



## SATIN CREDITCARE NETWORK LTD.

*Reaching out!*

**4<sup>th</sup> May 2022, New Delhi**

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) has announced its audited financial results for the quarter and year ended 31<sup>st</sup> March 2022. The financial numbers are based on IndAS.

### Financial Performance (On a Consolidated Basis)

Particulars (Rs. crores)	Q4 FY22	Q4 FY21	FY22	FY21
Assets under Management (AUM)	7,617	8,379	7,617	8,379
Net Interest Income (NII)	211	243	755	742
Pre-Provisioning Operating Profit (PPOP)	76	110	244	292
Profit / (Loss) After Tax (PAT)	57	38	21	(14)

### Financial Performance (On a Standalone Basis)

Particulars (Rs. crores)	Q4 FY22	Q4 FY21	FY22	FY21
Assets under Management (AUM)	6,409	7,275	6,409	7,275
Net Interest Income (NII)	185	216	660	655
Pre-Provisioning Operating Profit (PPOP)	71	105	231	277
Profit / (Loss) After Tax (PAT)	60	43	40	(14)

- During FY22, our disbursement stood at Rs. 4,856 crores as compared to Rs. 4,982 crores in FY21.
- Our disbursements for the quarter stood at Rs. 1,900 crores as compared to Rs. 2,376 crores in Q4FY21 and Rs. 1,348 crores in Q3FY22 registering a sequential growth of 41%
  - Micro-Finance disbursements for the quarter stood at Rs. 1,720 crores as compared to Rs. 2,261 crores in Q4FY21 and Rs. 1,224 crores in Q3FY22
- Continuing a cautious and calibrated approach in disbursement activities, we are gradually inching towards the pre-covid levels and have only disbursed loans to clients with regular repayment cycles and healthy credit history. No disbursement was made to delinquent clients
- Our Average Ticket Size of MFI Lending for the year stood at Rs. 42,000
- With the relaxation of the lockdown restrictions as well as improvement in our disbursement and collection efficiency, the Company has reported a PAT for Rs. 21 crores in FY22 as compared to loss of Rs. 14 crores in FY21
- Assigned Portfolio stood at Rs. 1,230 crores as on 31<sup>st</sup> March 2022

### Footprints and Outreach

Particulars	Mar-22	Mar-21
States & UTs	23	23
Branches	1,224	1,257
No. of Employees	12,705	12,726
No. of Loan Officers	8,774	8,090
No. of Clients (Lakhs)	28.1	30.5

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### Capital Adequacy and Liquidity

- Our capital base is strong with a capital adequacy ratio of 27.8%
  - Additionally, the Company took proactive steps to augment its capital position by successfully raising Rs. 120 crores via a rights issue in August 2020 and Rs. 225 crores by way of allotment of equity shares and fully convertible warrants on a preferential basis to the promoter and non-promoter entities in December 2021. We received Rs. 75 crores against allotment done in January 2022.
- During FY22, the Company raised debt of Rs. 4,093 crores including Direct Assignment transactions of Rs. 891 crores
- The Company continues to maintain a healthy balance sheet liquidity with Rs. 1,291 crores of surplus funds and has undrawn sanctions worth Rs. 269 crores as on 31<sup>st</sup> March 2022

### Borrowing Profile

- Total consolidated borrowings stood at Rs. 5,801 crores as on 31<sup>st</sup> March 2022
- Debt-to-equity ratio as of 31<sup>st</sup> March 2022 stood at 3.7x
- The Company's reliance on NBFC funding is 5% of total borrowings and has significantly reduced its reliance on the higher cost of funding
  - 63% of our borrowings are from Banks

### Collection Efficiency

- Collection Efficiency trend for FY22 stood as follows:
  - Q1FY22 - 82%
  - Q2FY22 - 88%
  - Q3FY22 - 96%
  - Q4FY22 - 100%
  - For the period between Jul'21 to Mar'22 the collection efficiency stood at 94%
- Top 4 states (UP, Bihar, MP and Punjab) comprise of 53.7% of the Company's AUM; collection efficiency stood at 101% for Q4FY22

### Asset Quality

- On-book Gross Non-Performing Assets stood at 8.0%
- We have made provisioning of 6.7% of on-book portfolio

### Subsidiaries

- Taraashna Financial Services Limited, which provides Business Correspondent services, has an AUM of Rs. 724 crores. As of 31<sup>st</sup> March 2022, the Company operates through 158 branches and has around 3.5 lakh active loan clients
- Satin Finserv Ltd, the Company's MSME lending arm has reached an AUM of Rs. 166 crores
- Satin Housing Finance Ltd, has now reached an AUM of Rs. 318 crores including DA of Rs. 26 crores, having a presence across 4 states with 3,585 customers
  - SHFL has 100% retail book comprising of: 68% affordable housing loans and 32% of LAP
  - The Company has 15 active lenders including NHB refinance
  - CRAR of 60.2% and gearing of 2.1x. Total equity stands at Rs. 101 crores

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### 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 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
- The Company has filed the first joint motion application before the Hon’ble NCLT Bench Chandigarh in Jan’22. The said first motion application is reserved and allowed by the said Hon’ble NCLT on hearing dated April 06, 2022.

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

*“During Q4FY22, we saw significant recovery across sectors, and Micro-Finance, being a core part of this ecosystem, was a beneficiary of this positive momentum. Our AUM for the quarter and year ended 31st March 2022 stood at Rs. 7,617 crores.*

*We witnessed tremendous improvements in both our disbursements and collecting activities. Our disbursements too saw a substantial growth which stood at Rs. 1,900 crores in Q4FY22 as compared to Rs. 1,348 crores in Q3FY22. In addition, our collection efficiency improved from 82% in Q1FY22 to ~100% Q4FY22. We anticipate that this momentum will continue in the future quarters.*

*We have also demonstrated an improving trend in our portfolio quality. Our GNPA for March’22 stood at 8.0%. We have made adequate provisioning of 6.7%, as of 31st March 2022 of on-book portfolio.*

*Going ahead, we intend to re-establish our growth trajectory and recoup the lost ground. We remain sanguine about the overall economy and lending activity, especially in the micro-finance segment. We are getting positive feedback from our on-ground force for the enquiry generation, which we hope will drive the growth in disbursements. The asset quality is expected to improve, underpinned by the robust rebound in economic activities.*

*Improving the demand scenario in the rural markets coupled with the RBI's new regulations will provide a level playing field for all lenders. These directives, along with frameworks such as Scale Based Regulation, Income Recognition and Asset Classification, Prompt Corrective Action, and information security, will ensure the industry has healthy growth in a risk-adjusted manner, and Satin, as one of the industry's leading players, is expected to rebound strongly, both financially and operationally.”*

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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 territories and around 90,000 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, it received separate NBFC license to commence MSME business through Satin Finserv Limited. As of March 2022, SCNL had 1,224 branches and a headcount of 12,705 across 23 states and union territories serving 28 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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