

November 19, 2018

To,
The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra East, Mumbai-400051

The Manager
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400023

Scrip Code: SATIN

Scrip Code: 539404

Dear Sir/Madam,

Sub: Update on Conference Call held on November 15, 2018;

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in furtherance to our letter dated November 14, 2018 with respect to Conference Call held on November 15, 2018, we hereby submit the transcript of such conference call with this letter as an **Annexure-1**.

We request you make this updates public by disclosing the same at your website.

Thanking You,

Yours Sincerely,
For **Satin Creditcare Network Limited**

(Choudhary Runveer Krishanan)
Company Secretary & Compliance Officer

Encl: a/a



“Satin Creditcare Network Limited
Q2 FY2019 Earnings Conference Call”

November 15, 2018



ANALYST: MR. AALOK SHAH – CENTRUM BROKING LIMITED

MANAGEMENT: MR. H. P. SINGH – CHAIRMAN & MANAGING DIRECTOR - SATIN CREDITCARE NETWORK LIMITED
MR. JUGAL KATARIA – CHIEF FINANCIAL OFFICER - SATIN CREDITCARE NETWORK LIMITED
MR. DEV VERMA – CHIEF OPERATIONS OFFICER - SATIN CREDITCARE NETWORK LIMITED
MS. ADITI SINGH – HEAD - CAPITAL MARKETS & INVESTOR RELATIONS - SATIN CREDITCARE NETWORK LIMITED



*Satin Creditcare Network Limited
November 15, 2018*

Moderator: Ladies and gentlemen, good day and welcome to the Satin Creditcare Network Limited Q2FY19 earnings conference call and hosted by Centrum Broking Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Aalok Shah from Centrum Broking. Thank you and over to you Sir!

Aalok Shah: Thanks to you. Good morning all. On behalf of Centrum Broking, we welcome you for Satin Creditcare Q2FY19 Earnings Call. From the management’s end today we have MD, Mr. H.P. Singh, the CMD, Mr. Jugal Kataria, CFO, Mr. Dev Verma, COO and Ms. Aditi Singh, Head – Capital Markets and Investor Relationships. Without taking much of your time, I would hand over the call to Singh Sir for his opening comments post which we can take on the Q&A session. Over to you Sir!

H.P. Singh: Good morning everyone. I will start with the brief this quarter, how this had turned out for us and starting with our AUM, our gross loan portfolio is now at about Rs.6191 Crores, an increase of about 37.8% from the previous year. We had a very improved operational matrix for this quarter where our ROA for this quarter has come up to about 2.7%. Our ROE for this quarter is about 18.8% and our cost to income ratio is about 54% for this quarter. And if I compare the H1 of FY2018, our cost to income was about 70% and this half-year it is about 54.8%. Taking the cue from there if I go down to our ROA for Q1FY19 the ROA was 1.52 which has increased to about 2.7 and the Q1FY19 our ROE was close to 10.73 which is now increased to 18.8%. So we have got an improved operational matrix for this quarter. Our demonetization woes which were there present for a long period of time, practically are over with an improved collection efficiency which has been depicted in the slides given in our corporate presentation, whereby our portfolio quality has improved significantly across now even though we have made a very conservative estimate of our ECL during this quarter also.

We have had a geographical diversification where we have expanded our footprints in the northeast and now we are present in about 20 states. We have entered South in Q3FY19 which gives us a probably pan-India presence now. Our business correspondent business with IndusInd Bank is making rapid strides where we have reached an AUM with IndusInd Bank to about Rs 215 Crores.

Coming to the liquidity position, we have a very comfortable liquidity and ALM position. In fact we have tied up close to about 80% of our fund requirement for FY19 up till date so wherever there is probably the need where people are looking at liquidity pressure and all that, we still are very, very comfortable and we hope to do so because of a large lender base what we have got. In



Satin Creditcare Network Limited
November 15, 2018

terms of digital expansion, our cashless disbursements are now there in 96% of our branches and close to about 70% of our total disbursements are now being done through the cashless mode.

