"Satin Creditcare Network Limited
Q4 12 Months Earnings Conference Call"
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Moderator: Ladies and gentlemen, good day, and welcome to Satin Creditcare Network Limited Q4 12 Months FY '26 Earnings Conference Call hosted by Dolat Capital Markets Private Limited. As a reminder, all participant lines will be in the listening only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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. Punit Bahlani from Dolat Capital Markets Private Limited. Thank you, and over to you, sir.

Punit Bahlani: Yes. Thank you. On behalf of Dolat Capital, I welcome all the participants on this call and thank the management of Satin Creditcare Network for the opportunity to host this call. For today's call, I have with me the members of the management and leadership team. This includes Dr. H.P. Singh, Chairman and Managing Director; Mr. Jugal Kataria, the Group Controller; and Ms. Aditi Singh, the Chief Strategy Officer.

And with this, I now hand over the conference to Dr. H.P. Singh, Chairman and Managing Director, to provide the opening remarks on the call. Thank you, and over to you, sir.

H.P. Singh: Thank you, and good morning, everyone. It is always a pleasure to speak with our investors, analysts and partners who take time to engage with us on our journey. FY '26 has been a year we can look back on with immense satisfaction. It has been a year that tested the sector and in doing so, highlighted out the differentiated institutions that are structurally sound. I'm proud to say that Satin belongs firmly in this category.

The numbers speak well, but what I find more meaningful is what they represent, the outcome of our long-term commitment to quality, discipline and responsible growth built over 35 years and now clearly visible in our performance.

Let me begin with where the sector stands because our performance will further benefit from industry green shoots. FY '25 was, by any measure, a difficult year for microfinance. The sector navigated a confluence of headwinds, borrower overleveraging, state-level disruption and a tightening of credit standards across lenders. The industry's gross loan portfolio contracted, credit costs spiked. Several institutions saw significant deterioration in asset quality.

The stress was real, but so was the response. SRO guardrails, the free lender cap and the INR2 lakh borrower exposure ceiling have meaningfully reshaped the lending landscape. These are not just regulatory requirements. They are the building blocks of a more responsible, sustainable credit ecosystem for underserved India.

By early 2026, the sector had passed its stress peak. Portfolio at risk for loans overdue between 1 and 180 days stood at 4.7% as of January 2026, down from its peak 6 to 7 months earlier. Disbursements recovered sharply. According to CRIF High Mark Microlend Report, microfinance originations grew 25.8% quarter-on-quarter to INR77,555 crores in Q3 FY '26. Average ticket sizes rose 18% year-on-year.

The sector is healing. Also, the credit guarantee scheme came with a timely and much needed shot in the arm to help the sector accelerate towards a sustainable growth. What is equally important is how the sector is dealing with tighter underwriting, reduced overleveraging and a stronger focus on borrower outcomes. This is the kind of recovery, and it is one that Satin is not just participating in, but leading.

This year, we completed 35 years. I do not say this to mark a calendar milestone. I say it because longevity in this sector means something specific. It means you have been tested repeatedly and you have come back stronger each time. This becomes more relevant for an institution like ours, where I have a significant skin in the game and steering the institution with experience and outstanding on every parameter.

We navigated demonetization. We navigated COVID. We navigated the current MFI stress cycle. Each time we did not simply survive, we took the opportunity to improve. Assam, which wasonce represented a risk and a point of concern today has a PAR 90 of just 0.7% and collection efficiency of 100%.

That is what a 35-year institution does with adversity. It converts it into capability and opportunity. Our management team has been together through all of it. Our CXO team averages over 10 years of tenure at Satin. That institutional knowledge, that shared distinct for risk and opportunity is not something you can build quickly. It is built slowly over decades, and it shows up in the diversified businesses, which we do and the resilience of our numbers.

