



“Satin Creditcare Network Limited  
Q3 & 9MFY24 Earnings Conference Call”

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**Management:** Mr. H.P. Singh – Chairman cum Managing Director  
Mr. Jugal Kataria – Group Controller  
Ms. Aditi Singh – Head-Strategy



**Moderator:** Ladies and gentlemen, good day, and welcome to Satin Creditcare Network Limited Q3 and Nine-Month FY'24 Earnings Conference Call. 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 call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. HP Singh, Chairman cum Managing Director of Satin Creditcare Network Limited. Thank you, and over to you, sir.

**HP Singh:** Thank you. Good evening, everyone. We welcome you all to discuss our company's third quarter and nine months of financial year 2024 performance. I trust you've had a chance to review our quarterly results and investor presentation. If you haven't gone through them yet, you can access them on our website or through the stock exchanges.

Before we begin with our agenda of this earnings call, it is with great pleasure that I inform you about the newest member of the Satin family, Mr. Anil Kaul, who has joined our Board as Independent Director, who has been the ex-MD of TATA Housing Finance. His extensive experience and strategic acumen are certain to play a pivotal role in steering our company towards continuous growth and enduring success. We warmly welcome him and look forward to the valuable insight he will bring to the table.

This quarter has proven exceptionally fruitful for us, marked by a series of notable achievements that stand as evidenced through our strategic progress. Firstly, we successfully completed equity infusion of INR 250 crores through QIP which was oversubscribed by nearly double the issue size. We were overwhelmed with the great response from marquee domestic and global investors. Our long-term credit rating got upgraded to A (Stable) by ICRA from A- (Stable) on account of the strong performance our company demonstrated consistently.

In a significant stride towards empowering economically active women in rural and semi urban areas, we have entered into a co-lending agreement with Karnataka Bank. Furthermore, adding to our laurels, we are happy to share that our company has been certified with the highest level of recognition, Gold level, by MicroFinanza Rating in accordance with the new framework of SPTF and CERISE. Collectively, these successes demonstrate our resolution to excellence.



Speaking about our performance, our AUM on a year-on-year basis grew by 39% on a consolidated basis, which now stands at INR 1,174 crores. Our disbursement stood at INR 7,445 crores, grew by 41% year-on-year and 65% quarter-on-quarter. Our footprint expanded with 94 new branches, taking the total branch network to 1,386 in 419 districts.

This quarter witnessed robust improvement in business momentum, operating efficiency and asset quality. Thus, we concluded the highest ever profitability of INR 308 crores in nine months FY'24, up by 428% year-on-year basis. Consequently, this resulted in ROA of 4.5% and ROE of 21.1%.

Coming to standalone numbers, our disbursement for nine-month FY'24 stood at INR 6,881 crores, up by 42% year-on-year and 65% on a quarter-on-quarter basis. In response to new customer addition and robust demand from clients, we successfully disbursed more than INR 1,000 crores in a single month, a strong achievement as it marks first such instance.

The strong momentum and disbursement led to AUM growth of 44% on a year-on-year basis to reach INR 9,811 crores. This growth is a very healthy balance fueled by new customer additions and an increase in average ticket size between 7% to 8%, that is in line with inflation. A key driver of our growth lies in the expansion of our customer base. We registered an impressive addition of 6.3 lakh borrowers in nine months FY'24, up by 35% year-on-year, propelling our total client base beyond the 3 million mark. This demonstrates the opportunities for growth in the microfinance sector, cementing our pivotal role in enhancing financial inclusion and inclusivity. At the time of disbursement, 31% of our clients have Satin as the only lender.

On on-book GNPA of the company stood at INR 175 crores, which is 2.40% of the on-book portfolio, down from 3.92% as on December 22. The company has sufficient on-book provision amounting to INR 146 crores as on Q3 FY'24, which is 2% of its own book AUM. During nine months FY'24, collection against write-offs was around INR 36 crores. Gross cumulative collection efficiency for nine-month FY'24 stood at 99%.

During the reporting quarter, we maintained the strength of our healthy collection in asset quality. The performance of the new portfolio originated from July 21 onwards is performing better than the industry, which constitutes about 97% of the on-book MFI portfolio with PAR1 at 2.1% and PAR90 at 1% as on 31st December 2023. This demonstrates the effectiveness of our underwriting process.

