



ANNUAL REPORT | 2017



SATIN CREDITCARE NETWORK LTD.

Reaching out!



“Will is character in action.” – William McDougall

At SCNL, we are on a path of moving from good to great.

Ours is a story of great continuity and progress. With many new talents joining our management team, the unwavering support of our seasoned board members along the way, our commitment and determination remain uncompromised, and the value we deliver to our clients continues to rise.

Financial Year 2016-2017 was yet another action-packed year for us at SCNL. We acquired Taraashna Services Limited (TSL) and started MSME Lending. In April 2017, we have incorporated a wholly owned housing finance subsidiary for providing loans to the affordable housing segment.

During the year, we raised close to Rs. 500 crore from NABARD as refinance facility, out of which Rs. 300 crore was raised post demonetization, which is a strong validation of the faith our lenders have in us and especially for the work that SCNL has been doing in the field of financial inclusion. We also raised Rs. 250 crore of fresh equity capital through a QIP transaction, which saw strong participation from both domestic and foreign institutional investors. Besides this, in April 2017, we have raised equity capital of USD 10 million from the Asian Development Bank (ADB) which has been a proud moment for all of us and has given us fresh impetus to continue with our financial inclusion agenda.

SCNL has long demonstrated a commitment to client protection. In July 2016, the Smart Campaign, a global initiative aimed at incorporating strong client-protection practices into the microfinance industry, publicly recognized SCNL as Client Protection Certified for meeting strong standards of client care. The award of Smart Certificate from an internationally recognized institution not only validates that SCNL meets all of the client protection standards, but motivates us further to establish best practices of client protection and care in the microfinance sector in India.

In August 2016, SCNL won the 'The Best Micro Finance Company in India' award by the Worldwide Achievers in association with IBN7. More recently, in January 2017, SCNL won the 'Best NBFC-MFI' award, and the runners-up award for 'CSR Initiatives & Business Responsibility' by CIMSME. We feel elated for being acknowledged for our exemplary performance and our unrelenting client focus, but at the same time we are humbled because of the great responsibility entrusted upon us by virtue of being the third largest microfinance institution in the country.

Financial year 2016-2017 was a transformational year in more ways than one. We all saw the impact of demonetization on each and every one of us. While navigating a challenging business environment we remained focused on performing our core role as a financial services provider in accordance with clear principles and values. This was particularly demonstrated by our commitment to operate responsibly and sustainably during tough times in the interest of both our clients and stakeholders.

SCNL today, continues to recover from the impact of demonetization. With the worst clearly behind us, we have grown into a much stronger company. We wouldn't have been able to achieve this without the support of our four pillars i.e. our staff, stakeholders, board members and most importantly, our customers. Thank you all for being with us, and as we move forward, we invite you to follow our progress along the way.

Our ambition is always to do better. We know that, in everything we do, there will always be room for improvement. Ambition and discipline will take us there, propelled by the power of our strategy and the passion of our people to serve our clients. We strive towards making SCNL the preferred financial services partner for our clients and the preferred place for our employees to work.

On behalf of SCNL, I would like to wish you all the best as we begin another journey of challenges, victories, lessons and changes in the fiscal year 2017 - 2018.



H P Singh
(Chairman cum Managing Director)





Table of Content

Our Logo, Mission And Vision	01
Our Geographical Reach - SCNL	02
Our Geographical Reach - TSL	03
Our Board Of Directors	04
Our Client Success Stories	07
Corporate Information	20
Products Portfolio	23
Operational Highlights	24
Gross AUM By Economic Activity	26
Digital Transformation Of SCNL	27
SCNL's Empowerment & Social Initiatives	29
Our Corporate Social Responsibility	32
Notice	33
Board's Report	50
Corporate Governance Report	93
Standalone Auditor's Report	125
Balance Sheet	131
Statement Of Profit & Loss	132
Cash Flow Statement	133
Cash & Cash Equivalents Comprises Off	134
Notes To The Financial Statement	135
Consolidated Auditor's Report	184
Consolidated Balance Sheet	189
Consolidated Statement Of Profit & Loss	190
Consolidated Cash Flow Statement	191
Consolidated Cash & Cash Equivalents Comprises Off	192
Notes To Consolidated Financial Statement	193
Attendance Slip	241
Proxy Form	242