In the digital space, I think we are probably amongst the first MFIs to receive an ISO 27001 certification for information security that is big lead for us having cleared that and getting this certification and our long-term credit rating is CARE A-, short-term rating with Crisil is A1 and grading MF1, which is highest in the group. I would now open up the floor for question and answers and we will take it as it comes. Thank you so much.

Moderator: Thank you very much. We will now begin the question and answer session. We have the first question from the line of Ramesh Rachuri from Scient Capital. Please go ahead.

Ramesh Rachuri: Good morning sir. I would say under the circumstances excellent set of results. I would like you to throw color on this net gain on fair value changes seems a large amount, is this related to the Ind-AS thing or how is it?

Jugal Kataria: Net gain on fair value changes is treasury income we have been investing into second quarter beginning and in the first quarter in mutual fund etc., so this is the time value gain of that and it is ongoing treasury income on the liquidity that we maintain in the system.

Ramesh Rachuri: Okay sir, understood.

Moderator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much sir for the opportunity. Can you throw some light on the Rs.18 Crores income that you have shown?

Jugal Kataria: So we have done assignment transaction in the second quarter. As per Ind-AS the income has to be booked at the time of derecognition of assets from the book because of true sale, let us say income on assignment of portfolio.

Deepak Poddar: Assignment of portfolio, is that something, which is an ongoing thing, how should we look at it.

Jugal Kataria: We do assignment on a need of funding basis, which is another source of fund for us so as we continue to keep doing assignments transactions it will continue to happen.

H.P. Singh: So Deepak I think you should take it as this is a continuing arrangement the way we have securitization and all that going on so this is a continuing arrangement, which will happen during our life.

Deepak Poddar: Ok sir, but every quarter or how frequent this kind of dealing?



Satin Creditcare Network Limited
November 15, 2018

- H.P. Singh:** So it will probably be there, you cannot dub it as anything which is to be done in a quarter so as and when we find a lender which is willing to do an assignment transaction we will do that so there are a few in the pipeline also so this is an ongoing process which is going on.
- Deepak Poddar:** Ok this is an ongoing process, understood, in your presentation you have given Rs.165 Crores kind of PAT guidance so that is including all these kind of gains right including the treasury income as well as the assignments?
- H.P. Singh:** Everything put together.
- Jugal Kataria:** Treasury income is not something which is not in the normal course of business because corresponding the funding cost is also there, so it is a process that we borrow in wholesale and then lend in retails. So treasury income is part of the normal operations only.
- Deepak Poddar:** Right. Sir given the current liquidity scenario on the NBFC front, how comfortable and your comments on basically any kind of challenge that we kind of face in getting the funds or any comments on that would be helpful going forward or will that impact growth as well for us?
- H.P. Singh:** I think if you look at the scenario of one basic factor which is there our business model is probably the best in the whole sector, if you look at our assets do not go beyond two years as such and our liabilities are, we have given a chart where our liabilities are close to about three years in our asset. On an average if you look at the total assets they are only about 10 months or about 11 months, but our maximum loan tenure does not go beyond two years. So for us liquidity pressure as compared to maybe I do not want to do a comparison with other products at such but it is fairly very, very comfortable and having said that also, for us, I think we have not faced any kind of pressure from any of our lenders, we have close to about Rs.1200 Crores which is lying in our books, we have got undrawn sanction which are there in the pipeline. We have got sanctions, which are close to about Rs.600 Crores and we have got pipelines which is again further of another Rs.500 to 600 Crores. So for us that pressure is absolutely not there.
- Deepak Poddar:** So you are not seeing any kind of pressure in terms of getting the funds or like sanctioning?
- H.P. Singh:** Only pressure we are facing is maybe a slight increase in the borrowing cost assets, which is probably like everywhere around.
- Deepak Poddar:** How much would that be?
- H.P. Singh:** Very insignificant again 0.5 to 0.75 is the max which is there and that too from a very, very few lenders as such, it is not like the broad spectrum as such.