Talking about liquidity and capitalization post QIP of INR 250 crores, CRAR stood at 28.7%. The company has raised INR 7,470 crores, up by 56% in 9 months FY'24 indicating financial stability and the confidence of the market in us. Further, the company has more than sufficient liquidity of INR 1,800 crores as on 31st December 2023, and also has undrawn fraction in hand of more than INR 1,000 crores. Our consolidated book value stands at INR 205 per share. In our continuous pursuit of diversifying our liability profile, the company added 14 new lenders in 9 months FY'24.

Moving forward, our company probably stands adorned with accolades that serve as a testament to our persistent efforts to financial inclusion, exemplary leadership and our steadfast pursuit of facilitating improved access to water and sanitation programs for our clients. Notably, we won the most influential MFI of the year award at the 16th NBFC and Fintech Award 2023. We were conferred with the coveted title of Top 50 Companies with Great Managers at the Great Managers Awards, and Best Innovative Financial Accessibility Model for WASH at the ISC-FICCI Sanitation Awards and Conclave 2023.

As we conclude Q3 and look ahead, our strategic priorities are geared towards optimizing our business model and fortifying our operational foundation. We have committed to fostering the growth of our subsidiaries by leveraging the robust infrastructure of SCNL with a specific emphasis on maintaining a healthy ratio of secured assets. On technology front, we remain committed to invest in enabled processes like Iris-based E-KYC, among many others. Furthermore, our dedicated effort will be placed on strengthening our process at risk, framework, ensuring a resilient operational structure to navigate evolving market dynamics successfully. And lastly, in line with our strategic road map, I'm delighted to share that we are on the trajectory of surpassing our guidance on every parameter.

Running through the financial operational highlights of our company, starting with consolidated highlights.

- We have a customer base of INR 34.2 lakh as of 31st December 2023, with presence across 1,386 branches in 97,000 villages and 419 districts of India.
- Our top 4 states contribute to 54% of total AUM Q3 FY'24 and the states are UP, Bihar, West Bengal and Madhya Pradesh.
- Our disbursement for Q3 FY'24 stood at INR 2,912 crores as compared to INR 1,881 crores in Q3 FY'23.
- The total revenue for the quarter stood at INR 1,594 crores, up by 42% year-on-year.

Coming to the standalone highlights.

- Our standalone disbursement for the quarter stood at INR 2,698 crores as compared to INR 1,725 crores in Q3 FY'23. The average monthly disbursement run rate is of INR 899 crores.
- PAT for 9 months FY'24 stood at INR 298 crores, ROA at 4.5% and ROE at 17.8%.
- Our average ticket size of MFI lending for 9 months FY'24 stood at INR 46,000.
- We have a well-diversified customer base of approximately 31.9 lakh clients, with 76% rural exposure.
- 53% of our clients belong to first cycle as on December '23. We have added 32 branches during the quarter.
- On book GNPA reduced to 2.4% as on December '23, from 3.9% as on December '22. The company has sufficient on-book provisions amounting to INR 146 crores as on Q3 FY'24 which is 2% of the on-book portfolio. Stage-3 provision coverage ratio at 61% as on Q3 FY'24.
- With the operational efficiencies playing out, opex to average AUM has reduced to 5.8% as compared to 6.8% in 9 months FY'23, decreased by 99 basis points.
- Cost-to-income ratio stood at 44.9% as compared to 57.5% in 9 months FY'23.
- Total borrowings stood at INR 7,488 crores as on 31st December '23.
- Debt-to-equity ratio as on 31st December 2023 stood at 3x.
- As on 31st December 2023, 96.7% of our districts have less than 1% of portfolio exposure. In our constant endeavor to enrich our customers' lives, we provide financing of various products, which includes loans for bicycles, solar products, home appliances, consumer durables and water and sanitation facilities.

An update on subsidiaries. Through the collective efforts of our subsidiaries, we aim to extend our spectrum of financial services to our clients by harnessing the strength of our management outreach. We endeavor to extend affordable housing and retail MSME lending, specifically to clients who have completed more than 2 loan cycles with the company and have higher credit requirements.

This approach aligns with our broader strategy of customer life cycle management. By servicing management graduates, we are not only deepening our relationship with



existing customers, but are also capitalizing on the evolving financial needs and capabilities.

Satin Housing Finance Limited has now reached an AUM of INR 607 crores. This grew by 58% year-on-year, having presence across 4 states with 6,512 customers. SHFL has 100% retail book. The quality of portfolio remains intact with GNPA of 1.1% as on December '23. The company has 24 active lenders, including NHB Refinance. CRAR of 49.5% and gearing of 2.1x. PAT for 9 months '24 stood at INR 5.2 crores.

