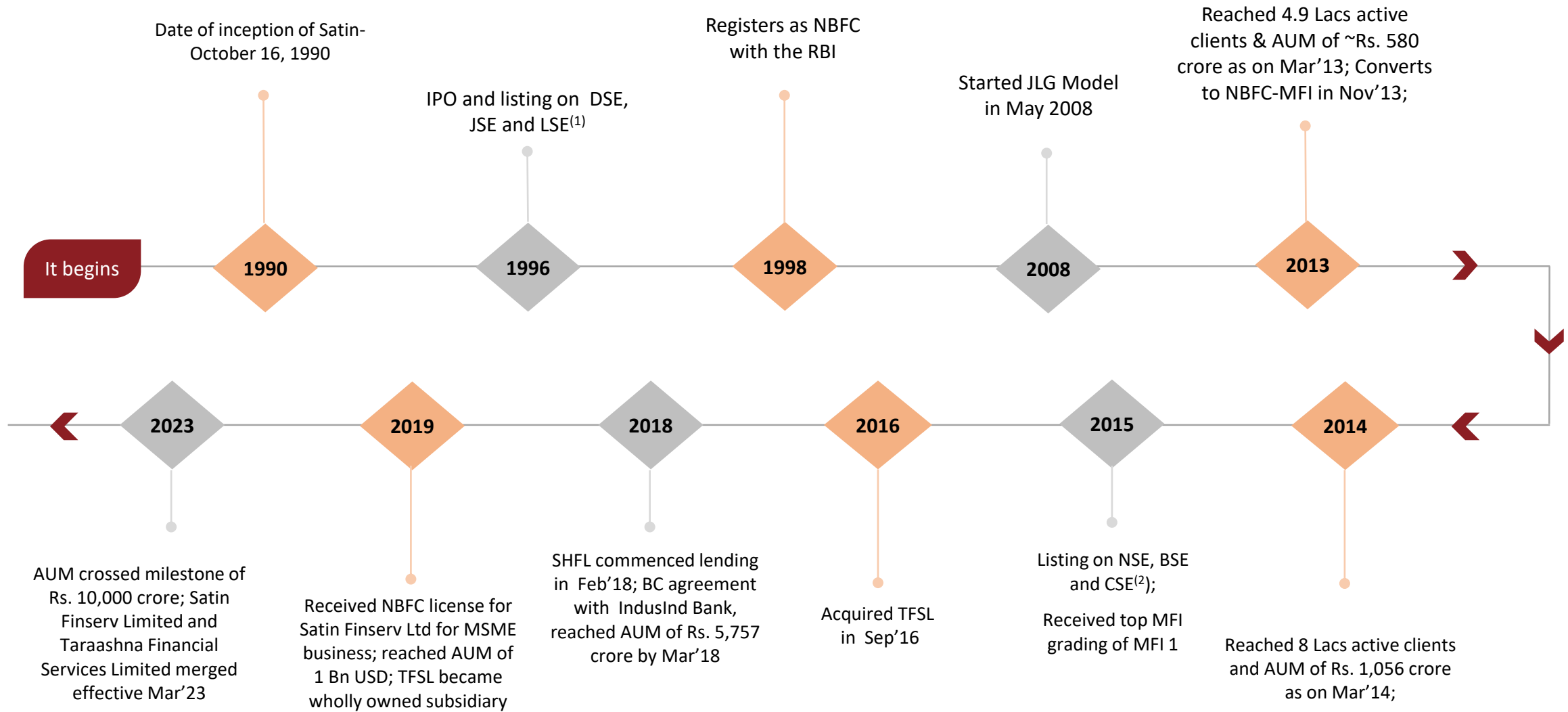
Particulars (Rs. crore)	Q2FY24	Q2FY23	Q1FY24	FY23	FY22
Revenue					
Interest and Fee Income	29.6	25.2	25.1	102.6	90.5
Treasury Income	0.8	0.7	1.0	2.9	3.4
Other income	0.5	0.4	0.7	1.0	3.2
<b>Total Revenue</b>	<b>30.8</b>	<b>26.3</b>	<b>26.8</b>	<b>106.5</b>	<b>97.1</b>
Expenses					
Finance cost	6.8	4.0	6.1	18.5	12.5
Employee benefit expenses	15.4	13.0	13.9	53.2	56.9
Credit Cost (incl. FLDG for BC)	2.7	3.0	1.5	10.8	37.5
Other expenses	4.1	3.5	3.5	14.1	15.1
Depreciation and amortization expenses	0.4	0.4	0.3	1.7	2.0
Total Expenses	<b>29.2</b>	<b>23.9</b>	<b>25.3</b>	<b>98.3</b>	<b>124.1</b>
<b>Profit Before Tax</b>	<b>1.6</b>	<b>2.4</b>	<b>1.5</b>	<b>8.2</b>	<b>-27.0</b>
Tax expense	0.4	0.7	0.4	2.2	-6.9
<b>Profit After Tax</b>	<b>1.2</b>	<b>1.7</b>	<b>1.1</b>	<b>6.1</b>	<b>-20.1</b>
Other comprehensive income	0.2	-0.2	-	-0.1	0.1
<b>Total Comprehensive Income</b>	<b>1.4</b>	<b>1.5</b>	<b>1.1</b>	<b>6.0</b>	<b>-20.0</b>