Now let me turn to the numbers, and I will keep this short since the detailed presentation is already uploaded. At a consolidated level, our AUM crossed INR15,174 crores, growing 19% year-on-year. Total revenue came at INR3,161 crores, up 23% Y-o-Y. Our PPOP grew 23% to INR928 crores and consolidated PAT for FY '26 was INR330 crores, a 79% growth year-on-year. In Q4 alone, the momentum was even sharper.

Consolidated PAT grew 640% year-on-year and 125% quarter-on-quarter. This is not just a recovery. This is one of our best quarterly performances in recent memory. On a stand-alone basis, our AUM stood at INR12,853 crores, up 14% year-on-year, backed by disbursements of INR11,202 crores. Stand-alone PAT grew 39% for the full year and 234% year-on-year in Q4. PPOP was INR856 crores, up 16%.

Our key ratios tell a similar positive story. Consolidated NIM stands at 13.2%. ROA improved to 2.6% and ROE to 12.3%. The cost-to-income ratio came down gradually and our loan loss ratio improved meaningfully year-on-year. We achieved exceptional ROA and ROE in Q4 standing at 4.71% and 23.31%, respectively, which is higher than the industry average.

Further, the value creation from our wholly owned subsidiaries, SGAL and STL is expected to act as a key catalyst for further improvement in ROA and ROE in the coming years. On funding, we raised INR10,826 crores during FY '26. Our marginal cost of borrowing declined 43 basis points to 10.82%. We maintain a healthy balance sheet liquidity of INR2,092 crores and undrawn sanction of INR2,235 crores. ALM is positive across all buckets.

We are also well capitalized with a stand-alone CRAR of 25.4% and 75 active lenders, underscoring our strong institutional relationship. Asset quality is rightly the area of greatest interest in this environment. It is also where I believe we have the strongest story to tell since microfinance is not merely a disbursement business, but the business of collection. Our stand-alone GNPA stands at 3.1% as of March '26. Our X bucket collection efficiency is 99.9%. Stage 3 coverage has improved to 73% from 67% in December '25.

We carry sufficient on-book provisions of INR273 crores, which is 2.9% of the on-book portfolio, well above the RBI required INR172 crores. We also maintained a management overlay of INR20.5 crores as an additional buffer. Our credit cost for FY '26 stood at 3.8%, a 77 basis point improvement from the 4.6% we recorded in FY '25. In Q4, credit cost came down further to 2.5% and our FY '26 average credit cost to 3.8% compares very favorably to the numbers seen industry-wide during the stress period.

I want to draw attention to a particular strength in our portfolio, the geographic spread of our asset quality. All our top states have X bucket collection efficiency of 99.9% or 100%. Uttar Pradesh, our largest state at 23% of the portfolio has a PAR 90 of 3%. Assam, as I mentioned, is at 0.7%. Punjab is at 1.5%.

These are not just acceptable numbers. They are one of the best in the sector. What underpins this performance is a combination of tighter underwriting. Our sourcing to disbursement ratio of 39% reflects genuine selectivity. Our borrower leverage policy, no client has more than 3 MFI lender or exposure above INR2 lakh disbursement.

And our NATCAT insurance program, which has now covered INR5,800 crores in disbursement since September '25, derisking our portfolio against natural catastrophe defaults. On diversification, our juggernaut gains momentum. Our diversification story is, I believe, one of the most underappreciated aspects of our equity story. We set out several years ago to build not just a microfinance company, but a diversified rural financial services platform. Today, 17% of our consolidated AUM comes from non-MFI businesses. Our target is 30% by 2030.

The promising performance of our subsidiaries has given us the confidence to raise the target of consolidated AUM by 2030 to INR32,000 crores from the earlier target of INR25,000 crores. Let me give you a brief update on each subsidiary. Satin Housing Finance Limited, our housing finance subsidiary now has an AUM of INR1,267 crores, having grown at a 3-year CAGR of 36%. GNPA stands at a healthy 3% and CRAR at 53.8%. ICRA has assigned A- stable rating. Our thesis here remains consistent.