SCNL's Logo, Vision & Mission

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

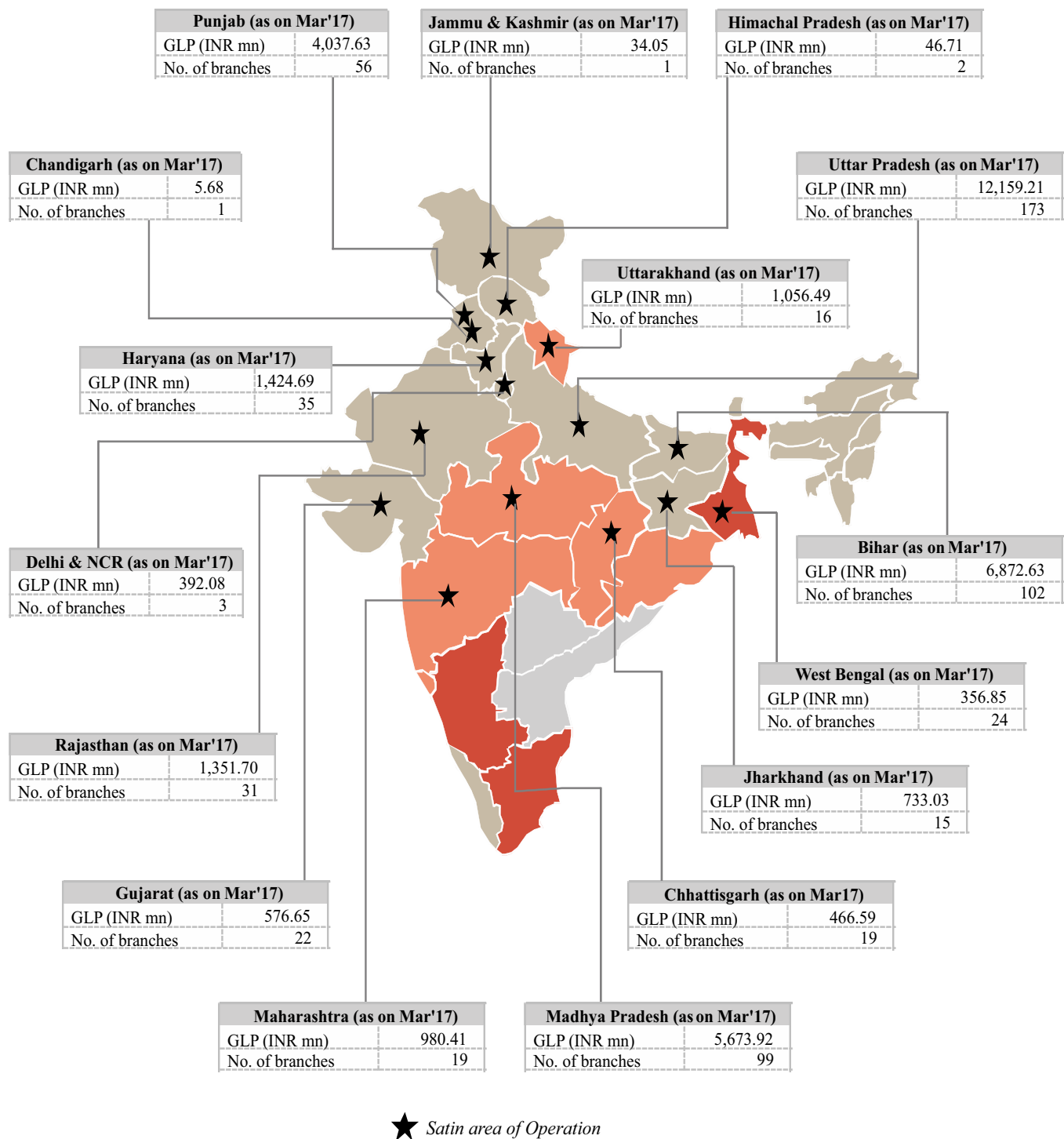
SCNL has a mission to provide financial assistance to a large number of households which are excluded from the ambit of mainstream financial service providers so as to enhance their livelihood and promote a productive environment.

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 power-house with a range of financial products designed and suited for the financially excluded community.

