



SATIN CREDITCARE NETWORK LTD.

Reaching out!

August 9, 2021

To,
The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra East, Mumbai-400051

The Manager
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400023

Scrip Code: SATIN/SATINPP1*

Scrip Code: 539404/890149*

ISIN: INE836B01017 & IN9836B01023*

Sub: Investor Presentation and Press Release;

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of other applicable laws, if any, please find the Investor Presentation and Press Release for the quarter ended on June 30, 2021.

The above information is also available on the website of the Company: www.satincare.com

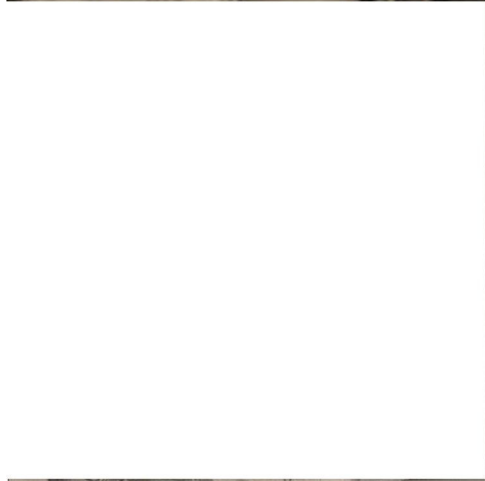
Thanking You,

Yours Sincerely,
For **Satin Creditcare Network Limited**


(Vipul Sharma)
Company Secretary & Compliance Officer

Encl: a/a

**Scrip Code: SATINPP1 and 890149 representing partly paid equity shares of Rs. 10/- each (Rs. 7.50/- paid up) (ISIN: IN9836B01023) stands suspended effective from Thursday, July 15, 2021.*



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Company Background

Cautionary Statement

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof. Based on revised returns filed by the company, some items for the quarter ended Jun 30, 2021 have been regrouped.

Business Update &
New Initiatives





Collection Efficiency

- Collection efficiency witnessed dip on account of second wave of Covid-19 pandemic during the quarter. However, collections have started to pick up with declining infections and lifting of lockdown restrictions since 3rd week of Jun'21
- Cumulative collection efficiency for Q1FY22 stood at 82%, excl. Assam at 84%
- Non-paying clients at 5% in Jun'21
- For Q1FY22, Collection Efficiency in top 4 states stood at 87.4%, and we have witnessed improving trends in the month of Jul'21 & Aug'21

Fund Raise & Liquidity

- Successfully closed ~Rs. 120 crore Rights Issue in Aug'20 with an overwhelming response (Issue was oversubscribed at 123%)
 - Out of this, ~Rs. 90 crore already received by the Company (Rs. 45 per share out of Rs. 60)
 - Also, Final call of ~Rs. 30 crore in this regard has been made, and final call payment period has begun on 6th Aug'21 and will end on 20th Aug'21
- Till date, the Company did a fundraise of Rs. 396 crore from various lenders
- Sufficient liquidity of ~1,500 crores as on Jun'21

Provisions

- The Company has made a cumulative on-book provision of Rs. 434 crore, as on 30th Jun'21, mainly due to second wave of COVID-19
- Maintained adequate provisions and write offs for bad loans, and expect write backs in the upcoming quarters
- On-book GNPA stood at 9.7% while NNPA stood at 1.2% on standalone basis

Portfolio Re-structuring

- Re-structuring in JLG & MSME Portfolio : Restructured 18,735 loans related to individuals and small businesses amounting to Rs. 43.4 crore in accordance with the RBI's guideline - Resolution Framework - 2.0, which is 0.7% of Standalone AUM



Taking Care of Satin Family

- Satin Sahyog to support families of employees, in the event of demise due to Covid-19 or accidental death – benefits include pension, children’s education and job to a family member among others
- Covid insurance for Satin staff to help with medical expenses and facility to provide oxygen concentrator and nurses at home for infected Satin staff
- Facilitation of Covid-19 vaccination for all our employees. More than 70% of our employees are vaccinated with at least one shot

