

ANNUAL REPORT | 2018



SATIN CREDITCARE NETWORK LTD.

Reaching out!

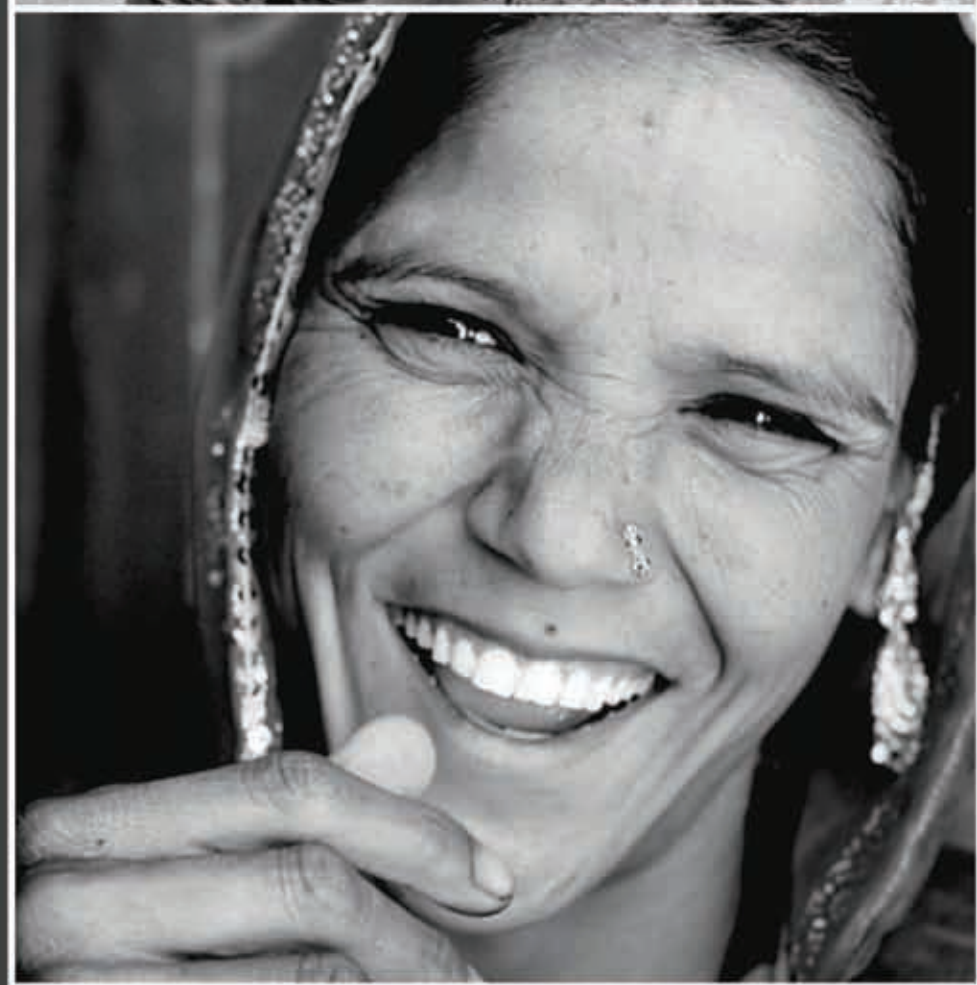


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Age is just a number proves Kanyawati Devi, Bareilly City, West UP

“I am highly thankful to SCNL family to let me be a part of such a big family and I am excited to venture my entrepreneurial journey at the age of 42.” As a house wife looking after 7 kids and family needs, never thought of working and contributing to the financial needs of the family.





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Reaching out...

Satin Creditcare Network Limited, working on a mission to provide financial assistance to a large number of households which are excluded from the ambit of mainstream financial service providers aims at enhancing their livelihood and promoting a productive environment. As Satin Creditcare Network Limited fully thrives on “Reaching Out”, the expansion to North East, Odisha and West Bengal is an exemplary step taken to ensure SCNL reaches every doorstep.

