Company Name: Satin Creditcare Network Ltd.

Management Participants:

Dr. HP Singh – Chairman cum Managing Director
Ms. Aditi Singh – Chief Strategy Officer

11th Annual Valorem Conference Highlights:

- AUM mix has progressively diversified, with ~86% in Microfinance and ~14% in Non-Microfinance (Housing & MSME).
- Maintained steady disbursements momentum in 9M-FY26. Early recovery signs are seen industry-wide.
- Prudent Borrower Leverage: No clients have more than 3 microfinance lenders or loan exposure of ≥ INR 2 Lakhs (at the time of disbursement), reflecting healthy credit discipline.
- Emphasis on tech-enabled customer onboarding reflects a proactive stance toward sustaining strong asset quality.
- Targeting INR 25,000 crore AUM with ~30% contribution from non-microfinance segments by FY30.
- Delivered consistent growth while sustaining profitability, while maintaining one of the highest return ratios among peers in recent years.
- Expansion momentum remains strong, with 400+ branches added in 9M-FY26 despite broader industry slowdown.
- Strategic initiatives include launching an AIF and acquiring a cybersecurity-focused technology company during the year.

Key Questions & Answers discussed during the Conference:

- **What is the contribution of Housing Finance and MSME segments to the overall AUM & How is the secured vs non-secured book growth trajectory in next few years?** Housing Finance and MSME together contribute ~16% of the overall AUM. Till FY30, the contribution from the secured book is expected to reach upto 30% and 70% from the MFI.

- **What differentiates the company's underwriting practices & How is the technology into operations?** We emphasize process-driven underwriting with a strong focus on selecting the right borrowers, which is critical for long-term sustainability, while leveraging a tech-driven approach including facial scans during center meetings and iris-based customer verification to ensure structured data availability and enable early, efficient implementation of regulatory requirements such as advanced guardrails.

- **What are the company's rejection rates and how is it changing?** We maintain a disciplined approach with rejection rates of 65–70% which are more or less similar to earlier rates.

- **How do you see the MFI industry outlook, and what is your guidance on AUM growth and credit costs for next year?:** The MFI industry is recovering with headwinds largely over, and we see early signs of improvement. For our company, we expect 10–15% AUM growth next year, and credit costs, which have already started declining, are expected to reduce further, though no exact guidance is given.

- **What is the strategic rationale, focus, and current status of the company's AIF initiative?** The AIF is a natural strategic progression aimed at supporting emerging businesses in Tier 2 and Tier 3 cities, with the ability to capture both debt IRR and equity upside. The fund will primarily focus on green initiatives and women-led businesses, leveraging the company's strong on-ground presence, distribution reach, and local intelligence. The company has also signed an MoU with SBI for potential co-investment opportunities. The AIF is currently awaiting regulatory approval.

- **What is your cost-to-income ratio and what will it be going forward?** Current cost-to-income ratio is 49% and we aim to bring it down to ~40% level.

- **Why is the company investing in deep-tech and cybersecurity?** We have a wholly owned subsidiary providing technology services. The deep-tech & cybersecurity areas represent a significant whitespace opportunity. We are developing SaaS-based solutions with global applicability, including investments in post-quantum cryptography.

- **Is there going to be any impact of current global events happening including war?** As our customer base is largely linked to agriculture and allied activities in rural regions, any direct impact is not expected. But, if the situation persist, rising energy and gas cost can cause increase in the fertilizer prices affecting overall agriculture activity.

- **From the perspective of overall expansion, how is the company positioned geographically?** We are a PAN-India player having UP, Assam, Bihar, West Bengal has top 4 states in terms of AUM contribution. Uttar Pradesh has only ~10% penetration despite being a large contributor to AUM, indicating headroom for growth. Assam is a strong market with ~20% market share.

- **Is the company willing to start individual lending in Microfinance?** No, it's not there in our cards. Though, some of our peers have started doing individual lending, We see JLG model highly relevant. It gives advantage in the process of collection, efficiency etc.

- **What is the company's approach towards credit guarantee scheme?** We are evaluating whether it's making commercial sense or not.

- **Will subsidiaries require further capital infusion?:** Subsidiaries are currently well-capitalized. Capital allocation is linked to growth trajectory and business requirements. The parent has sufficient capital buffers and internal accruals to support subsidiaries as needed. Additional capital raising would only be considered if expansion plans or acquisitions necessitate it. At present, no immediate requirement is indicated.

- **How are the industry dynamics changing and what is Satin's approach towards that?** As per reports, ~2 crore individuals have exited the formal credit system, which may create both challenges and opportunities in terms of borrower quality and market expansion. Branch growth has been supported by capturing market share left by peers who scaled back due to operational challenges.

- **How does the company view the impact of regulatory actions on the MFI sector following the recent borrower overleveraging scenario?:** We follow a disciplined approach to onboarding the right customers. While initial regulatory friction may occur, it is ultimately beneficial, as it enhances borrower quality and strengthens overall asset quality in the long term.