Clean Energy Certification

- SCNL’s clean energy programme is an illustration of its dedication to serve the society while being dedicated to environment
- Awarded Certificate of Excellence in Clean Energy Finance as a part of the UNFCCC’s Clean Development Program (CDM)
- Disbursed 87,000 bicycles to women in India with Hero Cycles with an aim to enhance the mobility and livelihood of these women as well as to promote gender equality

Disbursement

- Disbursement temporarily halted during Q1FY22 on account of several lockdown restrictions due to second wave of Covid-19
- The Company has maintained a cautious stance in new disbursement as our main focus is to maintain asset quality
- For Q1FY22, disbursement stood at Rs. 282 crore on consolidated basis. As things improve, we expect disbursement to pick up in the coming quarters

Other Updates

- Very granular book – No district has more than 2% exposure
- Book Value Per Share at Rs. 197 on consolidated basis
- 3 consecutive profitable quarters of SHFL with nil delinquency
- SFL profitable for two consecutive years despite challenges in external environment

Business Trends...



Rs. **7,464** crore

GROSS LOAN PORTFOLIO

Rs. **282** crore

DISBURSEMENT in Q1FY22

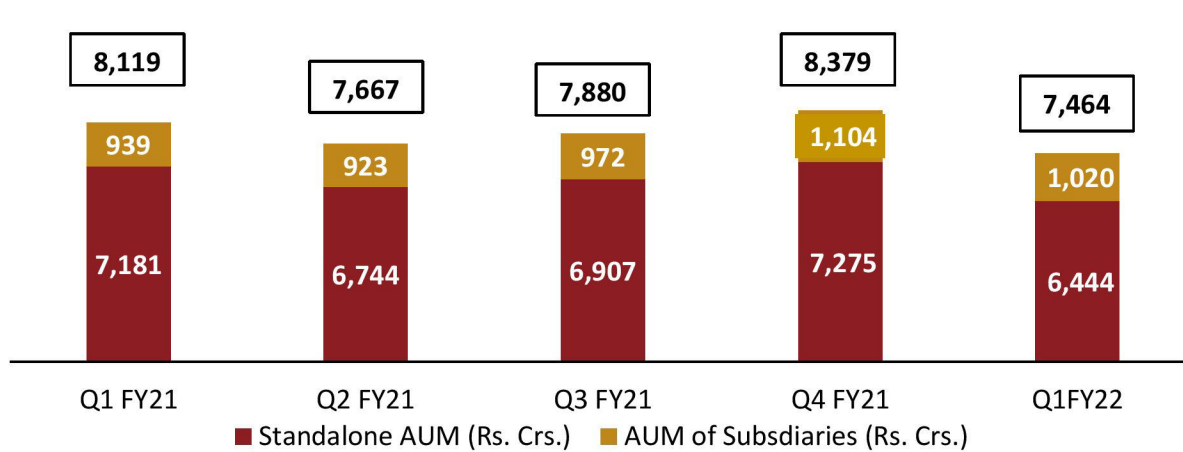
29.6 lacs

ACTIVE CUSTOMERS

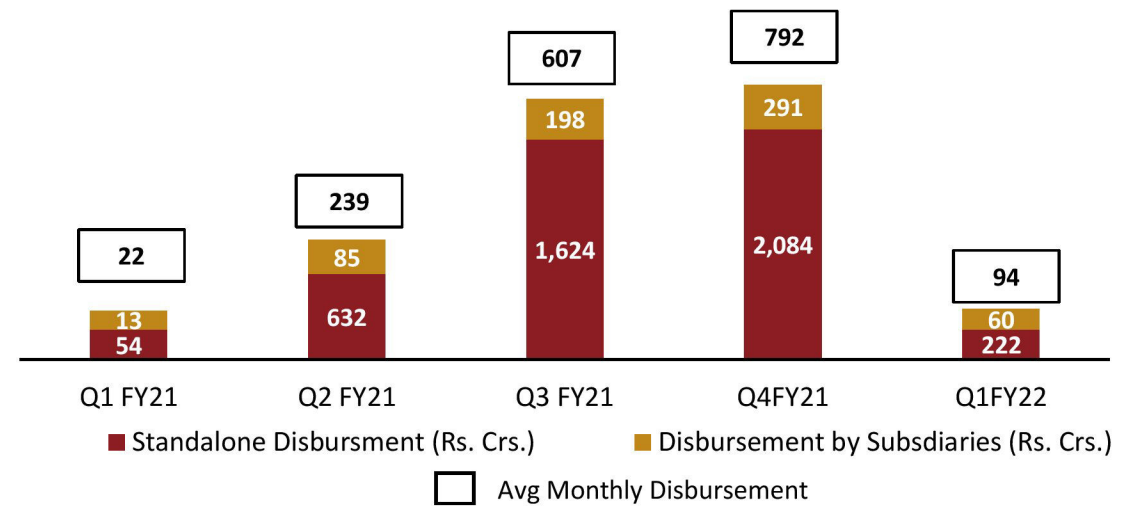
1,264

NO. OF BRANCHES

Asset under Management Trends (Q-o-Q)



Disbursement Trends (Q-o-Q)

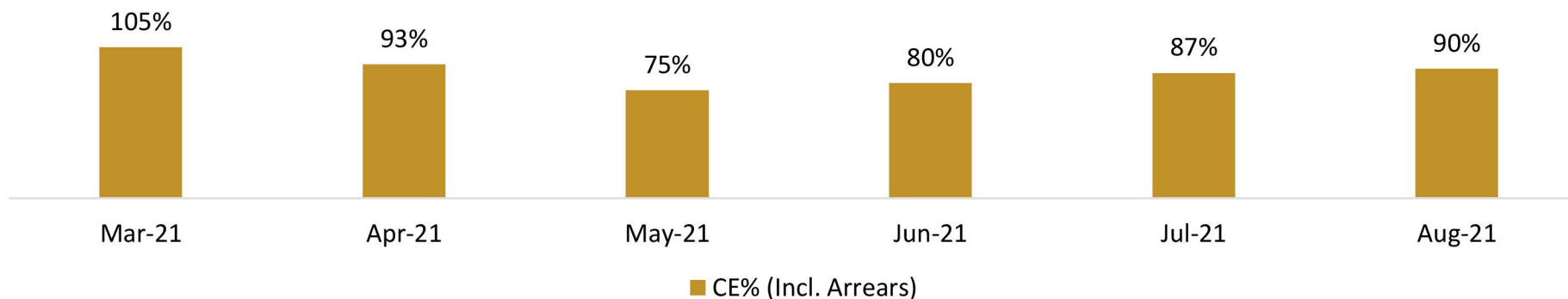


Standalone Information:

- GLP stood at Rs. 6,444 crore, on account of halt of disbursement in major part of Q1FY22
- Disbursement for Q1FY22 stood at Rs. 222 crore
- Collection efficiency (CE) in Apr'21 stood at 93%. Dip in May at 75% due to lockdown.
- We have witnessed gradual recovery at 80% in Jun'21 (incl. OD) (82% excl. Assam). Jul'21 CE was 87% (incl. OD) (89% excl. Assam)
- MTD Collection efficiency for Aug'21 is 90%



Month on Month Collection Efficiency Trends



Collection Efficiency Trends in Key States – 53% of AUM

States	CE % (Incl. Arrears)				
	Mar-21	Apr-21	May-21	Jun-21	Jul-21
Uttar Pradesh	105%	98%	83%	92%	96%
Bihar	114%	99%	80%	90%	96%
Punjab	101%	90%	82%	83%	92%
Madhya Pradesh	101%	82%	54%	81%	84%
Total	106%	95%	78%	89%	94%