Satin Creditcare Network Limited
November 15, 2018

- Deepak Poddar:** 50 to 75 basis point increase on a portion of lenders so overall your borrowing cost might increase; some understanding on that, how much will that be maybe on overall basis in that is 20 to 25 basis only that you are expecting?
- H.P. Singh:** I think 0.5 max, 0.75 max which again entail into an increase in our lending cost to our borrowers, so our margins remains the same. So there is no pressure on the margin.
- Deepak Poddar:** Sure sir, fair enough. That is it from my side.
- H.P. Singh:** Thank you.
- Moderator:** Thank you. The next question is from the line of V Saradhi from Ninebark Advisors. Please go ahead.
- V Saradhi:** Thanks for taking my call. I basically have two questions. One is under expenses can you throw some light on impairment of financial instruments; there seems to be a huge difference between year-on-year. The other question I have is; the growth pattern seems to be very skewed with majority of growth coming in Q4 or rather H2. When we see other players they do have a softer H1 compared to H2 but based on your guidance it almost looks like 70 to 80% of the growth is going to come from H2. Can you throw some light on that?
- H.P. Singh:** I will take your second question first and then I think Jugal will be able to answer the first question. Yes you are right I think probably the H2 is always our significant half year for us, I think that is probably a fair proposition how it goes on. So our own sense is I think it is probably I would not term it as in terms of other players because we are dominant in the Northern region as such and specifically during this period of September, October, November, where you have a lot of festivals going on; I think that is also one of the key reasons why our scale of growth comes at the H2 numbers at present and that is one of the factors as such but we have always had because our expansion happened in the H1. So we opened up a few branches, we opened up South as such, so our scale will definitely will be there in the H2 as compared to the H1. So these are probably the couple of reasons where we get skewed towards the second half year.
- V Saradhi:** But do you think it is going to smoothen out as you grow or are you comfortable having the 70 to 80% growth just coming in like in one or two quarters?
- H.P. Singh:** I think as we increase our footprints across pan-India then I think that skewness will slowly wither off that is what our process is, in fact it is getting better than what our previous year used to be in fact if you look at history our last quarter used to be the heaviest quarter. So now it is getting better but our own sense is probably from the next year onward the skewness will be far more lesser than what it is right now.



Satin Creditcare Network Limited
November 15, 2018

- Jugal Kataria:** So on the impairment of financial instrument this is the credit cost, the cost of write-off and ECL that we have registered for this quarter which is 18.41 Crores. That is the credit cost.
- V Saradhi:** Last year you had some write back Rs.71 Crores around.
- Jugal Kataria:** This one in the second quarter of last year if you see our numbers for Q1 of last year there was a huge write-off because March 17 we were most impacted and then even till June 17 there were challenges in the field and then from September 17 quarter onwards there were lot of recoveries started happening as the currency was coming back into the system. So for the last year second quarter there is some write backs, but I think if you compare half year to half year numbers that will give you a better sort of view. As against credit cost of Rs.82 Crores credit cost in the first half of last year, it is Rs.54 Crores for this half year.
- V Saradhi:** Okay, that is all I have. Thank you.
- Moderator:** Thank you. The next question is from the line of Krishna Rai who is an individual investor. Please go ahead.
- Krishna Rai:** Good morning. First I congratulate on the great set of numbers that Satin has reported in this quarter. I have two questions sir. First is I wanted to know what is our PAR 90 number as of September 30, 2018 and how it compares with PAR 90 on June 30, 2018?
- H.P. Singh:** PAR 90 is 227 Crores we showed it on slide #21 which is 4.1% of the portfolio and it was about Rs.212 Crores in June and Rs.227 Crores in September.
- Krishna Rai:** Actually I looked at both the slides June 30, 2018 Investor Presentation and September 30, 2018 Investor Presentation and found that PAR 90 number has gone up by 15 odd Crores while our collections had been better. I am just trying to relate both these things. If you put both the things on the table they look contrary to each other. Can you just throw some light that why even after better collections our PAR 90 numbers are going upwards?
- H.P. Singh:** I think it is not contrary what you will have to look at is how our buckets are moving so this may be Rs. 15 Crores increase it is a bucket movement which will be there. So our bucket movement typically could have been more than that but it has been restricted to Rs.15 Crores that is why the collection efficiency is increasing.
- Krishna Rai:** Would it be fair for us to assume that by end of this year we will see sub Rs.200 Crores of PAR 90 given our collections are getting better?
- H.P. Singh:** I cannot visualize as of yet, probably it will be there because if I give you a genesis of it and the base for it and if you really look at it technically for us that is the reason why we have given you a broad slide where the disbursements which have been made post the demonetization where we



