



SATIN CREDITCARE NETWORK LTD.
Reaching out!

Satin Creditcare Network Limited's AUM up by 24% YoY; PAT for Q4FY23 up by 60% YoY

29th April 2023, New Delhi

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) has announced its audited financial results for the quarter and year ended 31st March 2023. The financial numbers are based on IndAS.

Financial Performance (On a Standalone Basis)

Particulars (Rs. crore)	FY23	FY22	% Change	Q4 FY23	Q4 FY22	% Change
Assets under Management (AUM)	7,929	6,409	24%	7,929	6,409	24%
Disbursement	7,390	4,031	83%	2,546	1,622	57%
Net Interest Income (NII)	1,186	656	81%	251	181	39%
Pre-Provisioning Operating Profit (PPOP)	737	231	219%	138	71	94%
Profit After Tax (PAT)	264	40	557%	94	60	59%
Return on Assets (RoA)	3.52%	0.53%	+299 bps	4.90%	3.27%	+163 bps
Return on Equity (RoE)	15.02%	2.60%	+1242 bps	20.30%	15.48%	+481 bps

Financial Performance (On a Consolidated Basis)

Particulars (Rs. crore)	FY23	FY22	% Change	Q4 FY23	Q4 FY22	% Change
Assets under Management (AUM)	9,115	7,617	20%	9,115	7,617	20%
Disbursement	8,087	4,856	67%	2,789	1,900	47%
Net Interest Income (NII)	942	750	26%	279	203	38%
Pre-Provision Operating Profit (PPOP)	414	244	69%	146	76	92%

Footprints and Outreach (On a Consolidated Basis)

Particulars	Mar-23	Mar-22
States & UTs	24	23
Branches	1,287	1,224
No. of Employees	11,131	12,705
No. of Loan Officers	7,449	8,774
No. of Clients (Lakhs)	28.3	28.1

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Update on Q4 FY23

- PAT stood at Rs. 94 crore, RoA at 4.9% & RoE at 20.3%; highest ever profitability
- Observed strong net customer addition of ~2 lacs
- Cost to Income ratio at 45%
- Reported highest quarterly disbursements of Rs. 2,546 crore

Restructured Book

- The Company's restructured book has reduced from Rs. 1,151 crore as on Sep'21 to Rs. 144 crore as on Mar'23; in percentage terms reduced from 21.4% to 2.5% of on-book portfolio

Capital Adequacy and Liquidity

- During FY23, the Company did a fundraise of Rs. 6,846 crore from various lenders and added 7 new lenders to its portfolio
- Our capital base is strong with a capital adequacy ratio of 26.6% as on 31st March 2023
- Up to Q4FY23, received Rs. 137 crore out of Rs. 225 crore of preferential allotment money via issue of equity shares and fully convertible warrants
- Book value per share stood at Rs. 225
- The Company continues to maintain a healthy balance sheet liquidity of Rs 1,029 crore and has undrawn sanctions worth Rs. 580 crore as on 31st March 2023

Borrowing Profile

- Total borrowings stood at Rs. 5,497 crore as on 31st March 2023
- Debt-to-equity ratio as of 31st March 2023 stood at 2.87x
- 66% of our borrowings are from banks, followed by overseas funds at 20%, NBFCs at 9% and DFIs at 5%
 - The company has a diversified and large lender base of 65 active lenders

Collection Efficiency

- Collection efficiency for FY23 stood at 99.6% (excluding restructured portfolio)
- Top 4 states (UP, Bihar, MP and Punjab) comprises of 55% of the Company's AUM; collection efficiency stood at 99.5% for FY23

Asset Quality

- On-book Gross Non-Performing Assets stood at 3.28% amounting to Rs. 185 crore as on 31st March 2023 as compared to 8.01% as on 31st March 2022 amounting to Rs. 412 crore
 - Excluding Assam On-book Gross Non-Performing Asset stood at 1.6% as on Q4FY23 amounting to Rs. 91 crore
- The new portfolio (originated from Jul'21 onwards) which constitutes 94% of on-book MFI portfolio is showing excellent performance with PAR 1 at 0.7% and PAR 90 at 0.3%
- We have sufficient on-book provisions amounting to Rs. 119 crore as on 31st March 2023, which is 2.1% of on-book portfolio
- During FY23, collection against write-offs were Rs. 48 crore