# Company Background

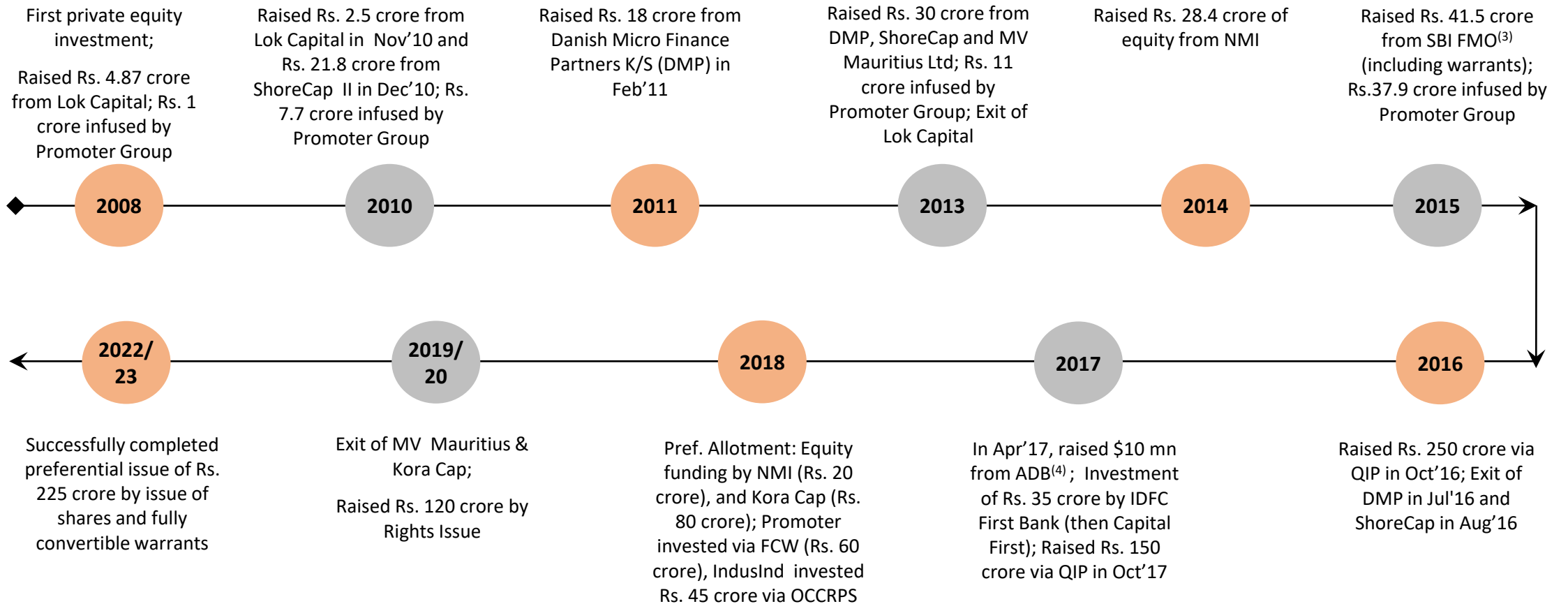


# Key Milestones - Business



**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

# Key Milestones – Fund Raising



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



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



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

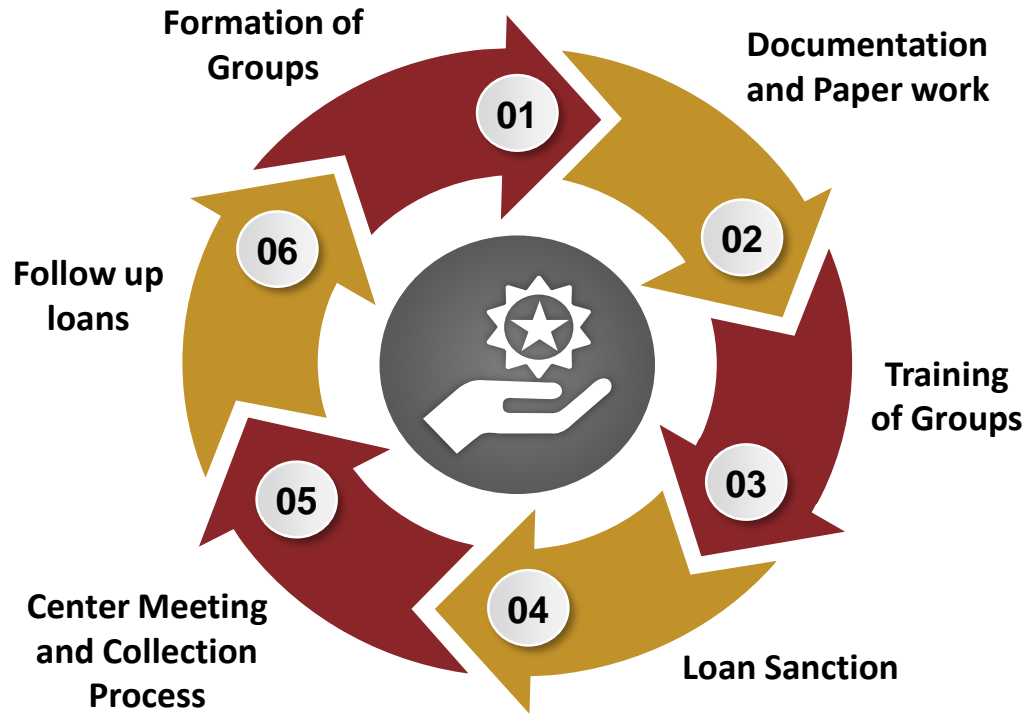


Headquartered in Gurugram, Haryana, **the Company drives inclusive growth by offering financial tools that help create opportunities**

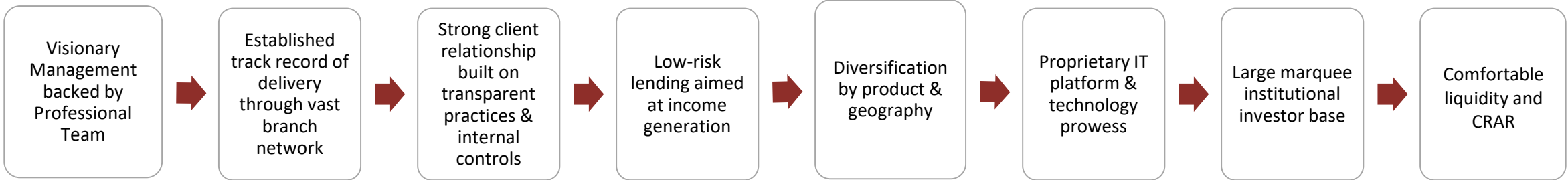


Through its financial solutions outside the periphery of traditional channels of finance, **the Company empowers the unserved and the underserved sections of the society**

# 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. 45,000

Tenure: 12 - 24 months

## Long Term Loan (Vridhhi)

Ticket Size :  
Rs. 31,000 – Rs. 80,000

Tenure: 24 - 30 months

## Madhya Vridhhi Loan

Ticket Size :  
Rs. 10,000 – Rs. 15,000

Tenure: 24-30 months

## Product Financing

Ticket Size :  
Rs. 2,000 – Rs. 32,000

Tenure: 06 - 24 months

## WASH Loan

Ticket Size :  
Rs. 10,000 – Rs. 35,000

Tenure: 12 - 24 months

## Eligibility Criteria

- Annual Household Income: up to Rs. 3 Lacs
- The outflows limit of 50% of the monthly household income shall include repayment towards all existing loans as well as any loan under consideration