Satin Creditcare Network Limited
November 15, 2018

were majorly impacted which is January 17 to December 17 is now about one-third of our portfolio and the rest of the portfolio from January 18 which is now about 67% of our portfolio depicts, so as and when the time increases I think for us this collection efficiency is going to improve and in continuation to that all our PAR buckets are going to improve from there.

Krishna Rai: What is sustainable cost to income ratio? It is great to see that we are improving quarter by quarter and we have come a long, long way since the demonetization, but what is the sustainable cost to income ratio?

H.P. Singh: To be very honest I think for us it is always an improvement from where we are. My own sense and what we really look at is anything which is about 50 to 55 is probably the most sustainable where you have I would not say really very efficient but efficient operations as such. I think a band of 50 to 55 is like the probably the most stable and most worthwhile to look at but having said also the endeavor is always to bring down the cost to income ratio further on and that is what we have been doing as per the last year and this year as such.

Krishna Rai: I saw in the slide that we are targeting to have 165 Crores of profit after tax for this financial year and this is in line and the initial guidance that you had given to us or are we also maintaining our AUM growth guidance?

H.P. Singh: The growth guidance I think looking at the scenario the way it is going on, we think that we will be able to achieve it but even my own sense just to be very candid and honest about it, the way the scenario is panning out across in the NBFC sector; it might get a little muted but it would not be that muted where it does not show this thing. So we had given a 40% guidance earlier and changed off as the circumstances the way it is panning out to be, even though we are getting all sanctions and everything across. Even if it drops by another maybe 5 or 7% I think that is not something which probably makes any significant difference. The PAT guidance still remains even if we have maybe a slight decrease in our growth guidance.

Krishna Rai: Thank you and I again appreciate the Satin team and your leadership in fighting the fiasco created by demonetisation.

H.P. Singh: Thank you so much.

Moderator: Thank you. The next question is from the line of Parag Zariwala from White Oak Capital. Please go ahead.

Parag Zariwala: Thank you Sir. My question is from the IL&FS episode till date how much we have borrowed through various sources and if you can just break this up into funds borrowed through assignment or sell down and other sources.



Satin Creditcare Network Limited
November 15, 2018

- H.P. Singh:** If I give you a breakup list, technically we have had about Rs.200 Crores worth of assignment in this quarter. We have had sanctions from three private sector banks close to about Rs.150 Crores, we have got two PSU sanctions worth about Rs.50 Crores, we have got NBFC for about Rs.25 to 30 Crores and probably others which are sundry maybe a foreign institution which probably is about another 25 to 30 Crores, that's all the breakup.
- Parag Zariwala:** These are sanctions right.
- H.P. Singh:** These are disbursement.
- Parag Zariwala:** Probably undrawn sanctions limit would be how much?
- H.P. Singh:** It is about Rs.600 Crores
- Parag Jeriwala:** These are committed sanctions.
- H.P. Singh:** Yes. Absolutely committed.
- Parag Zariwala:** You have just highlighted in the previous question that basically the cost of borrowing to at least two banks have gone by around 50 to 70 basis point, but have we commensurate have we increased the lending rate?
- H.P. Singh:** As per RBI we can it in the next quarter once we get the costing for this quarter out and we will be able to do it in the next quarter.
- Parag Zariwala:** In all the regions what I have understood in the past that lot of small size or biggest kind of NBFCs do operate and in case of the environment, I am not talking about this quarter or next quarter if the cost of funds is going to inch up overall then ability of those guys who borrow from the market and do the operations would be limited so do you sense any change in the competition going forward, I am talking about one or two year perspective which can probably help you as well?
- H.P. Singh:** Parag you are an analyst you can analyze much better than what I can, I am a business guy. If I really look at it, my own sense is yes not to sound probably bad in this, but yes I think it throws open opportunities for us to probably scale up better than people in the sector.
- Parag Zariwala:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Harish Kumar Gupta who is an individual investor. Please go ahead.
- Harish Kumar Gupta:** Sir I have a few questions. First question is what is your cost of funding right now?