The natural next step for our borrower who has repaid unsecured MFI group loans with discipline is the home. Satin Finserv Limited, our MSME focused subsidiary has emerged as a standout performer this year with AUM of INR1,054 crores, a 92.5% year-on-year growth.

The 3-year CAGR stands at 66%. SFL operates across 14 states through 121 branches and is building a meaningful presence in green finance, having disbursed INR255 crores across 34 green loans. This business represents a natural graduation pathway from microfinance for entrepreneurial customers.

Satin Technologies Limited. This is a newer business, but one with significant long-term potential. STL built enterprise technology across HRMS, loan management systems, core banking and cybersecurity with agentic AI as a horizontal capability across the product suite. Within 2 months of incorporations, STL has acquired its first two clients.

In January 2026, we acquired a strategic stake in QTrino, an IIT Patna incubated deep tech cybersecurity firm focused on post-quantum cryptography. With representative offices in Toronto and Dubai, STL is already establishing an international footprint. We are early here, but we are building something that can compound significantly over time.

Satin Growth Alternatives Limited, SGAL received its SEBI license for a INR200 crores Category II AIF, a first of its kind gender lens impact fund focused on rural MSMEs. The fund is led by an all-women team, combined financial discipline, impact orientation and deep field presence.

SGAL has signed a strategic MOU with the State Bank of India for co-investment, which is a powerful validation of the model. We are progressing towards the first close with strong soft commitments. Together, our subsidiaries add a fee income and asset management dimension to our business model that goes well beyond the traditional NBFC MFI construct.

This is the architecture of a truly future-ready financial services platform. Underlying all of our business progress is a significant investment in technology and data capabilities. We use AI tools across underwriting, portfolio monitoring and risk assessment. Our data-driven approach to credit decisions has been a key contributor to our superior asset quality.

We have now established presence in over 64% of India's pin codes and technology is what allows us to operate with efficiency and consistency at that scale. On ESG, we received a debut score of 59 in S&P Global's Corporate Sustainability Assessment, assessed across a comprehensive range of environmental, social and governance parameters and benchmark against global peers.

This score reflects our ability to translate policy framework into consistent execution. It is not a number we celebrate passively. It is a baseline we intend to build on. Our social impact is embedded in our portfolio, 100% women clients serving below poverty line households with all lending to the lower strata of Indian economy.

Moody's has rated our social impact as SQS2 amongst the highest globally. FY27, the outlook is focused and confident. For FY26-'27, our standalone guidance is AUM growth of 15% to 20% year-on-year, implying an AUM of approximately INR14,800 crores to INR15,100 crores. Credit cost target of 3% to 3.5%, a meaningful improvement from 3.8% in FY26. What underpins this guidance is not optimal, it is execution capital.

We have 392 new branches added in FY26, a seasoned field team present in over 1 lakh villages and 550-plus districts, a robust ALM and a track record of 19 consecutive profitable quarters. We are not growing blindly. We are growing into our infrastructure with the discipline that has defined Satin.

As mentioned earlier, we are also revising our long-term AUM target upward from INR25,000 crores to INR32,000 crores by 2030 with a non-MFI AUM target of 30% by that date. This reflects both the strength of our core franchise and the emerging potential of our diversified business.

Before I open the floor, let me acknowledge our people. At Satin, we serve 34 lakh customers across 2,015 branches and 577 districts. None of that is possible without 18,265 employees who show up every day in the field in every weather with every kind of customer. They are the reason why these numbers exist.

We were recognized this year as one of the India's top 50 Best Workplaces in BFSI 2026. We received the Elaben Award for Best Women Friendly Organization, the BW Social Impact Award, the WATSUN Financing Award and the Silver SKOCH Award. These recognitions matter because they reflect values and not just performance.

Our vision of being a differentiated rural financial services company is not a tagline. It is a purpose that has guided every decision we have made over 35 years. And it is this commitment that will guide every decision we make over the next 35. Thank you. And I will now hand back to the moderator to open the Q&A session.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Anil Tulsiram from BestPals Research. Please go ahead.