Our Geographical Reach - SCNL (On Standalone Basis)



Microfinance Penetration*

Under Penetrated States (0 - 10%)

Highly Penetrated States (>20%)

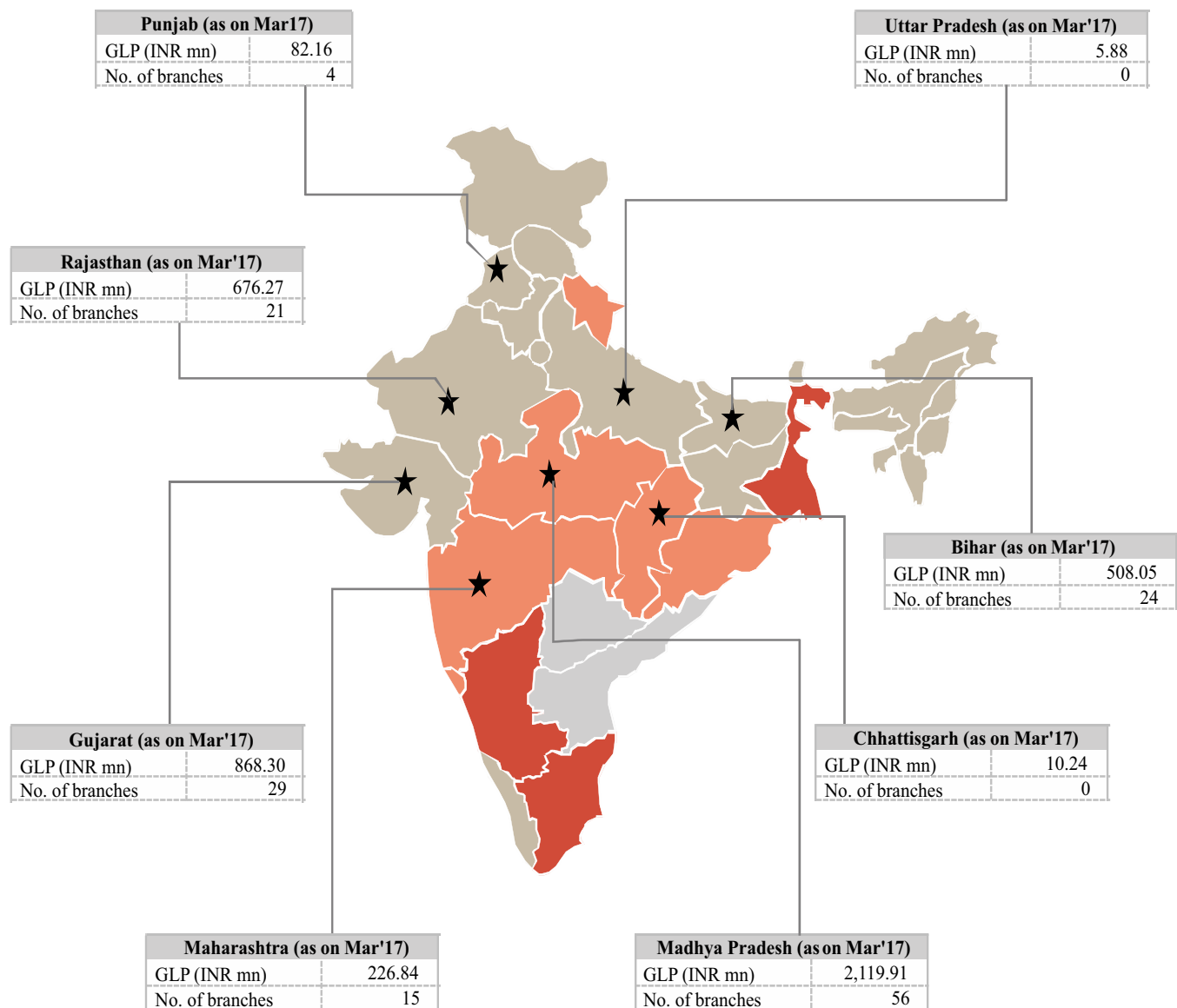
Moderately Penetrated States (11 - 20%)

No Consideration for Analysis

*Source – CRISIL Report



Our Geographical Reach - TSL



★ TSL's area of Operation

Microfinance Penetration*

Under Penetrated States (0 - 10%)

Moderately Penetrated States (11 - 20%)

Highly Penetrated States (>20%)

No Consideration for Analysis

Taraashna Services Limited (TSL) is an 88% subsidiary of SCNL - acquisition effective Sep 1, 2016



Our Board Of Directors



Mr. Harvinder Pal Singh (Chairman cum Managing Director, Promoter and KMP) - Mr. H P Singh, aged 55 years, is the Chairman and Managing Director of our company and he has been involved with our company since incorporation. He has a bachelor's degree in law from Delhi University and is a fellow member of the Institute of Chartered Accountants of India since 1984. He has over 25 years of experience in the finance industry which includes his experience in the field of auditing, accounts, project financing and other advisory services. He has participated in HBS Accion Program on Strategic Leadership for Microfinance conducted at Harvard Business School in 2009 and leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011.