“ **Process Driven
Systemic Control**

**Powered by
Technology** ”

**Satin Creditcare Network Limited
 (“SCNL”) ranked 34th for Dream
Companies to work in 2018 by
World Congress HRD Awarded
by Times Ascent**



SELECT ACCOLADES & KEY HIGHLIGHTS

- First Direct Equity Investment in Microfinance by Asian Development Bank
- Winner of “Best NBFC-MFI Award” in 2017 & Runner-up for “CSR Initiatives & Business Responsibility Award” in NBFC-MFI category– CIMSME Banking and NBFC Awards 2016
- “Client Protection Certificate” under the Smart Campaign – 2016 from M-CRIL
- Certificate for being the ‘Best Micro Finance Company in India’ from Worldwide Achievers at the Business Leaders’ Summit and Awards, 2016
- “India Iconic Name in Microfinance” Award- 2015 from IIBA
- First MFI to receive funding from Mudra Bank
- Raised multiple rounds of sub debt from reputed financial institutions (domestic and international) and ECB from World Business Capital
- First NBFC-MFI to raise funds from a domestic bank against guarantee by Asian Development Bank and IFMR Capital

**Award by MF
Transparency Organization**



**Client Protection Certificate
Smart Campaign - 2016**



**Award by Microfinance
Information Exchange**





CHAIRMAN'S LETTER

Dear Shareholders,

The past year has seen more milestones crossed for Satin Creditcare – we began operations in Assam in Q1 and Orissa in Q2 of 2018, with the goal of expanding our presence across East India and today, we are the second largest microfinance NBFC-MFI in terms of Gross Loan Portfolio, a figure amounting to Rs.57,568 mn.

We also launched our Housing Finance subsidiary in early 2018 and see huge potential for this segment to grow and expand, offering clients a quality value added service with regard to their requirements for affordable housing.

During the demonetization phase, we were one of the most impacted MFIs with 70% of our portfolio being in the geographies that were hardest hit. However, the turnaround in collection has served to prove not only the true strength of the JLG business model but also showcased Satin Credit care's commitment to boost financial inclusion in India.

Not only has the company successfully managed to overcome the effects of demonetization and return to profitability from Q2 and Q3 FY18, but have also managed to further build on that momentum with our PBT and PAT doubling in Q4 FY18, as compared to the previous quarter.

The credit for this goes to our operations team, who has worked relentlessly to make this possible. And it shows in the numbers. The overall collections on our new portfolio, disbursed from January 2017 onwards, stands at 98%; along with collection on our portfolio created via sourcing the new clients at 99.7%; the UP concentration being reduced from 34.7% to 29.7% as of March 2018.

During FY2017-18, Satin Creditcare raised Rs.643 million in equity via preferential allotment from ADB, Rs.450 million equity from promoters, Rs.350 million TIER II via OCCRPS from a large NBFC, Rs.1,500 million equity via QIP in October 2017, Rs.1,000 million equity via preferred allotment and Rs.450 million Tier II OCCRPS from IndusInd Bank.

As we take our first step towards becoming a fully digitized financial services firm, we are already set to go completely cashless on disbursements this financial year itself. In this endeavor, we are glad to be joined by New York-based investment firm Kora Management LP, which has recently picked up 4.6% equity stake in Satin Creditcare for an amount of Rs.800 mn, as they have a lot of on-ground experience in Fintech across Latin America and China.

With a great year behind us, we're hoping for an even better one ahead, where we will continue to work hard for our shareholders and be constructive partners to our portfolio companies, all the while aiming to support the government's mission of inclusion, by providing essential financial services to those who need it the most.

Thanking You,

With warm regards
H P Singh



SCNL CORE VALUES



Seeking Excellence: We seek excellence in everything we do, and hence growth has become a way of life for us at Satin, irrespective of the economic environment. Our treatment with customers and employees, the way we deal with clients and investors and the supportive, inspiring environment we create within our company demonstrate that.



Accountability & Ownership: It's all about accountability and the willingness to accept the task and be responsible for it. Ownership is the act, state or right of possessing something. However, the management defines it as the ability to take the responsibility and ensuring that someone is responsible for its end result and is also accountable for its outcome.



Teamwork & Collaboration: At SCNL, we believe in collaborative approach. Fitting in to needs of the organization is a way of life rather than individual gains. Collaboration brings the best in us.