Anil Tulsiram: Yes. Thank you for the opportunity. Sir the first question is on your subsidiary Satin Finserv, So what I'm trying to understand is the customer profile, what sort of collateral you get and the underwriting whether it is manual, technology based or template based. So if you can help me understand these three things?

H.P. Singh: So Satin Finserv does graduated microfinance customers also who need a higher ticket size. That's one vertical. The other vertical is that they do green finance and emerging micro businesses, micro enterprise businesses. The underwriting is cash flow based. It is also based on certain scores, which they have validated internally for themselves.

So it is not just pure manual as what you said. So it follows a lot of data analytics based on that various mechanisms of underwriting through looking at how we are able to generate cash flows, look at the business there. It is secured by receivables, it is secured by equipment. It is secured by any kind of I think appropriate and movable property at Satin. So this is not unsecured lending, which we do. This is secured lending, which we do across. I hope I've answered all the three questions which you had.

Anil Tulsiram: Yes. What percentage of loan is against the collateral and property?

H.P. Singh: So LTV normally resides between 40% to 45% that is what the LTV they work upon.

Anil Tulsiram: Not LTV, what percentage of total book is against property? Out of INR1,000 crores, what percentage is against the property security?

H.P. Singh: So that way, it is secured. There would be some removal property. There would be something which is on receivables, something which will be on hypothecation to equipment. So I will not be able to give you a percent, but everything is secured.

Anil Tulsiram: What is the overlap with the MFI customers for this Satin Finserv?

H.P. Singh: Zero overlap. There is absolutely no overlap on this. What we have as a policy is that if there is a customer who has a microfinance loan, he will have to forgo his microfinance loan and take a loan from any one of our group subsidiaries. So one loan per customer in any one of the three subsidiaries, they can probably take it. So that is how it is.

Anil Tulsiram: Got it. And is it fair to say that the customer household income has to be more than INR3 lakhs, it cannot be less than INR3 lakhs?

H.P. Singh: It can be more in both the subsidiaries basically, but we follow that norm in microfinance because that is the terms and conditions, which have been specified in the guardrails.

Anil Tulsiram: Sir, the last question is the customer profile in the housing subsidiary. Is it self-employed salaries? And what is your typical income profile, if you can help me -- that's the last one?

H.P. Singh: It's a mix of both. It's self-employed professionals as well as salaried classes.

Anil Tulsiram: And let me ask the difference over the next 3 to 5 years, our focus will be more on the self-employed customers or more on the salaried customers?

H.P. Singh: I think it will be more on the self-employed customers going forward across.

Anil Tulsiram: Thank you, sir. That's it from my side. I will join back the queue.

Moderator: Thank you. Next question is from the line of Saumil Shah from Paras Investments. Please go ahead.

Saumil Shah: Hi, team. Good morning and congrats on a very good set of numbers. Sir, my question is on our X bucket collection efficiency for Q4 was at around 99.9%. So what is that number for the month of April?

Aditi Singh: It is holding on.

H.P. Singh: It is holding on. I think I will not be able to give you specific, but it is practically the similar state.

Saumil Shah: Okay. And so we are not seeing any stress currently due to the ongoing geopolical issues just wanted your views on the same?

H.P. Singh: No right now there is no stress because of this geopolitical crisis across in any of our states or any of the places where we work upon.

Saumil Shah: Okay. And what was the overall collection efficiency for last quarter?

Aditi Singh: It was a little over 97%.

Saumil Shah: Okay. And on a standalone basis, we are guiding for an AUM growth of 15% to 20% and credit cost of 3% to 3.5%. So can we know what this number could be on a consolidated basis?

H.P. Singh: On a consolidated basis or standalone basis?

Saumil Shah: On a consolidated. The standalone is only the JLG model, right? So just on a console basis, what this growth can be?