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Subsidiaries - Both the subsidiaries are profitable during FY23

- Satin Housing Finance Ltd witnessed YoY growth of 59% in AUM which stood at Rs. 505 crore, having presence across 4 states with 5,448 customers
 - GNPA stood at 0.34% highlighting strong asset quality
 - SHFL has 100% retail book
 - The Company has 21 active lenders including NHB refinance
 - CRAR of 45.3% and gearing of 2.3x
 - PAT for FY23 stood at Rs. 6 crore
- Satin Finserv Ltd, the Company's MSME & BC lending arm has reached an AUM of Rs. 682 crore
 - GNPA stood at 4.14%
 - CRAR of 47.0% and gearing of 1.2x
 - PAT for FY23 stood at Rs. 6 crore

Scheme of Arrangement

- The Hon'ble NCLT, in its hearing dated January 31, 2023, has approved the Scheme of Arrangement for Amalgamation of Taraashna Financial Services Limited (transferor) with Satin Finserv Limited (transferee). After the requisite filing with the concerned ROC, the said Scheme became effective from March 01, 2023

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

"The company has delivered yet another quarter and year of excellent performance, while achieving good growth coupled with robust operational and financial controls and making consistent progress in asset quality, crossing milestone of Rs. 9,000 crore in consolidated AUM.

We represented strong business growth with our standalone AUM up by 24% YoY to Rs. 7,929 crore and recorded our highest ever profitability with PAT of Rs. 94 crore for the quarter, resulting in ROA of 4.9% and ROE at 20.0%. We are optimistic about maintaining this profitability trend in the coming years. The substantial pick-up in the portfolio was driven by growth in standalone disbursement, which is up by 83% year on year and stands at Rs. 7,390 crore. The consolidated disbursement stood at Rs. 8,087 crore, grew by 67% YoY.

In line with our endeavours of deepening financial inclusion for the emancipation of the bottom of pyramid, we opened 66 branches, added 5,000 villages and a new state to our portfolio.

With respect to Asset Quality, we have tightened our credit evaluation criteria in order to ensure consistent portfolio quality. Our on-book Gross Non-Performing Assets as on Mar'23 stood at 3.28%, down from 8.01% as on Mar'22. Our new portfolio generated from Jul'21 onwards far exceeds the industry in asset quality, with PAR 90 of 0.3%.

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With a CRAR of 26.6% and balance sheet liquidity of Rs. 1,029 crore as on Q4FY23, with good liquidity and capital position, our balance sheet keeps getting stronger every quarter.

With our vision to diversify into secured asset classes, our Non-MFI book has grown to 12.3% as on Mar'23. Our subsidiaries are aiding us in leveraging the outreach by catering to those in need through affordable housing and retail MSME loans.

Being a responsible institution, we shall continue to stay at the forefront of capitalizing on our outreach, focusing on healthy asset quality and liabilities, which will help us provide financial support to our borrowers. With our robust operating model, proven execution capabilities, strong customer relationships and robust balance sheet, we are well positioned to demonstrate good growth in the years to come. Going ahead, we are expecting to achieve AUM growth of 25%+ and RoA of 3.5%+."

About Satin Creditcare Network Limited

Satin Creditcare Network Limited (SCNL or Satin) is a leading microfinance institution (MFI) in the country with presence in 24 states & union territories and 95,000 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, affordable housing loans, and business correspondent services. 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. Acquired in 2016, Taraashna Financial Services Limited or TFSL (now merged with SFL) is engaged in the business correspondent activity with various banks and NBFCs. In January 2019, SCNL received separate NBFC license to commence MSME business through Satin Finserv Limited (SFL). The merger of two wholly owned subsidiaries, TFSL (transferor) with SFL (transfree) got effective from March 2023. As of 31st March 2023, SCNL had 1,287 branches and a headcount of 11,131 across 24 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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