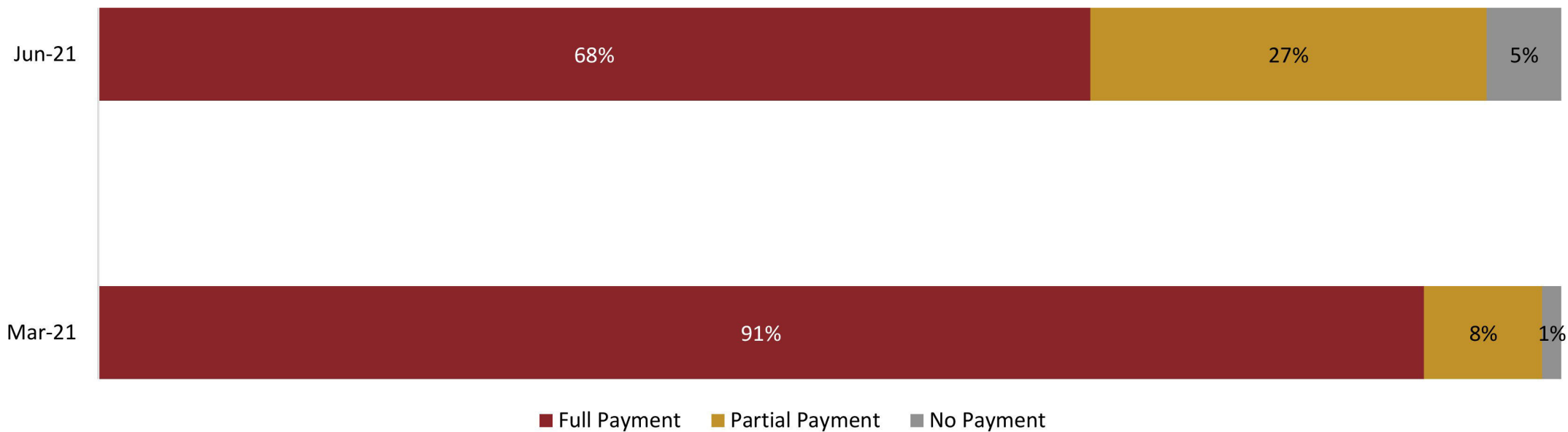
*Note: *Data on standalone basis for JLG on-book portfolio
Data for Aug'21 is MTD*

Trend of % of Non-Paying Customers



Breakup of Paying and Non-Paying Clients*

- *There is no intent issue since 95% clients have paid at least one instalment in Jun'21 – difficulty in paying due to adverse external environment*
- *Non-paying clients at 5% in Jun'21, this number was 11% in Sep'20 which is a promising sign*



*Note: *Data on standalone basis for JLG on-book portfolio*

Satin Housing Finance Limited

Monthly disbursement has started showing progressive recovery despite Covid-19, AUM grew by 56% in Q1FY22 YoY

