



SATIN CREDITCARE NETWORK LTD.

Reaching out!

14th June 2021, New Delhi

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) has announced its audited financial results for the fourth quarter and full year ended 31st March 2021. The financial numbers are based on IndAS.

Financial Performance (On a Consolidated Basis)

Particulars (Rs. crores)	Q4FY21	Q4FY20	FY21	FY20
Assets under Management (AUM)	8,379	8,174	8,379	8,174
Net Interest Income	243	270	742	914
Pre-Provisioning Operating Profit (PPOP)	110	145	292	434
Profit After Tax (PAT)	38	13	-14	155

- During FY21, our disbursement stood at Rs. 4,982 crores as compared to Rs. 8,976 crores in FY20. Disbursement were subdued due to Covid-19 induced lockdown in the H1FY21
- For Q4FY21, our disbursement stood at Rs. 2,376 crores as compared to Rs. 2,743 crores in Q4FY20
 - For the quarter our MFI disbursement stood at Rs. 2,261 crores as compared to Rs. 1,742 crores in Q3FY21
 - The Company expects to increase its disbursement in the coming quarters with lockdown restrictions lifting up due to reduction in Covid-19 cases and adequate vaccination taking place. However, disbursement in Q1FY22 will be lesser on account of lockdown
 - PAT for 9MFY21 was Rs. -52 crores, Q4FY21 contributed PAT of Rs. 38 crores and the PAT for FY21 was Rs. -14 crores
- As on 31st March 2021, the Assigned Portfolio stood at Rs. 1,375 crores

Footprints and Outreach

Particulars	FY21	FY20
States & UTs	23	23
Branches	1,257	1,383
No. of Employees	12,726	13,005
No. of Loan Officers	8,090	8,152
No. of Clients	30.5 Lacs	34.6 Lacs

Capital Adequacy and Liquidity

- The Company's capital base is strong with CRAR of 25.3% and well above the regulatory requirements
- During FY21, the Company raised debt of Rs. 4,312 crores including Direct Assignment Transactions of Rs. 743 crores

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- The Company raised USD 5 million from Development Bank of Austria through external commercial borrowing channel and Rs. 25 crores from a private Bank in Q1FY22
- The Company continues to maintain a healthy balance sheet liquidity with Rs. 1,469 crores of surplus funds as on 31st March 2021
- The Company has undrawn sanctions worth Rs. 143 crores as on 31st March 2021
- Bolstered Capital Position by successfully closing the Rights Issue of Rs. 120 crores in Aug'20 with an overwhelming response (Issue was oversubscribed at 123%). Out of this, ~Rs. 90 crores already received by the Company (Rs.45 per share out of Rs. 60)
- Balance amount would be called as determined by the Board

Borrowing Profile

- Total Borrowings stood at Rs. 6,260 crores as on 31st March 2021
- Debt-to-equity ratio as of 31st March 2021 stood at 4.2x
- The company's reliance on NBFC funding is 7% of the total borrowings and has significantly reduced its reliance on higher cost of funding
 - 58% of our borrowings are through Banks

Collection Efficiency

- Seeing improvement in repayments and collections Month on Month, Collection efficiency is back to pre-Covid levels with Mar'21 clocking 105%
- Cumulative collection efficiency for FY21 stood at 94%
- Collection efficiency for Apr'21 stood at 93%
- Significant reduction in number of non-paying clients from 11% in Sep'20 to 1.3% in Mar'21

Asset Quality

- On-book Gross Non-Performing Assets (GNPA) stood at 8.4% as on 31st March 2021
- On account of COVID-19 outbreak, the Company has made adequate provisioning of 5.1%, bringing our NNPA to 3.3% as of 31st March 2021 of on-book
- The Company has made a cumulative total provision of Rs. 289 crores of which Rs. 44 crores have been recognized as on 31st March 2021 on account of significant increase in credit risk on customers given additional support by the Company which were impacted due to COVID-19

Subsidiaries

- Business Correspondent services under Taraashna Financial Services Limited has reached an AUM of Rs. 748 crores. As of 31st March 2021, the Company operates through 217 branches, has more than 3.9 lakh active loan clients
- Satin Housing Finance Ltd, has now reached an AUM of Rs. 226 crores including DA of Rs. 16 crores, having presence across 4 states with 2,413 customers. SHFL has 100% retail book comprising of: 79% affordable housing loans and 21% of LAP. The Company has 10 active lenders including NHB refinance.
 - CRAR of 90.2% and gearing of 1.5x. Total equity stands at Rs. 93 crores and credit rating is CARE BBB (Stable)

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- Satin Finserv Ltd, our MSME arm reached AUM of Rs.131 crores with 2 successive profitable years and credit rating of CARE BBB – (Stable)

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

“Despite FY21 starting off on a challenging note for the micro finance industry as a whole, due to pandemic and subsequent lockdown, businesses witnessed a strong recovery with the decline in cases reported, the introduction of the vaccination drive and gradual lifting up of the imposed lockdown restrictions.

Our collection efficiency saw a sequential improvement quarter on quarter. Our collections which stood at 98% in Dec’20, increased to 105% in Mar’21. Overall the collection efficiency for FY21 stood at a reasonable 94%. While the focus was on existing customers we have also adopted a cautious approach in disbursing new loans to arrest asset quality stress. For FY21 our Gross NPA stood at 8.4% and Net NPA stood at 3.3%. Additionally, the Company has adequate liquidity and a strong balance sheet position which makes us well-positioned and agile to achieve growth over the medium to long term, while the demand remains strong.

Considering the surge in cases in April 2021 with the advent of the second wave of the pandemic, we expect the state wise lockdown to have an effect on the Q1FY22 performance. SCNL has made loan repayments more seamless for its customers by introducing UPI AutoPay. SCNL is the first player in the micro finance segment enabling customers to pay their loan EMIs via UPI platform.

Going forward, we expect an improvement in the livelihood of our customers and a resultant demand revival, considering that the economy is poised to grow in double digits. Additionally, as the Covid-19 curve flattens, vaccination rate improves, and the local restrictions start to ease out, we expect improved repayment discipline and lower PAR. We believe that there is no intent issue with our borrowers as observed during the first wave of Covid-19. We have sailed through this challenging period and we expect a positive momentum for us as well as the entire industry in the near future”

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 territories and around 84,000 villages. The company mission is to be a leading micro financial institution by providing a comprehensive range of products and services for the financially under-served community. The company also aims to lead in gender empowerment by leveraging on technology and innovation that forge sustainable strategic partnerships.

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 2021, SCNL had 1,257 branches and a headcount of 12,726 across 23 states and union territories serving more than 30 lakh clients.

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Satin Creditcare Network Ltd.

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