



**SATIN CREDITCARE NETWORK LIMITED**

*Reaching out!*



**26th**

**Annual Report**

.....  
2015-16







# “There is no secret to success. It is the result of preparation, hard work and learning from botch”

- Collin Powel

Year 2015 was an eventful one. We grew our business by launching new strategies, simplified processes, inspired our team, redesigned and began our transformation into a more cost-efficient and competitive MFI that is client friendly. We also penetrated into 5 new states i.e. Jharkhand, Gujrat, Chhattisgarh, Himachal Pradesh and West Bengal that increased both our profitability and enabled us to improve our competitiveness along with creating values for shareholders.

Over the years, the environment we operate in has changed constantly. SCNL has achieved many firsts in terms of products, services, and transactions. Thanks to our determination to take on new challenges and the intent focus of our people at SCNL to "place our clients at the heart of everything we do", that we have continued to survive for 26 years. The year of 2015 added to yet another first in SCNL's kitty as we became the first MFI to be associated with MUDRA Bank that sanctioned its first loan of Rs. 35 Crores in July, 2015.

Furthermore, we also got listed on National Stock Exchange of India Limited (NSE), Bombay Stock Exchange (BSE) & The Calcutta Stock Exchange Limited (CSE).

Our service quality and client friendly approach has been one of our key focus since the inception, a commitment which has paid off through both increased client loyalty and numbers even in this financial year. SCNL has yet again been recognised by the industry as we received “Iconic Name in Microfinance Award”, at the Make in India Conclave – Indian Realty Award & International Business Awards in November, 2015.

I feel privileged to share that our ratings have been extremely good with a CARE Ratings of MFI 1 (MFI One) grading - the top most category in MFIs grading and received rating of 8 out of 10 in COCA (Code of Conduct Compliance) Audit for good compliance.

At SCNL we believe that the needs of society and our clients are transforming with time; thus we have identified digitalization as a key driver of our business success for sustainable development and made further progress in integrating it into our business.

In 2015 in the states of Bihar and Gujrat, as a pilot we started with cashless transactions with an aim to transform the usual cash collection into cash digitization. We also introduced 'Wash Loans' as a new loan product in the states of Bihar and Uttar Pradesh.

To sum up, the entire value chain of SCNL focuses on the areas where we have the biggest impact. Our strategic priorities are grounded in a fundamental sense of responsibility that includes all our stakeholders - clients, employees, communities and shareholders; whose support is the essence of our continuous growth and success.



**H P Singh**  
(Chairman cum Managing Director)









A water buffalo is lying down in a field, its head resting on the ground. The background shows a line of trees and foliage. The image is used as a background for the Table of Contents page.

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# SCNL's Logo, Vision & Mission

## VISION

To be a one stop solution for the financially excluded households at the bottom of the pyramid for all their financial requirements.

To be a financial service powerhouse with a range of financial products designed and suited for the financially excluded community.