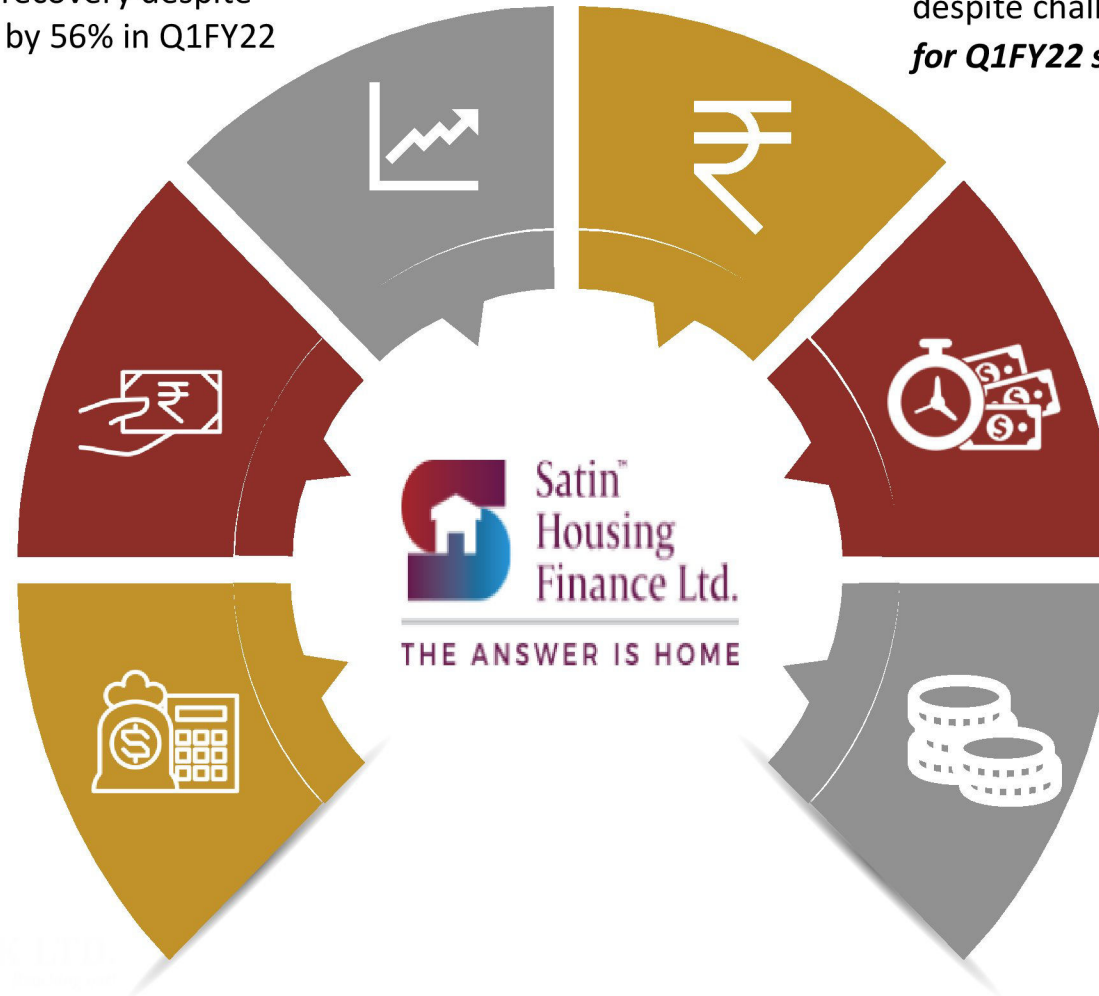
SHFL had 3 successive profitable quarters despite challenging business environment, **PAT for Q1FY22 stood at Rs.0.5 crore**

Q1FY22 disbursement stood at **Rs. 4 crore**

No willful default or fraud since inception
Eligible for SARFAESI enforcement

Healthy **CRAR of 95.8%** as on 30th Jun'21
10 lenders including NHB refinance

Impressive collection efficiency for Q1FY22 at **~95%**





Taraashna Financial Services Limited

- ✓ Collection Efficiency for Jun'21 stood at 87%
- ✓ Disbursement stood at 52 Crores for Q1FY22
- ✓ Sourcing business for SCNL & SFL under Nai Roshni



Satin Finserv Limited

- ✓ AUM growth of 6% YoY in Q1FY22
- ✓ Healthy CRAR of 85.61%
- ✓ Cumulative collection efficiency in Q1FY22 stood at 87%; GNPA of 5.0% & NNPA 2.3%
- ✓ 14% loans restructured

Scheme of Arrangement*

The Board of Directors of two wholly owned subsidiaries of the Company namely, TFSL and SFL, in their respective meetings, have considered and approved a draft Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("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.