Satin Creditcare Network Limited
November 15, 2018

- Jugal Kataria:** As we said that the cost started going up in the last month of previous quarter, for the previous quarter the blended cost of funding is, the marginal cost of funding is around 11.5% or so. We have started seeing some increase in lending rates from some of the new sanctions, etc., but for the last quarter it was around 11.5% margin cost.
- Harish Kumar Gupta:** Why disbursements were low this quarter like if we compare from last quarter it is down, in fact I think first time we have seen?
- H.P. Singh:** First the IL&FS crisis, you probably start working on it and look at what your liquidity position is, I think for the last one, one-and-a-half months everybody is trying to do that, but our own sense is I think this is also one of the peak festival time so I think there is a slight dip due to that factor also because the boys go on leave there is a large shut down if I just give you during this time the Dussehra and everything, which is there probably brings us to that cord, but we predominately always had the H2 as our significant thing I think we will be able to do that in the H2 itself.
- Harish Kumar Gupta:** Are we facing some competition from other players like Bandhan Bank and the kind of other players because our gross yield is much higher than they are, so are we facing any competition there?
- H.P. Singh:** No, they have been there, but nothing which moves significantly for us, nothing.
- Harish Kumar Gupta:** Final question, why our guidance seems to be relatively low because in the first half we have done net profit of Rs.70 Crores and you are expecting another Rs.95 Crores in the remaining two quarters, which is seasonally our strong quarter and in this quarter we have done profit of Rs.46 Crores so effectively we are expecting the similar profit in remaining two quarters like in this quarter, why sir?
- H.P. Singh:** I think we gave our guidance for about 2.3 as per GAAP, which now in this quarter stands at about 2.7, so it is an improvement for what earlier we had given guidance. Our own thought process is that we are coming out of all those woes, which were there and that is the reason why we have given a slide where we still feel like there is one third of our portfolio, which is still the one which is literally kind of impacted, so as we come out of it and it is not going to happen in probably one quarter and that is the reason why it will be a scale from there and that is the reason why it feels we have given a guidance in terms of our PAT, which is actually higher than the actual guidance, which we had given during March. It is better, it will get better.
- Harish Kumar Gupta:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of MB Mahesh from Kotak Securities. Please go ahead.



*Satin Creditcare Network Limited
November 15, 2018*

MB Mahesh: Good morning to all. I have a couple of questions one is on slide #31, which is on the rejection rates, it has seen an increase from 12% to 16% in Q2 just wanted to understand what is driving this entire change, second is on the question on liquidity again if you could just kind of give some colour on what is happening on the ground with respect to some of the smaller MFIs, how are they positioned on what has happened in the last few weeks and whether you have seen some reasonably large change in the applications that are coming to your side and also MFIN has been talking about something of creating a pool of liquidity at a sector level; if you could just kind of discuss something on that specific issue and just again on that earlier slide on rejection rates, when you are looking on the ground how many of your customers are actually completely new to credit in the portfolio?

Jugal Kataria: So you know the rejection rate keeps changing marginally, so from 12% in the first quarter to about 16% in the second quarter that's the logic and process is exactly the same, so 84% of the customers who are coming formally in the system are getting approved, 16% are getting rejected, there are some rejections over and above that, which is prior to when we meet the customer, but on the ground we feel that we should not process their applications, so that is over and above that. It is a good way of entering the customer who is coming within the system. As far as your next question we have the other chart that we have shown on the same slide 76% of the customers have some credit bureau history and 23.57% customers who do not have any credit history probably they are new to credit in the whole micro financing, so that clarifies your question on credit bureau.

MB Mahesh: Conditions on the ground.