Satin Finserv Limited, the company's MSME lending arm, has reached an AUM of INR 657 crores. We are systematically running down the business correspondent book to adhere to principal business criteria. CRAR of 47.8% and gearing of 1.1x. PAT for 9 months FY'24 stood at INR 3.6 crores.

In summary, as we progress on the path of expansion, we are poised to embrace greater profitability while upholding cost efficiency.

With this, I would like to open the floor for questions. Thank you.

**Moderator:** Thank you very much. We will now begin with the question and answer session. First question is from the line of Agastya Dave from CAO Capital. Please go ahead.

**Agastya Dave:** Singh sir, congratulations. Great performance. We are finally growing. We spent a lot of time around that INR 6,000 crores, INR 7,000 crores AUM mark. It's good to see that we are growing. But sir, I have a question there. Up to what level are you comfortable with your internal processes, whether I look at the HQ level or at the branch level. What kind of growth do you think you can handle comfortably without putting -- without exposing us to any kind of process-related risk?

**HP Singh:** So I think I'll tell you one thing. For us, the baseline has always been process as well as looking at underwriting capabilities for us when we acquire a customer. So for us, when we look at ourselves right now also, if you look at the portfolio quality as well as the credit cost, as well as the various other parameters in terms of acquisition of our customer through technology enablement and everything. I think we are well poised keeping in all these factors of acquisition of a customer, underwriting of our customers, the back-end operations, which we probably are completely digitized to - - I would say, we are digitized to about 90% of our extent even in our branches across over there.

Putting all that together, I think for us, an acquisition or a growth of about 30%, 40% is something which we can do it very easily across over there. So it doesn't compromise on any of our quality parameters anywhere which across.

**Agastya Dave:**

Great. Sir, now if I look at the external risks, so it seems that the political risks are off the table. We are not hearing any noises, three major states came for the elections and there was nothing on, none of the politicians were promising loan waivers. So that's good to see. But if I look at the indicators that we're getting from the rural side, right, whether on the consumption -- from the consumption companies or if I look at what is happening to the milk prices or the agriculture side is not that great. Agriculture incomes have also been suffering.

So in that light, the entire industry -- it's not just you, but the entire industry is saying that we can grow at 30%, 35% for the next three, four years easily. So I was just wondering, sir, the macroeconomic indicators are saying something. You guys are saying something else. So what is the reality? And is there a risk -- is there an external risk that the industry as a whole is taking now?

**HP Singh:**

So, I think, let me answer this question, I want to clear it once and for all. I think, there is a difference between a credit demand and a demand for FMCG and the products which are there.

**Agastya Dave:**

I understand that, sir. I understand. But I'm just talking about using that as an indicator for the financial health of the rural household.

**HP Singh:**

Let me clarify. So when you look at it, it's how the demand actually pertains up to it. Whether I'm buying a mobile phone or maybe I'm buying a refrigerator or I'm buying anything which is there or am I taking it for my business. When the business maturity levels reach to a stage when I think a customer looks at it enhancing his income level, I think that is where I think the basic factors step in.

Now having said that, if you look at the even at the budget, which has come in right now, I think there is probably an emphasis on increasing the Mudra loans, increasing the Ladli scheme, which is there. Now that once it encompasses a larger spectrum of people in its fold, the income level definitely will be generated. That's one.

The second, what you said, I think with the rainfall now coming in, the Rabi acreage has, in fact, increased which will actually look at more income level. Now these income levels are technically, which actually enhance the business capacity is not the purchasing power capacities which are there in terms of the goods which is required.



And that is a very strong indicator, which gives us in terms of how the demand pertains, how the repayment pertains and how we are looking at completely the credit cost and the various factors aligned to it.

**Agastya Dave:** Sir, one last question. The credit rating upgrade that we have seen, any impact on our cost of funds over the next six months that you expect? What will that be? And my guess is that you will be passing most of it to our customers. Am I right in that assumption?

**HP Singh:** Yes. I think for us it just happened in December. So I think now whatever further we are looking at, we are talking to our lenders to reduce our cost of funds from about 11.3% - 11.5% down to about another 25 to 50 basis points. So about 11%, 11.25% is what we're looking at. And definitely, as what you said, as long as our margins are intact at the levels where we are, stable, we would pass on this benefit to our customers.

**Agastya Dave:** Thank you very much for answering my question, sir. I was just playing the devil's advocate here. All the best for the next quarter, sir. Thank you.

