



SATIN CREDITCARE NETWORK LTD.

Reaching out!

29th October 2021, New Delhi

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) has announced its un-audited financial results for the quarter and half year ended 30th September 2021. The financial numbers are based on IndAS.

Financial Performance (On a Consolidated Basis)

Particulars (Rs. crores)	Q2 FY22	Q2 FY21
Assets Under Management (AUM)	7,381	7,667
Net Interest Income (NII)	171	184
Pre-Provisioning Operating Profit (PPOP)	53	80
Profit After Tax (PAT)	11	16

- Our disbursements for the quarter stood at Rs.1,315 crores as compared to Rs. 717 crores in Q2FY21 and Rs. 282 crores in Q1FY22
 - Disbursement activities are gradually inching towards the pre-covid levels and we expect this momentum to continue in the coming quarters
 - Disbursements grew 83% Y-o-Y and 366% Q-o-Q owing to waning pandemic figure as well as sustained and widespread vaccination drive
 - Standalone disbursements for the quarter stood at Rs. 1,103 crores as compared to Rs. 632 crores in Q2FY21 and Rs. 222 crores in Q1FY21
- PAT for Q2FY22 was Rs. 11 crores as compared to a reported loss of Rs. 81 crores in Q1FY22
- As on 30th September 2021, our Assigned Portfolio stood at Rs. 811 crores (including Rs. 16 crores of housing portfolio)

Footprints and Outreach

Particulars	Sep-21	Sep-20
States & UTs	23	23
Branches	1,279	1,255
No. of Employees	12,910	10,497
No. of Loan Officers	8,313	7,230
No. of Clients	28.9	31.1

Capital Adequacy and Liquidity

- Our capital adequacy as on 30th September 2021 stood at 22.3%
- The Company continues to maintain a healthy balance sheet liquidity with ~Rs. 1400 crores of surplus funds and has undrawn sanctions worth Rs. 323 crores as on 30th September 2021
- The Rights Issue of Rs. 120 crores launched in August 2020 is fully paid up as on date

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Borrowing Profile

- Total Borrowings stood at Rs. 5,920 crores as on 30th September 2021
- Debt-to-equity ratio stood at 4.2x
- 59% of our borrowings are from Banks

Collection Efficiency

- Collection efficiency witnessed some dip on account of the second wave of Covid-19 pandemic in Q1FY22. However, collections on ground witnessed significant recovery since July.
- **Improving Collection Efficiency trend**
 - Jul'21 – 86%; excl. Assam 89%
 - Aug'21 – 87%; excl. Assam 89%
 - Sep'21 – 90%; excl. Assam 91%
 - 1-22nd Oct'21 – 96%; excl. Assam 97%
- Cumulative collection efficiency for Q2FY22 stood at 88%; excl. Assam at 90%
- Significant reduction in number of non-paying clients from 11% during H1FY21 to 4% during H1FY22
- For the September quarter Collection Efficiency in top 4 states stood at 93%, which is also showing signs of improvement in the month of October 2021 at 102%.

Asset Quality

- On-book Gross Non-Performing Assets stood at 8.71%
- We have made adequate on-book provisioning of 8.67% on account of Covid-19 pandemic

Subsidiaries

- Satin Housing Finance Ltd, has now reached an AUM of Rs. 246 crores including DA of Rs. 16 crores, having presence across 4 states with 2,711 customers
 - SHFL has 100% retail book comprising of: 78% affordable housing loans and 22% of LAP
 - The Company has 10 active lenders including NHB refinance
 - CRAR of 89.3% and gearing of 1.6x. Total equity stands at Rs. 100 crores
 - The Company has knocked off all accrued losses since inception
- Satin Finserv Ltd, our MSME arm reached AUM of Rs. 138 crores, presence across 8 states with 15 branches serving 2,296 customers
 - Profitable since last years despite difficult business environment
 - CRAR of 77.9%; total equity stands at Rs. 107 crores
- Business Correspondent services under Taraashna Financial Services Limited has reached an AUM of Rs. 682 crores. As of 30th September 2021, the Company operates through 220 branches, has around 3.8 lakh active clients

Scheme of Arrangement

- The Board of Directors of two wholly owned subsidiaries of the Company namely, Taraashna Financial Services Limited and Satin Finserv Limited, at their respective meetings have considered and approved a draft Scheme of Arrangement for Amalgamation of Taraashna

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Financial Services Limited (“Transferor Company”) with Satin Finserv Limited (“Transferee Company”) and their respective shareholders and creditors (‘Scheme’) under Sections 230 to 232 of the Companies Act, 2013 (“Act”) and other applicable provisions of the Act and rules made thereunder.

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

“During the first half of FY22, our resilience and conviction considerably helped us navigate through these tough times. Q1FY22 was a challenging quarter owing to the rising number of Covid-19 cases and the subsequent lockdown to mitigate the spread of the virus. In Q2FY22 we witnessed economic activities gradually returning to normalcy owing to the waning pandemic figure as well as sustained and widespread vaccination drive.

For the period under review, the company adopted the right strategies at the right time offering the right solutions to the people who are in need of these solutions which helped us arrest de-growth. Our disbursements for Q2FY22 stood at Rs. 1,315 crores as compared to Rs. 282 crores in Q1FY22 and Rs. 717 crores Q2FY21. H1FY22 disbursements stood at Rs. 1,597 crores. Gradual pickup in disbursement activities has resulted in our AUM at Rs. 7,381 crores.

Our continuous aim is to maintain a sturdy balance sheet with a comfortable liquidity position. Our balance sheet liquidity stands at ~Rs. 1,400 crores.

We believe that we are on a strong footing, looking at the buoyancy in the economy. As a responsible organization, we consistently strive to make a positive difference in our stakeholders’ lives by driving financial inclusion. We are guided by our long-standing commitment of reaching the underserved sections of the society. We are propelled by our utmost sincerity, compassion, and long-term vision of offering support where it is most needed and are well poised to achieve growth and conquer the lost ground in the coming quarters.

In line with our long term strategy of diversification, Non-MFI book stood at 9.7% of AUM as on 30th September 2021. We have laid a strong foundation for both SHFL and SFL during last 3 years and have created valuable institutions. We will build and scale these businesses in a calibrated manner to create value for our stakeholders”

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 83,000 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. Taraashna Financial Services Limited is 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, the Company received separate NBFC license to commence MSME

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business, through Satin Finserv Limited. As of September 2021, SCNL had 1,279 branches and a headcount of 12,910 across 23 states and union territories serving around 29 lakh clients.

Disclaimer

This document may contain certain forward-looking statements within the meaning of applicable securities law and regulations. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from any future results, performances, or achievements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime and other statutes. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company

Satin Creditcare Network Ltd.

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