H.P. Singh: Conditions on the ground, I think you are right, MFIN is collecting a pool of assets, which they would like to securitize with the lenders like SIDBI and all. On the ground I can say yes, there has been a slowness across the broad spectrum, yes maybe the smaller ones probably will have a little bit more challenge in terms of everything that is the reason why MFIN has kept in and brought this securitization pool to be done including the large players so that the pool becomes bigger and the smaller players are able to get this thing. I think the biggest challenge, which the smaller players definitely have is, that their majority borrowing used to come from NBFCs. NBFCs who were lending once they cite in their strains, I think it gets somewhere challenging for them so I think yes, for the smaller ones there is definitely the same and we see it on the ground also that the smaller ones are facing some headwinds.

MB Mahesh: Final question is on this slide on IndusInd Bank where you have first time kind of indicated that you would be taking up to 40% of the overall branch network, just trying to understand when you are going back to the other lenders who are giving funding to you, how comfortable are they given the fact that one person will have a significant share in the overall branch network and the origination process, also would IndusInd Bank have a commensurate share on the funding side as



Satin Creditcare Network Limited
November 15, 2018

well for this network, and how diversified are these branch networks for IndusInd Bank and also for the other lenders?

H.P. Singh: I think clear cut answer is that for us it is 40% of our AUM at some point of time is where we are looking at in our contract and agreement with IndusInd Bank, which we will do with IndusInd Bank, we have taken out specific branches, which do work for IndusInd Bank and the rest do with the other lenders as such, so it is a very clear cut demarcation, which happens across so there is no intertwining in any kind of a branch or anywhere, branch is allocated to IndusInd they will do just the IndusInd growth over there and on your question that are the other lenders, we have not even got one single question on this where someone has had a discomfort, having a lot of people in fact if you look at the lenders I think the other stakeholders are pretty happy because this is on tap funding for us and in the current scenario I think all the more important for us to have one of our partners give us a line of credit for us, but none of the lenders have raised any question up till now.

Moderator: Thank you. The next question is from the line of Digant Haria from Antique Stock Broking. Please go ahead.

Digant Haria: I have two questions. In last concall, we said that our incremental provisioning would be around 2.7%. I guess that was the first IND AS quarter and now we have one more quarter of history to go by, so is this 2.7% number still the same for us that if we grow our loan book or AUM by Rs.1000 Crores we will have an additional provisioning of Rs.27 Crores or this number has some change over the last three months?

H.P. Singh: Digant the number has in fact gone down, so what was 2.73 in the first quarter is now 1.34 in the second quarter, so with the improvement in collection efficiencies, maybe few write backs, which are coming back for us, this credit cost number is in fact on a downward across over there and H1 total now stands at about 2.04%.

Digant Haria: That is a big improvement in just a quarter.

H.P. Singh: Thank you Sir, coming from you, it is good to hear that.

Digant Haria: Second question is: nobody knows if this liquidity crisis, we know that there is no crisis now, but at least for things to normalize and those 30% to 40% growth rate of NBFC's borrowing from banks that will take at least some time to normalize, so in that case let us build a hypothetical situation that funding is not so easy even for larger MFIs like us, then do we have any scope of controlling our operating cost because last two years we have done fair bit of investments in terms of branch monitoring and technology and all those things, so is there any scope, let us say if theoretically growth rates do not pan out the way we or everybody in the market thinks then is there a scope to tweak operating cost a little bit or we probably live with this cost till the time growth comes back?