**Moderator:** Thank you. Next question is from the line of PD Sharma from Yes Investments. Please go ahead,

**PD Sharma:** Hello, Mr. Singh. You have presented a very good result. I wish the whole Satin team well for this.

**HP Singh:** Thank you very much.

**PD Sharma:** Sir, I have two questions. One is, we have opened new branches. In which geography have you opened?

**HP Singh:** The new branches that we have opened are in our existing geography. We are going to open more in Telangana and Andhra Pradesh. We are going to open more stores in North East as well. This is our further expansion plan in Meghalaya and Nagaland. So this is our expansion for the future.

**PD Sharma:** Sir, my second question is, what is your total loan book in Punjab and what is the collection efficiency? Because my question is because there are some political issues coming there. I came to know this?

**HP Singh:** You are right, but the issues coming in Punjab are limited in one or two districts. If our total branches are 60, out of 60, 5 or 6 are impacted. Our collection efficiency in

Punjab's total portfolio is 98%. If I tell you the figure of 90 plus in those affected branches, then our 90 plus figure is only around INR 1.25 crores. The total (on-book excl. securitisation) AUM is around INR 250 crores.

Out of which, practically, if I tell you, the 5-6 branches where it has been affected, I told you, it is around INR 1.25 crores. Our figure is 90 plus. Collection efficiency is around 98% in Punjab.

**P D Sharma:** Okay. Sir, my last question is that some loans through bond issues, the fund that we have raised, sir, we have raised 12.75% monthly IRR. Sir, what is the purpose of borrowing at such a high yield? When we can easily borrow at around 10% through public NCDs?

**Jugal Kataria:** So, what is the purpose of diversifying our source of fund. We go to retail investors and get a little expensive money in the beginning. Slowly the cost will be fixed. So, we are opening a new segment for ourselves to raise funds. It will slowly come down. The successful issues we have done, the cost is slowly going down in each one.

**HP Singh:** So, Sharmaji, a new product has been introduced for us that we borrow from banks, NBSE or foreign funders. So we thought we will do it from this route also. So initially the first raise is always a little high. Now as we do subsequent raises, it is going down. It will ultimately come to the parity at which our PSU banks and private banks get money. It is only a process which is happening.

**P D Sharma:** Okay. Best of luck, sir. Many good things are waiting for you in the future.

**HP Singh:** Thank you, Sharmaji. Thank you.

**Moderator:** Thank you. Next question is from the line of Prathamesh Sawant from Axis Securities. Please go ahead.

**Prathamesh Sawant:** Yes, thank you, sir. Congratulations for a great set of numbers. So my question was with respect to your opex costs, so going ahead that you are planning in expansion of new branches into different states. So what's your outlook on the opex cost and where would be this, what's the next 18 month or one year, two year targets?

**HP Singh:** So, I think for us, our work is moving towards that we bring down our oepx down below 5.5%. That is what we are trying to look at. Now when I say that we open up new branches across over there, in my entire base of about 1,180 odd branches opening up another 100 branches they'll have a slight jerk for a minimal period of

time the moment they come into the finish of their gestation and they come into a break-even category i think my opex will probably not have any kind of an increase.

I would say if it increases by 0.01 or 0.02 then that is insignificant but we are actually working on blueprints where we are able to look at various heads and are able to bring down this thing. And my only answer to you is this, that we are looking at bringing this opex down in the next, I think, six to nine months below 5.5%. That is what our first target is. And going forward I think for us the endeavour is to have our opex somewhere closer to 5% but that's all work in process. And we will, we are very, very positive, we are very, very hopeful that we'll achieve this.

**Prathamesh Sawant:** My second question is with respect to your disbursement so can we expect a steady state INR 1000 crores disbursements going ahead?

**HP Singh:** We would love that honestly for us, but yes, that's a benchmark we set for ourselves. We are looking at that. Definitely the boys are motivated. The team is motivated. The team is all excited. I think for us to cross that INR 1000 crores mark in one month was a dream which we've been looking for a long number of years, will definitely be doing that more often.

**Prathamesh Sawant:** Thank you, sir. That's it from my end.

**HP Singh:** Yes, thank you so much.

**Moderator:** Thank you. Next question is from the line of Sweta Padhi from SBI Securities. Please go ahead.

**Sweta Padhi:** Congratulations, sir, on this great set of numbers. Actually, during the quarter, some of your peers have reported slight increase in their delinquency, especially in the southern parts. So where do you think your credit cost is going to be going ahead?