Mr. Satvinder Singh (Director & Promoter) - Mr. Satvinder Singh, aged 50 years, is a Non-Executive Director of our company and has been associated with our company since incorporation. He has a post graduate diploma in Business Management from Institute of Management Technology, Ghaziabad. He has over 26 years of experience in consumer marketing and finance.



Mr. Rakesh Sachdeva (Director) - Mr. Rakesh Sachdeva, aged 58 years, is an Independent Director of our company. He has a degree in commerce from Delhi University. He is a fellow member of the Institute of Chartered Accountants of India. He has over 34 years of experience in finance, auditing, taxation and accounts. He is currently working with Earth-n-Heaven as Chief Executive Officer and has previously worked at Apollo Tyres Limited and U.K. Paints Group.



Davis Frederick Golding (Director) - Mr. Davis Frederick Golding, aged 57 years, is an Additional Independent Director of our company. He holds a bachelor's degree in business administration from Duke University, Durham, North Carolina. He has over 30 years of experience in international finance, banking, and mergers and acquisitions. He is currently working as the Executive Vice President and Chief Investment Officer of Equator Capital Partners which is the investment manager for ShoreCap II Limited and has previously served as the President and Chief Executive Officer of a Hong Kong based merchant banking company, as the Chief Operating Officer of ShoreBank Pacific and as a Director of Textron Financial Corporation.



Mr. Sundeep Kumar Mehta (Director) - Mr. Sundeep Kumar Mehta, aged 55 years, is an Independent Director of our company. He holds a bachelor's degree in science from the University of Rajasthan and master's degree in humanities from Annamalai University. He has completed diploma courses in automotive engineering, labour laws, cyber laws and management and a post graduate diploma in business administration from Annamalai University. He has over 30 years of experience in human resource development, strategy, business management, business transformation strategies, business process re-engineering, employee engagement processes, performance evaluation and enhancement and corporate restructuring. He is currently working with International Quality Management Systems as Director and has previously worked at the RKJ group, Escorts Limited, the Panacea Biotech Limited, Bata India Limited and Eicher Good Earth Limited.



Mr. Richard Benjamin Butler (Nominee Director) - Mr. Richard Benjamin Butler, aged 62, is a Nominee Director for MV Mauritius Limited on the Board of our company. He has a bachelor's degree in international economics and middle-eastern history from Georgetown University and a master's degree in agriculture economics at the University of Minnesota. He has over 35 years of experience in international banking and finance. He is currently working with MV Mauritius Limited as a financial advisor and has previously worked with ING Capital, ING Barings Furman Selz, Chase Manhattan Bank and the US Peace Corps.



Ms. Sangeeta Khorana (Director) - Mrs. Sangeeta Khorana, aged 52 years, is an Independent Director of our company. She holds a Doctorate in International Economics from University of St. Gallen in Switzerland, a masters' degree in international law and economics from University of Berne, Switzerland and a master's degree in economics from Allahabad University, India. She has over 15 years of experience in civil services. She is currently working with Bournemouth University as a Professor of economics and has previously worked as an Indian Administrative Officer with the Indian government.



Mr. Suramya Gupta (Nominee Director) - Mr. Suramya Gupta, aged 38 years, is a Nominee Director for SBI FMO Emerging Asia Financial Sector Fund Pte. Limited on the Board of our company. He has a bachelor's degree in mechanical engineering from Delhi College of Engineering and holds a master's degree in business administration in finance and strategy from IIM Lucknow. He has over 15 years of investment banking and strategy consulting services. He is currently working with SBI FMO Emerging Asia Financial Sector Fund Pte. Limited as a Fund Manager and has previously worked with Merrill Lynch (Singapore), Stern Stewart & Co. and ICICI Limited.



Mr. Goh Colin (Director) - Mr. Goh Colin, aged 49 years, is an Independent Director of our company. He has a master's degree in international management from University of Technology, Sydney and has completed a double course in economics and finance from Curtin University of Technology, Perth. He has an experience of over 20 years in property and charity sector. He is currently the Executive Director of Millet Holdings Pte. Limited, an investment holding company and also acts as a Strategic Business Advisor at Project Innovations Pte Limited.



Mr. Sanjay Kumar Bhatia (Director) - Mr. Sanjay Kumar Bhatia, aged 51 years, is an Independent Director of our company. He holds a bachelor's degree in commerce from the University of Delhi and is a qualified Chartered Accountant. He has over 28 years of experience in sales management, strategy formation. He is currently working with Antara Senior Living Limited as Head of Sales and has previously worked with Max Life Insurance Limited, Max New York Life, Vikas Motors Limited, Dinker Portfolio Private Limited, DMA of Citibank N.A.