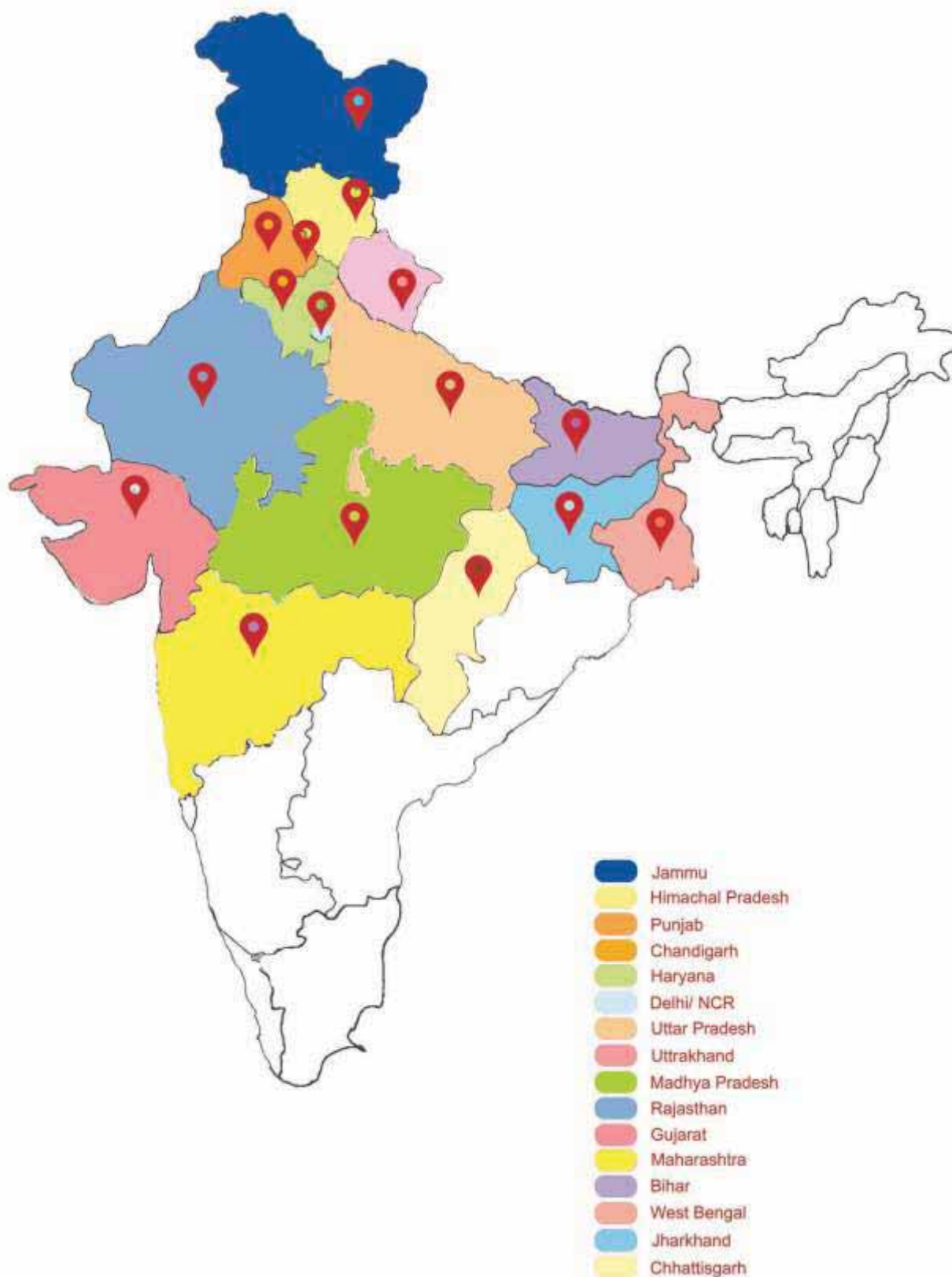
## LOGO

Our logo represents 'our vibrancy' through our ever expanding endeavors in 'Reaching out' to a large number of financially excluded households and to reach out to the under-served hinterlands of India. SCNL's motto is to empower, be compassionate, humane, kind and promote our borrowers. The adherence to this philosophy is followed at all levels.

## MISSION

SCNL has a mission to provide financial assistance to a large number of households which are excluded from the ambit of mainstream financial service providers so as to enhance their livelihood and promote a productive environment.

# Geographical Reach



# Our Board Of Directors



**Mr. H P Singh (Chairman cum Managing Director)** - Mr. H P Singh is a law graduate and a fellow of The Institute of Chartered Accountants of India since 1984. He has over two decades of microfinance experience and pioneered the unique concept of daily collection of repayments of loans. Besides an expert in lending (especially microfinance) he has experience in the field of auditing, accounts, project financing, advisory services and company law matters. His financial engineering experience of almost three decades has helped the Company in operational strategy and efficiency. He is actively involved in SCNL's day-to-day operations and has been a vital source of inspiration since the company's inception in 1990. Under his leadership, SCNL has grown into one of the leading microfinance institutions in North India and continues to expand its operations. He has participated in HBS Accion Program on Strategic Leadership for Microfinance in 2009 and leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011.



**Mr. Satvinder Singh (Director)** - Mr. Satvinder Singh serves as the Director of the Company. Mr. Singh has extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for SCNL. Mr. Singh is a management graduate and has been associated with the SCNL since its inception in 1990 and acted as Managing Director of SCNL from September 1995 to February 2011.