H.P. Singh: So the growth would probably we are looking at 15% to 20% across over there. But as per the previous thing, SFL grew by about 90% year-on-year and housing grew by about 38%. Now keeping a mix of both that, if we add up to what 15%, that's the baseline which we are taking the bare minimum for microfinance, I think it will be closer to about 25%, 30% for a consolidated basis.

Saumil Shah: Okay. And sir, is there any one-off in our Q4 numbers because our PAT has moved up significantly?

H.P. Singh: There's no one-off.

Aditi Singh: It's on account of reduced credit cost and the growth strategy.

Saumil Shah: Okay. There is no one-off and the foreign exchange or something?

H.P. Singh: No, there's no one-off.

Saumil Shah: Okay. And how should we look at FY27 numbers in terms of ROA and ROE because I think you guided for credit cost. So it would be better if you can guide for ROA also?

H.P. Singh: See, I will not be able to give you a clear guidance on ROA. I think you can calculate it with the AUM growth as well as the credit cost. I think it's a function of that. But our sense is we'll be better off in terms of our ROA even as per our current year as such.

Saumil Shah: Okay. So for the current year, I think we did around 2.6% ROA for full year?

H.P. Singh: Yes.

Saumil Shah: Okay. So at least for FY27 base case scenario, can we see upwards of 3% ROA? Is that doable?

H.P. Singh: Yes. I said it's a function. We don't want to give a guidance to be very honest, but I think we'll be positive from where we are right now. That's for sure.

Saumil Shah: Okay. And if may I ask last question. So when I'm checking our presentation, our consolidated net worth is INR2,868 crores and our standalone net worth is more than the consolidated. So why is that? I mean standalone, it is showing INR3,129 crores.

Jugal Kataria: So long ago, post demonetization, etcetera we did some revaluation because of which in the amount that we have invested in the subsidies were re-valued. And then there was gain and that is why the standalone net worth is more than the consolidated.

Saumil Shah: Sorry I didn't get you.

Jugal Kataria: So the investment that we have made from the parent company in the subsidiary, Satin Housing and Satin Finserv that was re-valued. This was some 5 years, 6 years ago. And that profit was booked and that is why the standalone net worth has gone up, but on a consolidated basis, that revaluation impact is removed and the net number is INR288 crores. Hope that clarifies.

Saumil Shah: Okay. Understood. That's it from my side. Thank you and all the best.

Moderator: Thank you. Next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Good morning. Thank you so much for taking my question. Hopefully I am audible?

H.P. Singh: Yes, you are. Good morning.

Darshil Jhaveri: Yes. Hi, firstly congratulations on a great set of result. Sir just wanted to know like effectively we are planning to double our AUM in 4 years. So the growth can be faster than 15%, 20%? or is it more towards the high teens or how? It's not going to be linear?

H.P. Singh: Your voice is not very clear.

Darshil Jhaveri: Yes. So just wanted to understand that like we have guided or nearly doubling our AUM, right? So, in FY '27, you are saying around 15% to 20% growth. But to double, we might need to move a bit faster. So, is it going to be a linear growth? Or is it going to be towards the fag end? How do you look at it in terms of AUM, long-term AUM growth?

H.P. Singh: Yes. So let me clarify this 15% to 20% AUM guidance is only for stand-alone microfinance. And when we do a consolidated, we said it will be probably an average of about 25% to 30% is what we will grow on a consolidated basis. And that's the reason for us, the guidance that we've given for 2030, we've revised it from INR25,000 crores to INR32,000 crores, looking at this scenario across in the next 4 years.

Darshil Jhaveri: Okay. Fair enough, sir. And sir, as we are moving to more non-MFI, right, so will that impact our yield like so should our NIM slightly moderate and our ROA should also be near the same level. How do you look at that, sir, in terms of profitability.

H.P. Singh: See, I'll tell you there are 2 aspects to it. So, when we say that the NIM are stable, I think both our subsidiary companies, housing as well as works in the rural atmosphere of the rural financial services space. Over there also, we are better in terms of our lending rates as compared to the normal housing finance companies and MSME lending companies. So, we have a higher yield over there. That translates into when we do a consolidated NIM, it consolidates into about 13% -average 12% to 13% is what it is.

