



SATIN CREDITCARE NETWORK LTD.

Reaching out!

15th June 2020, New Delhi

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) one of the leading microfinance company in the country has announced its audited financial results for the fourth quarter and full year ended 31st March 2020. The financial numbers are based on IndAS.

Financial Performance (On a Consolidated Basis)

Particulars (Rs. Crs.)	FY20	FY19	Y-o-Y	Remarks
Assets under Management (AUM)	8,174	7,068	+15.6%	Profits & return ratios impacted due to higher provisions in the wake of COVID-19 and other external factors during the last quarter of FY20
Net Interest Income	917	803	+14.2%	
Pre-Provisioning Operating Profit (PPOP)	434	374	+16.3%	
Profit After Tax (PAT)	155	201	-22.9%	
ROA (%)	2.2%	3.1%	-90 bps	

- During FY20, Micro Finance Disbursements stood at Rs. 8,045 crores as compared to Rs. 6,252 crores in FY19 a growth of +28.7%
- As on 31st March 2020, the Assigned Portfolio stood at Rs. 2,056 crores
- As on 31st March 2020, Business Correspondence through IndusInd Bank (in the SCNL Book) stood at Rs. 543 crores
- Credit cost on account of COVID-19 amounted to Rs. 82.76 crore

Increasing Footprints with Improved Outreach

Particulars	Mar – 20	Mar - 19	Y-O-Y
States & UTs	23	22	-
Branches	1,383	1,163	+18.9%
Districts	397	359	+10.6%
No. of Loan Officers	8,152	6,959	+17.1%

Capital Adequacy and Liquidity

- Our capital base has been strong with CRAR of 30.49% and well above the regulatory requirements
- We have a healthy Tier-I capital comprising of 22.10% of the total capital base
- We continue to maintain a healthy balance sheet liquidity with Rs. 1,600 crores of surplus funds as on 31st March 2020
- We have undrawn sanctions worth Rs. 871 crore as on 31st March 2020

Borrowing Profile

- Total Borrowings (standalone) stood at Rs. 5,409 crore as on 31st March 2020
- Our Debt-to-equity ratio as of 31st March 2020 stood at 3.72x
- Our reliance on NBFC funding has also further reduced to 6% from 12% last year which has significantly reduced our reliance on higher cost of funding
- 61% of our borrowings are through Banks

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Update on Moratorium

- **Borrowers:**
 - Borrowers who will avail moratorium will have to pay the incremental interest and the increase in the loan tenure would be explained to the borrower
 - 25-30% borrowers are estimated to avail for moratorium
- **Lenders:**
 - We got moratorium from ~63% of lenders
 - We also continue to work with our lenders to raise additional funds. Company will continue to serve interest during moratorium
 - The recent announcement by the RBI governor with respect to TLTRO with specific limit for the NBFCs and NBFC MFIs is positive for the MFI Industry.
 - Also, Announcement of NABARD getting INR 25,000 crores, SIDBI getting INR 15,000 crores and National Housing Bank (NHB) getting INR 10,000 crores is a booster for the sector
 - **Satin and its Subsidiaries have a strong existing relationship with these institutions**

Asset Quality

- Gross Non-Performing Assets (GNPA) at an AUM level stood at 2.9% as on 31st March 2020,
- We have made adequate provisioning of 2.3% bringing our NNPA to 0.6% from 1.2% as of 31st March 2019
- Our NNPA has seen a reduction of 60 bps on a Year or Year basis, while on a sequential basis it has come down by 30 bps

Subsidiaries

- Business Correspondent services under Taraashna Financial Services Limited has reached an AUM of Rs. 704 crores. As of 31st March 2020, the Company operates through 213 branches, has more than 3.7 lakh active loan clients
- Satin Housing Finance Ltd, has now reached an AUM of Rs. 139 cr, with nil delinquencies and having presence across 4 states. SHFL has 100% retail book comprising of 87% affordable housing loans and 13% of LAP. The Company has 9 active lenders including NHB refinance
- Satin Finserv Ltd, our MSME arm is also taking good shape post commencing operations having AUM of Rs. 111 crores. During the year there was an equity infusion of Rs.80 Crores, taking total equity of the company to Rs. 102.5 crore. SFL's business aims to focus on secured retail MSME lending, wholesale lending to small NBFC MFI and others



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Commenting on the performance, Mr. HP Singh, Chairman & Managing Director of Satin Creditcare Network Limited, said

“Considering the eventful year especially for financial sector, the Company’s performance has been noteworthy. We managed to grow our AUM by 15% to Rs. 8,174 crores while improving on our asset quality.

During the year we completed our process reengineering and digitisation. We continue to adopt newer technologies and digital solutions in all our functions for more efficient and effective working and hence higher customer satisfaction.

From March 2020 the world got struck by COVID-19 pandemic, which compelled governments across globe to implement stringent lockdowns which led to complete halt in economic activities. As the impact of COVID-19 was felt towards the last fortnight of the financial year 2020, we saw some impact on our performance for the month of March & April 2020. However, with lockdowns restrictions easing out we believe growth to return to normalcy in the coming quarters considering lot of opportunities in the sector.

Satin has been one of the dominant players in the industry with PAN India geographic presence and now, with right systems and processes in place we believe that going ahead operating leverage will play out and reap significant benefits which will help us control our costs and improve profitability and return matrix.”

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About Satin Creditcare Network Limited

Satin Creditcare Network Limited (SCNL or Satin) is a leading microfinance institution (MFI) in the country with presence in 23 states & union territory and around 86,000 villages. The company mission is to be one stop solution for excluded households at the bottom of the pyramid for all their financial requirements. The company also offers a bouquet of financial products in the Non-MFI segment (comprising of loans to MSMEs), a housing finance subsidiary, and business correspondent services and similar services to other financial Institutions through Taraashna Financial Services Limited, a business correspondent company and a 100% subsidiary of SCNL.

In April 2017, SCNL incorporated a wholly owned housing finance subsidiary (Satin Housing Finance Limited or "SHFL") for providing loans to the affordable housing segment.

In January 2019, received separate NBFC license to commence MSME business, Satin Finserv Limited.

As of March 2020, SCNL had 1,383 branches and a headcount of 13,005 across 23 states and union territories serving 34.6 lacs clients. A pan-India player with a strong presence throughout Uttar Pradesh, Bihar, North East, Madhya Pradesh and is a dominant player in its other states of operations.

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Satin Creditcare Network Ltd.

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