**HP Singh:** Ma'am, we've given our guidance in terms of our credit cost for this year, at least in the range of 1.25% to 1.5%, that's what our range is. And I think we've fared very well until now by at about 1.1%. Our own sense is that I think we will remain within that - our guess is within that lower range, I think we'll be there. For the next year, our guidance is again at about 1.5% to 1.75%.

By the way, the kind of underwriting capabilities which you are putting in across and our constant endeavour is always to look at credit costs very minutely across over there and work upon it, including write-backs, which is there. I think we'll be below that range even in the coming quarters.

- Moderator:** Thank you. Next question is from the line of Rajiv Mehta from Yes Securities.
- Rajiv Mehta:** Yes. Sir, firstly, I must congratulate you on very strong performance. And coming to the two questions I have. Firstly, thank you for clarifying on this Punjab issue. So you I mean, as for what you've described, the issue in Punjab is basically restricted to a couple of districts, and it is not a larger, it's not sort a very widespread issue in the state itself, right?
- Rajiv Mehta:** And can you name the districts, sir, if you don't mind?
- HP Singh:** This is Gurdaspur district.
- Rajiv Mehta:** Gurdaspur. Okay. And are we seeing similar issues of what you are seeing in those two Punjab districts in some other states as well, adjacent states like Rajasthan or Haryana?
- HP Singh:** No. So let me clarify. So this is limited only to these two states sorry, these two districts of Amritsar and Gurdaspur. Not even adjoining to these two districts have been affected in Punjab. That's one. Rajasthan, we don't have any kind of, probably a stress issue, which has probably been there. No agitation or stuff like that. It's just limited to this.
- Rajiv Mehta:** Got it. Just my last question is, sir. How are we assessing the quality of new growth, the new customers being on-boarded. See, one of the parameters is whether how many loans she already has, and of course, for household level for the data. But anything from our side, any other parameters that we're using so as to ensure that even if the growth rate is slightly higher but we are very confident about the asset quality going forward?
- HP Singh:** So Rajiv, besides this statutory mandatory thing, which is there in terms of FOIR and all, we go beyond that. And that is also one of the key reasons why I think if you look at the complete ecosystem of credit cost, we are faring at least better than the industry. I think I can safely say that.
- Rajiv Mehta:** Yes, yes.
- HP Singh:** The reasons are multi-fold. We do a lot of data analytics in terms of how we actually acquire a customer. As I've been mentioning across, and it's not a game of disbursement now, it's the game of collection. Whatever you can do in terms of

acquisition of a customer, you can do it rather than do anything post that, because I think it becomes slightly challenging to do that.

So we've got various data points. We've got various factors in terms of the branch level par numbers coming up. We look at the scorecards, which generate from the credit bureau as well as our internal scorecard. And I think for us, we take immediate action because for us, since we have our own technology, our own data analytics teams which work on it, let me just mention across, we've got 20 members strong data analytics team which just works on portfolio quality, branch-by-branch, center-by-center, loan officer by loan officer. So I think that's how granularly we look at the data, and we are able to take action based on these.

**Rajiv Mehta:** Understood sir. Thank you so much for answering my questions. And best wishes for strong performance.

**HP Singh:** Thank you.

**Moderator:** Thank you very much. Next question is from the line of Saroj Kumar from Doha Bank. Please go ahead.

**Saroj Kumar:** First of all good evening. And congratulations for a very good number in Q3. My question is about that, particularly for Assam portfolio. So how the collection efficiency matter in Q3? I mean, how it was about the portfolio?

**HP Singh:** Okay. Let me answer this. So Assam portfolio, we have a 100% collection efficiency. If you look at the overall ecosystem for us, the PAR is absolutely 0.1%, 0%. It's closer to that only. So in fact, the PAR numbers in Assam as well as the portfolio quality as well as the factor of growth, whatever we are looking at, I think is doing exceptionally well in Assam.

**Moderator:** Next question is from the line of Raunak Singhvi a Retail Investor. Please go ahead.

**Raunak Singhvi:** Congratulations on a very good set of numbers. Just a couple of questions because historically, we have said that we will try to diversify the portfolio and the percentage of the non-MFI business, we aspire to go to 25%. But over the last 1 year, because the base has been low, the growth has been low in MFI. But last 1 year since the growth has been very good, the share has continuously come down for the non-MFI portfolio.

So are we and I read that press release on the INR 250 crores fund raise, that we want to increase more equity. So just wanted to understand what is the growth trajectory now for the non-MFI business because it is not in that line in the direction?