- Maximum monthly loan repayment obligation (incl. applied loan): <=Rs. 12,500
- OTP & Bank validation

\* Household shall mean an individual family unit, i.e. husband, wife and their unmarried children

# SDGs in the Core of Our Community Connect Activities



## Infrastructure Development

In order to enrich the growth and advancement of the students, faculty, and the larger community of the GNA University, Punjab, we supported the development and enhancement of its infrastructure.



Lives Impacted – 2,500

## Financial Literacy Workshops

In collaboration with RBI and Sa-Dhan, as of date, we have conducted 31 workshops in the states – Rajasthan, Jharkhand and Chhattisgarh, aiming to educate our clients about the significance of responsible financial planning, saving, and investing.



Lives Impacted – 1,834

## Health Camps

In collaboration with our partner DocOnline, we have conducted 15 health camps wherein our clients were given basic health checkups and consultation with the senior doctors through video conferencing.



Lives Impacted – 800



## Marking Goals For the Better World

# Awards and Accolades



- Mr. HP Singh bestowed with the **'India's Most Trusted Leader'** Award by GPTW, India
- Mr. HP Singh was conferred as the **'Pillar of the BFSI Industry'** at the Financial Express Modern BFSI Summit 2022
- Mr. HP Singh received the **'CEO of the Year - Micro Finance Company'** Award
- Ms. Aditi Singh was awarded **'40 under 40'** by Making India Employable Conference and Awards
- Mr. Dhiraj Jha accorded with the **'Excellence in Risk Management'** Award at the 4<sup>th</sup> Elets BFSI Game Changer Summit
- Ms. Manvinder Kaur & Mr. Bharat Singh were recognized as **'Great Managers 2022'** at the Great Managers Award
- Mr. Sunil Yadav recognized among the **'Top 100 BFSI Leaders'** in India by Trescon, India



**September 2023**

Won **'Corporate Excellence Award'** at the Making India Employable Conference and Awards

**July 2023**

Awarded the **'Best Learning Team'** at the Learning and Development Summit & Awards 2023

**June 2023**

Ranked **30th amongst the 'Top 100 India's Best Companies to Work for' 2023** across all industries

**June 2023**

Adjudged **'Best Employer in the Microfinance Industry'** by GPTW, India

**June 2023**

Awarded for **'Impactful Contribution in the Economy'** at the Elets BFSI Game Changer Summit

**May 2023**

Won **'Skoch Award in the Silver Category'** at the 92nd Skoch Summit

**May 2023**

Conferred as the **'Emerging Name in Business Transformation Award'** at the Elets NBFC Excellence Award

**April 2023**

Recognized as **'Top 25 India's Best Workplaces'** across the BFSI Industry by GPTW, India





## ENVIRONMENTAL

### Water and Sanitation (WASH) Loans

- Constructively working towards safe water and sanitation in around 280 districts and more than 26,000 villages in 19 states viz Bihar, Orissa, Uttar Pradesh, West Bengal etc.

- In FY23, disbursed a total of 91,830 WASH loans

### Clean Energy Loans

- 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
- Reaching borrowers through a suite of financial and non-financial services, tailored to meet their needs, including lending under JLG model, product financing, community level initiatives, financing household level toilet and water facility
- Almost all of SCNL clients are women, 77% of whom are based in rural hinterlands of India
- Around 72% of the clients are from BPL category
- Positive findings from various Impact Assessment studies



## GOVERNANCE

- Board comprises of 7 members; 5 Independent directors of which 1 is a woman director
- Number of Board Meetings Conducted during the FY23: 7
- Average attendance rate at the Board and Board committee meetings (%): 91% and 95% respectively
- All major committees are headed by Independent directors
- Strong grievance redressal mechanism; over 99% of customer complaints resolved within TAT
- Strong compliance with transparent disclosures

Assigned "AA" ESG rating by ESG Risk Assessments & Insights Ltd.

Company (Investors & Media) :

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