**Mr. Davis Golding (Investor Director –Nominee of ShoreCap II Ltd.)** - Mr. Davis Golding represents ShoreCap II Limited on the Board of SCNL. Working with ShoreCap, an international investment company which invests in and supports development financial institutions serving micro and small enterprises in developing economies. Davis holds the responsibility of initiating acquisition leads, performing on-site due diligence, recommending approval or decline of opportunities, structuring investments and serving on the Board of Directors of investee institutions. Prior to joining ShoreCap International, he was EVP and Chief Operating Officer of ShoreBank Pacific, a community development bank dedicated to sustainable development including environmental integrity, serving the US states of Washington and Oregon. Previously, he worked as Director, International Mergers and Acquisitions/Corporate Development for Textron Financial Corporation. Mr. Golding also served as President and CEO of a Hong Kong based merchant banking operation. He has over 30 years' experience in international finance, banking, and mergers and acquisitions. He holds a B.A. in Business Administration from Duke University, Durham, North Carolina.



**Mr. Kasper Svarrer (Investor Director –Nominee of DMP K/S)** - Kasper joined Maj Invest Equity International in 2009 and has been involved in the development of Maj Invests international private equity business in Asia, Latin America and Africa. Kasper has 15 years of experience working with international investments in emerging markets and developing countries. Kasper has been involved in the development of the microfinance business area, and part of the DMP-team until he took over the responsibility in 2013, together with Joaquin Costa. He has previously worked for The Investment Fund for Developing Countries (IFU) and The World Bank in Washington DC. Kasper is DMP's Board member in MicroCred. Kasper holds an MSc in Forestry and an Executive MBA from Henley Business School, Reading University, UK, and holds a certificate in International Business Management from Georgetown University, USA.



**Mr. Richard B. Butler (Investor Director –Nominee of MV Mauritius)** - Mr. Richard B. Butler represents MV Mauritius on the board of SCNL. He is a graduate in Development Economics & Middle Eastern History from Georgetown University and did post graduate studies in Agriculture Economics at the University of Minnesota. He holds the responsibility for investment approval processes relating to microfinance institutions, advising on investment due diligence and also on risk management in MV Mauritius. Prior to joining MV Mauritius he served for 30 years at various international financial service companies, including ING Capital, ING Barings Furman Selz, Chase Manhattan Bank and the US Peace Corps at various high capacities. He was also on the board of ING Capital Holding Corporation, Kaye Insurance Group and La Plata County Long Term Finance Committee.





**Mr. Arthur Sletteberg (Investor Director – Nominee of NMI Fund III K/S)** - Mr. Arthur Sletteberg represents NMI Fund III KS on the board of the Company. He is the Managing Director of Norwegian Microfinance Initiative AS (NMI) and has an overall experience of 27 years. Prior to joining NMI AS, Mr. Sletteberg was associated as an Executive Vice President Ferd AS, one of Norway's largest family offices. In past Mr. Sletteberg had been working on senior positions for various other eminent organisations. He has got advanced degree from International Economic Policy Research, Institute for Weltwirtschaft, Germany and completed his MBA from Norwegian School of Economics and Business Administration, Bergen.



**Mr. Rakesh Sachdeva (Independent Director)** - Mr. Rakesh Sachdeva joined SCNL's Board in April 1999. He previously served as Executive Director at SCNL and is now actively involved in evaluating the company's macro issues. Mr. Sachdeva is a Fellow of the Institute of Chartered Accountants of India and previously worked at Apollo Tyres Ltd. and was Vice President of Corporate Finance at U.K. Paints Group, controlling M/S Berger Paints (India) Ltd., Rajdoot Paints Ltd. and Malibu Estate Pvt. Ltd.



**Mr. S S Chawla (Independent Director)** - Mr. S S Chawla has been associated with SCNL since March 2003. Mr. Chawla is a graduate of Arts and a Law Graduate. He served in the Lok Sabha Secretariat for 32 years most recently as Deputy Secretary before joining SCNL as Director.



**Mr. Sundeep Kumar Mehta (Independent Director)** - Mr. Sundeep Kumar Mehta joined the Board in 2013. He is a Science graduate from University of Rajasthan and also holds a Post graduate diploma in Business Administration from Annamalai University. Apart from these, he holds various other certificates, degrees and diplomas in the field of Cyber Law, History, Labour Laws, Auto Engg and Human resources. He has over 14 years of experience. Prior to joining SCNL, He has served RKJ group, Escorts Ltd, Panacea Biotech Ltd, Bata India Ltd, and also Eicher Good Earth Ltd at various high capacities respectively.