So, it will remain stable at that. On the ROA front, the profitability, which will arise from there. We've got 2 kickers also across over there, which will probably an enhancement in terms of our ROA and that these 2 kickers are Satin Technologies, which is not capital intensive as well as a leveraged business in terms of financial services. And similarly, Satin Growth Alternatives, which will also disburse, which again have intensive capitalization structure. So, both these revenue items or revenue in these subsidiaries will probably be a foray to enhance our ROA in the long-term basis.

Darshil Jhaveri: Okay. Fair enough, sir. And sir, just wanted to understand in terms of our cost of funds, what are the measures that we are doing to reduce that? Like I think it's a bit on the higher side. And do we see any kind of competition in terms of our cost of funds like increasing? Like how do you see that, sir?

H.P. Singh: See, I think it's again a function of how the whole sector is evolving out to be. Based on that, we've still been able to reduce our cost of funds by about 50 basis points. Now that is pretty significant if you look at the current scenario emerging out of the microfinance business. Our own sense is that the way we've been able to operate, I think we will probably be stable or for us, there is no cost of -- there is no enhancement which will happen on our cost of fund.

In fact, it would probably be fair to say that it will further go down whenever the need rise, whenever the repo rate goes down, I think looking at that. And I think this is a function of all these factors put together.

Darshil Jhaveri: Okay. Fair enough. And just last question from my end, sir. Sir, right now, due to the geopolitical conditions, like is there a chance of maybe inflation creeping up and then like RBI has to come in and set up some measures because right now, even our Prime Minister started speaking in terms more of austerity measures. So, is there like a problem like where we see that credit growth can be impacted for a few quarters, not on a long-term basis, but like a near-term jerk can come or a speed bump can come, right? So, what is your thought process on that sir?

H.P. Singh: See, our thought process is kind of slightly different from there. So yes, fuel prices increase and all this could lead to maybe some kind of an inflation uptick. But when an inflation uptick happens across over there, the justification always has seen whenever there's a slight uptick in the entire economy as such, the credit disbursements grow up. Income levels will definitely probably be shortened by in terms of inflation spikes. So, what happens is normally the borrowings adds up at that point of time.

So, for us, demand will pick up, which I feel probably will be the reason why we've been able to say that we'll be able to grow by 15% to 20%. So, income levels will definitely go down a little bit. But in the end, ultimately, the demand picks up. So that's what the analogy which works upon on this.

Darshil Jhaveri: Okay, fair enough. That's it from my side. Thank you so much.

H.P. Singh: Thank you.

Moderator: Thank you. Next question is from the line of Raghav Bhutoria from Linsay Securities. Please go ahead.

Raghav Bhutoria: So, my first question is that in our results, there is a line item, net gain on derecognition of financial instruments, something around INR144 crores. So, what is this exactly?

Jugal Kataria: INR144 crores. You're talking about the consolidated numbers.

Raghav Bhutoria: Yes.

Aditi Singh Our standalone is INR129 crores.

Jugal Kataria: So, you're talking about -- so this is the gain on the forex borrowing that we have done in the foreign currency and the corresponding expense item is the effect of change in the foreign exchange risk.

Raghav Bhutoria: So, there is a INR92 crores effect of foreign exchange rate. And then there are 2-line items, net gain on fair value and net gain on derecognition.

Jugal Kataria: De-recognition is the DA income. The net gain on fair valuation is the treasury income on mutual fund and the forex contracts that we have.

Raghav Bhutoria: So this treasury income in environment where yields have gone up so much, is this something that can continue because I think this is sort of helping your profitability for this quarter?

H.P. Singh: No, no. So, treasury income is what we actually do when we have got sufficient liquidity or more liquidity there in the system. It is not relatable in terms of the business expense. So normally, we carry a 2-month liquidity with us, and that has always invested in mutual fund for a shorter period of time. So that is probably no relation technically to your business as such.