Objective Behind Amalgamation



The combined entity would be able to efficiently use the capital invested in the two entities and leverage the same

Currently the revenue sharing arrangement between TFSL and SFL is taxable. In the combined entity tax benefit will accrue to the business

TFSL has significantly wider distribution reach than SFL. The combined entity can leverage on this distribution

There will be cost rationalization post merger

Post merger SFL can introduce new products

Post merger the merged entity will focus on both own book lending and BC business

Overview





The history of SCNL goes back to **1990 when it started providing finance to the shopkeepers who were deprived of formal financing**



Today, after three decades of rich experience, **SCNL has emerged as one of the leading and trusted Indian microfinance companies**



Headquartered in Gurugram, Haryana, **the Company drives inclusive growth by offering financial tools that help create opportunities**



Through its financial solutions outside the periphery of traditional channels of finance, **the Company empowers the unserved and the underserved sections of the society**

Key
Performance Highlights



Corporate Overview Standalone – Q1FY22



Rs. **222** crore

DISBURSEMENT

28.8 Lacs

LOAN ACCOUNTS
OUTSTANDING



23

STATES & UT's

1,022

BRANCHES

0.55 Lacs

NO. OF LOANS DISBURSED



Rs. **6,444** crore

GROSS LOAN PORTFOLIO



Rs. **(71)** crore

PROFIT AFTER TAX

24.0%

CAPITAL ADEQUACY

(3.8%)

RETURN ON ASSETS



Rs. **37,000**

AVERAGE TICKET SIZE*

(19.7%)

RETURN ON EQUITY

Corporate Overview Consolidated – Q1FY22



Rs. **343** crore

REVENUES

29.6 Lacs

CLIENTS



1,264

BRANCHES



Rs. **180** crore

NET INTEREST INCOME



Rs. **7,464** crore

GROSS LOAN PORTFOLIO



23

STATES & UT's



(4.2%)

RETURN ON ASSETS



(22.5%)

RETURN ON EQUITY

Rs. **(81)** crore

PROFIT AFTER TAX

What makes Satin a
Compelling Investment Story



What makes Satin a Compelling Investment Story



1. Differentiated Product Offerings



	SCNL	Business Correspondent Services	Housing Finance	SME
Product features as on Jun'21	MFI ⁽¹⁾	Taraashna Financial Services Limited ⁽²⁾	Satin Housing Finance Limited ⁽³⁾	Satin Finserv Limited (SFL) ⁽⁴⁾
Start Date	May'08 (JLG)	May'12	Feb'18	Mar'19
Ticket Size Range	Upto Rs. 50,000	Upto Rs. 50,000 (JLG - Microfinance)	Rs. 100,000 – 4,000,000	Rs. 100,000 – 100,000,000
Tenure	6 - 24 months	12 - 24 months	24 - 240 months	12 - 120 months
Frequency of Collection	Bi-Weekly	Bi-Weekly	Monthly	Monthly/Quarterly
No. of States/UTs	23	7	4	8
No. of Branches	1,019*	213	14	15
AUM (Rs. crore)	6,132 ⁽⁵⁾	671	224	125
No. of loan accounts	2,881,137	376,330	2,401	1,747
Avg. Ticket Size for Q1FY22	Rs. 37,000** (JLG)	Rs. 34,500	Rs. 778,000	Rs. 315,500 (Retail) ⁽⁶⁾

Notes

(1) As on Jun'21, included MFI Lending (loans under JLG model, IndusInd BC and water & sanitation) and Product Financing (Loans for solar lamps, cycles)

(2) TFSL acquisition is effective Sep 1, 2016

(3) Satin Housing Finance Ltd was incorporated on April 17, 2017

(4) SFL was incorporated on August 10, 2018

(5) SCNL also has MSME portfolio of Rs. 312 crore other than MFI portfolio

(6) Average Ticket Size of Retail Financing is 3.15 lacs. Overall, the average ticket size of SFL is Rs. 7.15 lacs

*As of Q1FY22, there were 1,019 branches with Microfinance operations & 27 branches with MSME operations. Out of the 27 MSME branches, 24 of them also had microfinance operations & 3 were unique

**Focus on repeat clients with established credit history