**Ms. Sangeeta Khorana (Independent Director)** - Dr. Sangeeta Khorana joined the board in August 2013. She is a former Indian Civil Services officer. She has a doctorate in International Economics from University of St. Gallen in Switzerland and summa cum laude Masters' degrees from University of Berne, Switzerland and Allahabad, India. She has over 15 years of experience and has worked with the Indian government before moving to academia and consulting in Europe. She has published extensively in internationally ranked journals and has authored books and book chapters. Her expertise on international business is world recognised and she has been invited by the European Parliament and British media to provide expert comments on India related issues.

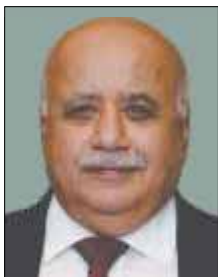




**Mr. Colin Goh (Independent Director)** - Mr. Colin Goh is trained in Economics & Finance from Curtin University of Technology with a scholarship and an MBA in International Management from University of Technology, Sydney. Mr. Goh is currently the CEO of a newly incorporated not-for-profit organization, The Rice Company Limited. He is also, currently the Strategic Business Advisor to M/S Project Innovations Pte Ltd, a company offering place management & Consultancy Services for under-performing properties in Singapore and around Asia. He serves in several boards including Design Council Singapore, Sculpture Square Limited and Board of assessor for Inter-Cultural Theatre Institute Singapore.



**Mr. Sanjay Bhatia (Independent Director)** - Mr. Sanjay K Bhatia is a Chartered Accountant and Commerce graduate from Delhi University has work experience of more than 28 years with various leading corporates. Mr. Bhatia has well-rounded experience of Sales Management, Strategy formation in both start-up and BAU environment. Currently, he is Heading Sales at Antara Senior Living Limited and is responsible for development of upcoming community for progressive seniors, formulation of long term strategy and tactical execution and general management. He has provided consultancy on Income Tax, Corporate Tax and corporate law matters to various leading organizations. He has served as Vice President and Head – Strategic Initiatives (Revenue) at Max Life Insurance Limited, Max New York Life, Vikas Motors Limited, Dinker Portfolio Private Limited, New Delhi, DMA of Citibank N.A. and GE Countrywide.



**Mr. Anil Kumar Kalra (Independent Director)** - Mr. Anil Kumar Kalra has 31 years of experience in Banking and 5 years as CEO/ SVP in leading NBFC offering financial services in London and India and served in the area of Banking, Financial Services, Investment Banking and Infrastructure Financing. He served as Senior Vice President in a leading NBFC engaged in providing financial services including Asset financing, Debt Syndication, Corporate Advisory, Merchant Banking etc. to corporates besides support to sister companies in the Group focussed on Infrastructure Projects financing. He was the Chief Executive Officer in Financial Services Company, London, UK. He was associated with various well known Banks/Financial Institutions in India and London including Public Sector Banks. He has done 'Master in Business Administration' with specialisation in Finance from Faculty of Management Studies (FMS), Delhi University and B.Com (H) from Shree Ram College of Commerce, Delhi University.



**Mr. Suramya Gupta (Investor Director –Nominee of SBI FMO)** - Mr. Suramya Gupta represents SBI FMO Emerging Asia Financial Sector Fund Pte. Ltd. on the board of the Company. Mr. Gupta is a part of the SBI Holdings Group (Japan) (previously known as SoftBank Investments). He is a Director in the Asian Private Equity Investments business and he also heads the India business for SBI Holdings. Mr. Gupta has over 14 years of investment banking and strategy consulting experience across Asia with Merrill Lynch (Singapore), Stern Stewart & Co. and ICICI Ltd. Over this period, he has advised some of the largest Asian business groups with regard to marquee transactions across sectors. His most recent assignment before joining SBI Group was with ANZ Bank in Singapore where he was Director, Asia IB and led the build-out of the ANZ Investment Banking franchise in the SE Asia and India regions. Mr. Gupta is a Mechanical Engineering Graduate from Delhi College of Engineering and holds an MBA in Finance and Strategy from IIM Lucknow.