



SATIN CREDITCARE NETWORK LTD.

Reaching out!

13th November 2020, New Delhi

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) has announced its unaudited financial results for the second quarter ended 30th September 2020. The financial numbers are based on IndAS.

Financial Performance (On a Consolidated Basis)

Particulars (Rs. Crs.)	Q2 FY21	Q2 FY20	Remarks
Assets under Management (AUM)	7,667	7,182	For the quarter, Profits & return ratios impacted due to higher provisions made on account of COVID-19 Pandemic and other external factors
Net Interest Income	185	218	
Pre-Provisioning Operating Profit (PPOP)	80	91	
Profit After Tax (PAT)	16	54	
ROA (%)	0.8%	3.2%	

- During Q2FY21, Micro Finance Disbursements stood at Rs. 632 crores as compared to Rs.1,819 crores in Q2FY20, disbursement growth got impacted on account on nationwide lockdown.
 - Saw gradual improvement in the disbursement activities and expect coming quarters to be much better.
- As on 30th September 2020, the Assigned Portfolio stood at Rs. 1,699 crores
- As on 30th September 2020, Business Correspondence through IndusInd Bank (in the SCNL Book) stood at Rs. 473 crores

Increasing Footprints with Improved Outreach

Particulars	Sep – 20	Sep – 19
States & UTs	23	22
Branches	1,255	1,299
No. of Loan Officers	7,377	7,823
No. of Clients	31 Lacs +	36 Lacs +

Capital Adequacy and Liquidity

- Our capital base has been strong with CRAR of 32.33% and well above the regulatory requirements.
- We have a healthy Tier-I capital comprising of 24.92% of the total capital base
- We continue to maintain a healthy balance sheet liquidity with Rs. 1,962 crores of surplus funds as on 30th September 2020
- We have undrawn sanctions worth Rs. 1,063 crores as on 30th September 2020.

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- Successful completion of rights issue will further help in augmenting the capital base to meet future capital requirements and funding requirements for growth of the business and operations, and general corporate purposes.

Borrowing Profile

- Total Borrowings stood at Rs. 5,461 as on 30th September 2020.
- Debt-to-equity ratio as of 30th September 2020 stood at 3.6x
- The company's reliance on NBFC funding has also further reduced to 5% from 8% last year which has significantly reduced its reliance on higher cost of funding
 - 62% of our borrowings are through Banks

Collection Efficiency

- Saw improvement in repayments and collections Month on Month
- The collection efficiency trends are as follows:
 - April – 3%; May – 17%; June – 62%; July – 85%; August – 86%, September - 94%
- Most of the customers have started paying instalments

Asset Quality

- On-book Gross Non-Performing Assets (GNPA) stood at 2.9% as on 30th September 2020
- On account of COVID-19 outbreak we have made adequate provisioning of 3.9% bringing our NNPA to -1.0% in September 2020. This is substantially better than NNPA of September 2019 of 1.8%

Subsidiaries

- Business Correspondent services under Taraashna Financial Services Limited has reached an AUM of Rs. 639 crores. As of 30th September 2020, the Company operates through 201 branches, has more than 3.5 lakh active loan clients
- Satin Housing Finance Ltd, has now reached an AUM of Rs. 164 cr, with nil delinquencies and having presence across 4 states. SHFL has 100% retail book comprising of: 85% affordable housing loans and 15% of LAP. The Company has 9 active lenders including NHB refinance. Collection efficiency for the month of September was more than 99%
- Satin Finserv Ltd, our MSME arm reached AUM of Rs.120 crores.



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

“During Q2FY21 we witnessed progressive recovery playing out across sectors due to CoVID-19 related concerns moderating with each passing day. Also, lifting up of lockdown restrictions in major parts of the country coupled with festivals round the corner makes demand scenario look promising across sectors. Micro-Finance being a part of this ecosystem is also expected to benefit from this positive momentum.

As major impact of pandemic and lockdowns was felt in quarter one of FY21, we believe that quarter two looked quite positive on various KPIs. We saw significant improvement both in terms of our disbursements as well as our collection activities. Our disbursements for the quarter stood at Rs. 632 crores as against Rs. 54 crores in Q1FY21 which is a big positive. Also, our collection efficiency improved from 62% in June to 94% at the end of September 2020. We expect this momentum to continue in the coming quarters.

We have also showcased some improving trajectory in our portfolio quality and have managed to keep our GNPA in check despite challenging economic scenario. We endeavour on achieving steady growth without dampening our portfolio quality.

Going forward we expect to regain our growth trajectory and believe coming quarters to be much better and robust both on financial and operational aspect.”

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 84,000 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 financing to MSME business, Satin Finserv Limited.

As of Sep,’20, SCNL had 1,255 branches and a headcount of 10,497 across 23 states and union territories serving more than 31 lakh clients. A pan-India player with a strong presence throughout Uttar Pradesh, Bihar, Punjab, 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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