**HP Singh:**

No, no. So let me clarify, Raunak. For us, our endeavor, since the base of the parent company is pretty large enough, we are making these both the companies grow at about 50% to 60% year-on-year and that's what our trajectory is. In fact, housing is growing at the same rate of about 50%, 60% year-on-year, and that we will continue to do both the companies.

The only thing which has happened in SFL is basically because of the principal business criteria, we are running down our BC book. That is probably one of the key reasons why you do not see that uptake in terms of the same. But the retail portfolio is growing. In fact, the BC portfolio is going down.

Overall, I think we still have a 5% net growth in the single across over there. We'll grow both these businesses at about, my sense is 40% to 50% or 50% plus year-on-year, at least for the next few years till the time they reach a critical mass and become a significant addition to the overall consolidated, I think, AUM for the three companies.

**Raunak Singhvi:**

Okay. So one more question, which is around provision coverage ratio, because provision coverage ratio is around 60% and this year has been obviously very good. So do you want to increase the provision coverage ratio to around 75%, 80% or do you want to maintain it because in the last quarter is generally the financials are finalized. Just wanted to understand that?

**Jugal Kataria:**

So we have increased our provision coverage ratio from September quarter onward and all. So we'll continue to be sort of say, realistic and conservative in terms of making the provision and hence slowly increase that. If you see, our overall provision coverage is 82% or 90-plus is 61%, but we'll slowly increase that. The idea is to be properly provided for.

**Raunak Singhvi:**

Yes. So I understand because the provision also probably the book, the 90-plus book also has that Assam book, which is due to get recovered from the government. So is that the reason why the provision coverage ratio is at 60%.

**HP Singh:**

Raunak, that's exactly what we are waiting for. If we get that amount, basically, we are saying that if we write off, then I think for us to get the money back from the government would probably be a challenge again.

So we're waiting for that, and hopefully, I think the moment we get that done, I think probably we will not have anything significant left in Assam. So I think we'll be able to



achieve what we tend to really achieve by increasing our provision coverage in 90-plus also.

**Moderator:** Next question is from the line of Rahul Mishra from RTL Investments.

**Rahul Mishra:** So first, I just wanted to check, is there any communication with the regulator on pricing and the allowance that we're making?

**HP Singh:** No, there is no, there is nothing which is going on with the regulator. I think for us, since the time I think we've all been looking at risk-based pricing. And I think the regulator understands the difference between the cost of funds and the operating cost and the credit cost and the margins left for us. I think there's, I think, clarity between us and the regulators, which is there.

**Rahul Mishra:** Okay. And secondly, just following up on the PCR thing, so obviously, you know times are phenomenally good. And I'm sure you have a higher number of credit cost, if one were to look at through a cycle. So any thoughts on creating an extra buffer in good times so that when the cycle turns eventually, you can in some time smoothen out the credit cost?

**HP Singh:** So I think as we indicated in the earlier question, we've increased our PCR from 54% to about 61% now. We've still got the Assam hangover left in this 90-plus cycle, which is there. The moment we get clarity on that, where we are getting that amount, I think the 61% will have a further increase, which is going to be there. I think the industry talks about my own sense is about 75%, 80%.

**Jugal Kataria:** 70%, 75% on a higher side.

**HP Singh:** 70%, 75% on a higher side. I think we are well utilized. Once we get clarity on the Assam thing, I think we'll be there.

**Rahul Mishra:** I could quickly squeeze in one more question. If I were to ask you on what your sense is on credit costs over the next cycle? Would that number be in the two handle or higher or lower?

**HP Singh:** We've given our guidance for the next 5 years. If you look at our analyst presentation, it is in the range of 1.5% to 1.75%. That's what we are looking at in total.

**Moderator:** Ladies and gentlemen, we will take this as a last question for the day. I would now like to hand the conference over to Ms. Aditi Singh, Head Strategy, for closing comments.



**Aditi Singh:**

Hi, everyone. Good evening, and thank you so much for coming on our call. We have tried to explain all the commentary around our results through the investor presentation and this earnings call speech as well as the questions that we could take. I hope that satisfies most of your queries. And as management has indicated, we are very confidently moving on a solid path going forward.

Still, if you want to have any more discussions, you can always reach out to me or my team mate, Ms. Shweta Bansal, and our details are mentioned on the website as well. So you can write to us. We are more than happy to engage with you if you have any more queries or discussions, please. Thank you, and have a great evening. Bye-bye, everyone.

**Moderator:**

Thank you very much. On behalf of Satin Creditcare Network Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.