Jugal Kataria: The better way to see is the NIM. So NIMs are broadly stable at 13.5% to 14%. These gains because of timing difference in the exchange rate fluctuation, etcetera, impact the top line and the corresponding finance costs in different periods. But that will get neutralized. But if you see the NIM over a long period of time, they are sort of say broadly stabilized between 13.5% to 14%.

Raghav Bhutoria: Okay. My other question is on your cost of borrowing. So, we've seen a sharp increase quarter-on-quarter and year-on-year. Is this just because of the forex impact? Or has it actually gone up?

Jugal Kataria: So that also impacts the quarter-on-quarter number. So, it is better to see the annual numbers and over a period of time, this gets neutralized because all the foreign borrowing is fully hedged. So, there is no long-term impact on the bottom line because there's no forex risk. But quarter-on-quarter number depending upon the dollar movement, etcetera, this margin impacts the profitability, both positive and negative. Like last year, there was an overall INR25 crores of negative impact on the bottom line in the whole year.

Moderator Thank you. Next question is from the line of from Subhanshu Mangal from Three Head Capital. Please go ahead.

Subhanshu Mangal: Sir, can you tell me what was the Q4 credit cost consol level?

Aditi Singh: You want the absolute number?

Subhanshu Mangal: Yes.

Aditi Singh: You want the percentage?

Subhanshu Mangal: Yes.

Aditi Singh: For Q4 you are saying no?

Jugal Kataria: You are saying for quarter or Q4?

Subhanshu Mangal: I want both but I want to understand the Q4 credit cost.

H.P. Singh: Voice is breaking up. It's not audible.

Aditi Singh: Credit cost at consolidated level for quarter 4 was 2.2% in terms of percentages. And in terms of absolute amount, it was INR79 crores.

Subhanshu Mangal: And is this consolidated right?

H.P. Singh: It is consolidated.

Aditi Singh: Yes consolidated.

Subhanshu Mangal: And what was the FY '26 credit cost consolidated.

Jugal Kataria: 3.55%.

Aditi Singh: 3.55% was the FY '26 consol credit cost. That's correct.

Subhanshu Mangal: Okay. And sir, as you mentioned our non-MFI mix will be increased FY '27 and up to FY '30, then overall yield will be reduced. Is my understanding correct?

H.P. Singh: No, we didn't say that.

Aditi Singh: He's assuming that the yield…

H.P. Singh: No, no. So there's no assumption which we've given across over. For us, we said we've got a very stable NIM across, and this will probably hold true for us in the future. So there's no -- I think there's no area where we said that there will be a drop in the yields or the NIMs.

Subhanshu Mangal: Okay. But normally housing finance and scalable business has lower yield than MFI. That's why I was saying this. What was the MFI and housing finance yield in our subsidiary?

H.P. Singh: We work majorly in the rural platform. We work majorly in the rural space. Over there, the yields are much better than the normal traditional housing finance, which you look at. Over here for us in housing finance, our average yield is close to about 15.5% to 16%. And this will remain stable across because the constituency which we serve in is very different from the normal constituency, which our housing finance company serves across.

Jugal Kataria: And just to add, in spite of both housing and MSME business going up, our NIM was 12.42% for FY '25, which has gone up to 13.23% in FY '26. Inspite of their share going up, the NIM has also improved.

Moderator: Next follow-up question is from the line of Anil Tulsiram from Bestpals Research.

Anil Tulsiram: This question is on the stand-alone MFI business. So many of your peers are shifting to the individual -- high-ticket individual loans. So what's our strategy there?

H.P. Singh: So we are doing pilots on that. But for us, JLG will remain our mainstay. That's very clear. We are doing pilots. We've done very small disbursement in terms of our individual loan. We're getting very good results in that, but we will not shift to just one as such. There will be a hybrid of JLG, but predominantly it's going to be JLG.