*Satin Creditcare Network Limited
November 15, 2018*

- H.P. Singh:** Digant for us it is a constant endeavor to bring down our operating cost, but there are times when you are opening up new branches and everything there would be certain spikes, which comes in and it probably is there, we had a small spike in terms of our operating cost increasing a little bit, but I think it is fairly stable from where we are and the effort is always to bring it down and how soon we will be able to do that is the constant endeavor, which happens every quarter by quarter, but my own sense is that I think we are working on the portfolio quality also even till now, probably I do not know about the other MFIs, but I can say with certainty that we are still working on our past write offs and everything we are still working on it and that is the reason why one probable thing, which is probably may be have escaped attention for a lot of people, but part 360 in the last six months we have been able to write back about Rs.6 Crores growth of write back from there, so part 360 technically in our ECL we have taken 100% loss in it, but in spite of that fact we have been able to bring back about Rs.6 Crores back in to our system where the borrowers have repaid through our constant endeavor of doing that. What we feel the growth tapers down a little bit as what perception is building up across over there may be it might take some more time before it finally settles down to business as usual, which was there earlier. We have got everything in control, we are doing very controlled growth for us, maybe a 40% growth may be petered down to 5% to 10% down from there, but having said that even my growth even if it goes down from around 5% to 7% or that we are working on all the operational dynamics where profit remains our sole focus of bringing it back. Be it write-backs, be it operating cost, be it all that we are still working on, all the solutions put together to bring up our profitability even further from where we are.
- Digant Haria:** That is great to know sir. Lastly one more point, which I saw that the Uttar Pradesh exposure is now down to 22% so it is almost from 34 last year we are at 22, are we reaching our comfort zone with a single state exposure here or we still like to get it below 20
- H.P. Singh:** We will still like it below 20, because that is what our mission was, that we have no state going beyond 20%, and we had said we will do it by 2020, but I think we will be in a more agilent enough to probably bring it down to this level right now, so we will do it.
- Digant Haria:** Alright. Thank you and all the best.
- Moderator:** Thank you. Next we have a followup question from the line of Harish Kumar Gupta who is an individual investor. Please go ahead.
- Harish Kumar Gupta:** Sir I was looking at the quarterly results and there is one net gain on impairment losses so I think this is the one, which we have assumed as a credit, loss of loan and we have recovered it right?
- Jugal Kataria:** So this is credit cost you are talking about Rs. 18.41 cr number for the quarter?
- Harish Kumar Gupta:** In financials it is Rs.17.92 Crores, net gain on derecognize of financial instrument.



Satin Creditcare Network Limited
November 15, 2018

- Jugal Kataria:** So you are talking about income Rs.17.92 Crores, as we discussed earlier this is income on assignment of portfolio.
- Harish Kumar Gupta:** Assignment of portfolio means?
- Jugal Kataria:** We have sold the assets maybe we can take it offline and can explain you the transaction and slightly more detailed; this is an assignment transaction where we have transferred this to our investors.
- Harish Kumar Gupta:** Basically you have sold your loans to some third party.
- Aditi Singh:** Yes.
- Harish Kumar Gupta:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Vaibhav Kumar who is an individual investor. Please go ahead.
- Vaibhav Kumar:** My question is how much is the promoter shareholding pledged and any plans to unpledge it?
- H.P. Singh:** I think about 48% of our holding is pledged as of now.
- Vaibhav Kumar:** Any plans to unpledge?
- H.P. Singh:** Right now we have not thought about it to be very honest I think we are still looking at the other matrix and cross over there and I think this has probably not crossed our mind, but this is what our status right now.
- Vaibhav Kumar:** No plans to unpledge?
- H.P. Singh:** I cannot give you a very definitive answer so the status quo remains still the same and we will see how it pans out in the next few quarters as such if we have somewhere plans to unpledge it we will definitely try and do that, but right now I think we do not have any kind of plans.
- Vaibhav Kumar:** How much is the loans against these pledged shares?
- Jugal Kataria:** Vaibhav, this is Satin's investor call I would request that about promoter funding we shall discuss that separately.
- Vaibhav Kumar:** Okay.
- Moderator:** Thank you. That was the last question. As there are no further questions, I would like to hand the conference back to the management team for closing comments.



Satin Creditcare Network Limited
November 15, 2018

H.P. Singh: I think the presentation says it all and the first slide gives a complete download of what we have done in the quarter and thank you everyone for asking us questions and I think we have been able to reply to everybody's satisfaction that is what our endeavor always is to do that and we go forward in the next quarter working hard again to let our stakeholders feel happy about the working of the company.

Aalok Shah: On behalf of Centrum Broking we thank the management team of Satin for their time and sharing their thoughts on Q2. You may now disconnect the call. Thank you.

H.P. Singh: Thank you so much.

Moderator: Thank you very much. On behalf of Centrum Broking Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.