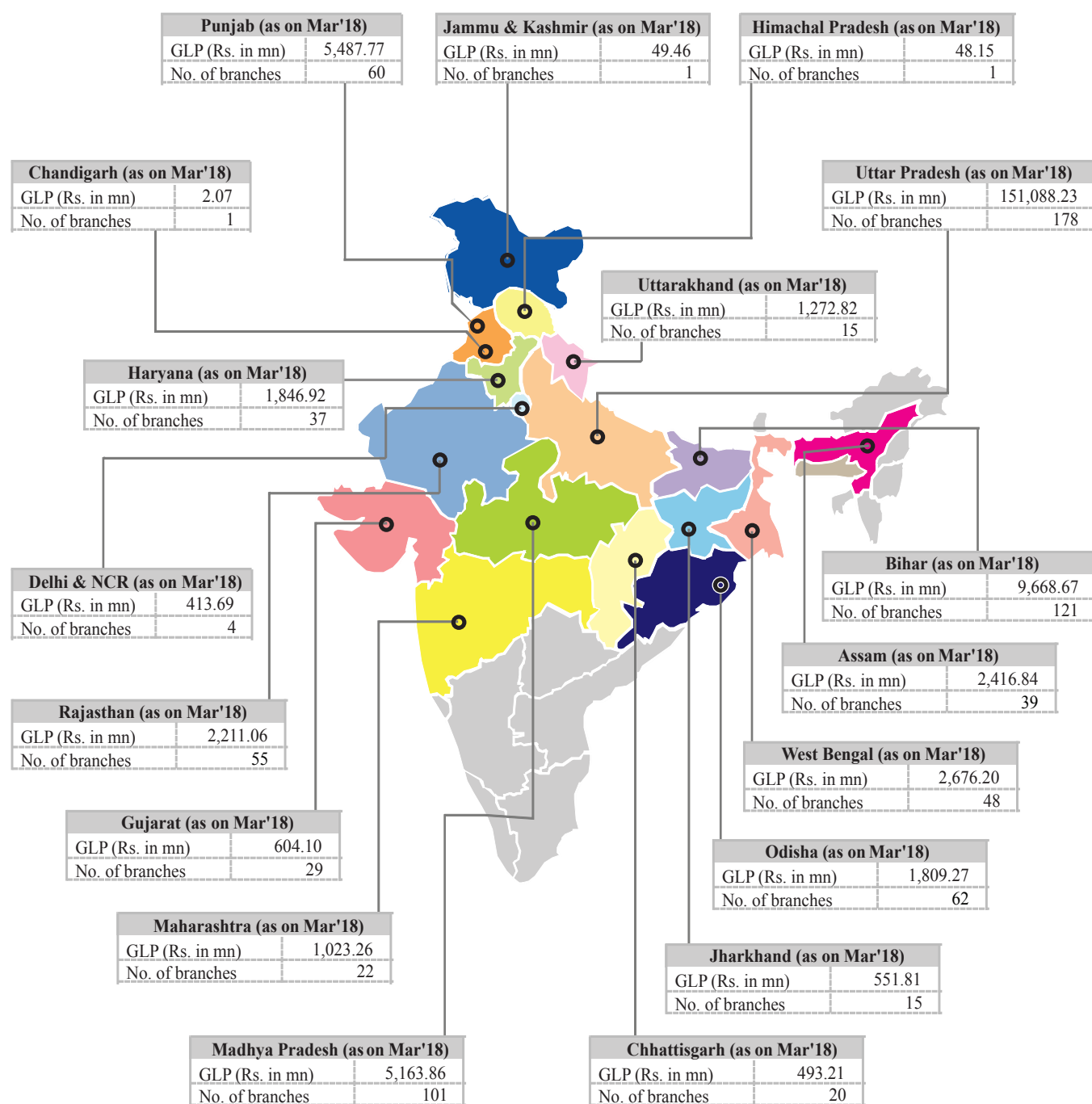


Integrity: Strength and stability- moral as much as fiscal- are the backbone of any business. We at SCNL, take the high road in all we do, holding ourselves to the highest financial, intellectual and ethical standards.



Nurturing lives: In all our endeavours and actions, we aim to create the value for all the people who are associated with us. Be our customers, our vendors or the people we work with, we handhold and ensure that we create value in everyone's lives.

SCNL FOOTPRINTS (STANDALONE)



○ Satin area of Operation

REACHING OUT STRATEGY*

We, Satin Creditcare Network Limited, are the second largest microfinance company in India. We offer loans for income generating activities at the doorstep of low-income women borrowers. Recently forayed in North East, Odisha and West Bengal to ensure we reach every doorstep to give financial service aid so as to enhance their livelihood and promote a productive environment.

Overall Performance in FY '18

₹ 57,568 mn

GROSS Loan Portfolio

2.82 mn

Number of Clients

35 %

Cashless Disbursement

995

Total Number of Branches

18

Number of States

23.7 %

Capital Adequacy Ratio

Strategic Tie up to ensure we Reach every doorstep and nurture Lives:

Business Correspondent Partnership- To serve SCNL members with diversified products and services- IndusInd Bank, Capital First, Paytm

Direct Partnership- To serve SCNL members a better life with Cycles, Solar and banking partnership for cashless transaction

Clients Reaching Out SCNL with Dedicated Customer Service

“SPARSH”

*Consolidated Numbers