Anil Tulsiram: JLG will be only for the new to company customers or you won't have the credit -- customers who are then 2,3,4,5 times in the MFI already?

H.P. Singh: No. It is for everyone basically -- we do not distinguish between a new to credit customer as well as existing customer in JLG.

Anil Tulsiram: Got it. From the disclosures it looks like the incremental yield on microfinance is around 25% 26%. Is my understanding right?

Aditi Singh: Broadly yes.

H.P. Singh: Broadly yes. Average is around 25%.

Anil Tulsiram: Now the questions on the RBI side. In the past RBI has - I don't know whether my understanding is right or not something like 22%-23% and then they started making lot of comments about the interest. So just trying -- you think it is again a problem going forward after 1, 2 years or these are sustainable yields?

H.P. Singh: See you will have to understand the context of this. It's very easier to say this that it is being done by the regulator. The regulator is appreciated of the effort that we are doing financial inclusion to a large extent. It's a doorstep delivery. Plus our credit cost as well as other stuff has been elevated in the last few years.

Looking at that, the cost of funds as well as the operating cost for delivering such a small ticket size loan and a risk-based pricing was fixed, which I think everybody is aware of. So there is no question where I think it could be singled out as in terms of tax and it's an interest rate play which is going to be there. You have to look at the complete ecosystem on to that.

Anil Tulsiram: Got it. Got it. Sir, can you help me understand this green finance, it's not very clear to me which you do your subsidiary. What exactly is the nature of customer profile in terms of green finance?

Aditi Singh: Green finance.

Anil Tulsiram: Green finance loan which you have spoken about.

H.P. Singh: So these are micro enterprises to a large extent, basically, and it could be green renewable energy. It could be green finance, it could be solar, it could be EVs, it could be enterprise EVs. It's a combination of all that.

Anil Tulsiram: Got it. And sir, the interest yield in the Satin since this is closer to the MFI customers only or is it far lower like housing?

H.P. Singh: It's closer to the MFI yield as such.

Anil Tulsiram: Got it. And sir, the last question is on the industry. The guardrails have been implemented because of the current issues. So do you think these are currently here to stay or going forward, individual players will be left on their own whether they want to follow or not follow?

H.P. Singh: See, ours is zero. We don't have a customer which is floating any kind of a guardrail. And I think looking at the industry, it is here to stay.

Moderator: Ladies and gentlemen, we'll take that as the last question. I'll now hand the conference over to the management for closing comments.

Aditi Singh: Sure. Thank you, everyone. This year was a great year. We have proved -- made promise for us. Our consol AUM grew 19%. We crossed INR15,000 crores. Our disbursement grew. Our Q4 alone disbursement were 43% up. The credit cost came down 80 bps for the whole year. I will say, x-bucket collection efficiency is holding on. And these aren't just metrics. They are the outcome of decisions we made long before the results are right.

It's for the years we are doing the consistent performance. Subsidiaries are no longer a passing reference in our overall scheme of things, if you see. They are forces in their own right. Both Satin Finserv and Satin Housing have crossed INR1,000 crores AUM each. They are a move for the future. Satin Technologies has its own USP, and then it again made a bold bet on deep tech cybersecurity, which is signaling that our intent to build infrastructure grade capabilities for financial services is beyond parallel.

Satin Growth Alternatives, the women-led AIF fund with a sharp focus on women entrepreneurs and sustainability is not just a new business line. It's a statement of purpose. It is deepening the impact that we do on ground. What FY '26 ultimately tells us is simple: discipline at the ground level, clarity at the strategy level and patience at the management and Board level. This combination wins every single time.

To our investors, lenders and the millions of borrowers who place their confidence in us. This year's performance belongs to each one of you, and thank you for all your support. If you have any queries after this call, you can reach out to Valorem Advisors, our IR advisory or you can reach out to me. My name is Aditi Singh. I'm Chief Strategy Officer at Satin Creditcare. Thank you, everyone. Have a great day.

Moderator: Thank you very much. On behalf of Dolat Capital Markets Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.