

**June 15, 2020**

**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****Scrip Code: 539404****Dear Sir/Madam,****Sub: Outcome of the Board Meeting held on June 15, 2020**

Pursuant to Regulation 30 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in furtherance to our letter dated June 10, 2020 in respect of Board Meeting, we would like to inform you that the Board of Directors in their meeting held on June 15, 2020 has considered and approved the following matters, subject to necessary approvals including approval of the Shareholders, wherever applicable, along with the other items of Agenda :

1. Audited Financial Statements (Standalone & Consolidated) and Audited Financial Results (Standalone & Consolidated) for the quarter, half year / year ended March 31, 2020. Pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to enclose the following:
  - A. Audited (Standalone & Consolidated) Financial Results of the Company for the quarter, half year / year ended March 31, 2020;
  - B. Audit Reports submitted by the Statutory Auditors of the Company on the aforesaid Results;
  - C. Copies of Press release and Investor Presentation
2. Recommended a dividend of Rs. 1.21 (One Rupee and Twenty-One Paise only) per 12.10% Rated, Cumulative, Non-Convertible and Compulsorily Redeemable Preference Shares of Rs. 10 each for the year ended March 31, 2020. The dividend, if approved by the Shareholders at the ensuing Annual General Meeting of the Company, will be paid / dispatched on or before September 3, 2020.

The Board has fixed Thursday, July 16, 2020, as the 'Record Date' for determining the names of the Preference Shareholders, who shall be entitled for the payment of dividend.

3. The Thirtieth Annual General Meeting of the Company will be held on August 5, 2020 (Wednesday) and the Register of Members and Share Transfer Books will be closed from July 30, 2020 to August 5, 2020 (both days inclusive).
4. We declare that the Audit Reports submitted by the Statutory Auditors of the Company are with unmodified opinion with respect to the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2020.
5. We declare that there is no material deviation in the usage of proceeds generated by the issuance of Non-Convertible Debentures from the objects stated in the respective offer document(s) or any addendum(s) made thereafter, if any, by the Company for the half year ended 31<sup>st</sup> March, 2020.

**Corporate Office:**  
1st and 3rd Floor, Plot No 97,  
Sector-44, Gurugram - 122003  
Haryana, India

**Registered Office:**  
5th Floor, Kundan Bhawan  
Azadpur Commercial Complex,  
Azadpur, New Delhi - 110033, India

**CIN** : L65991DL1990PLC041796  
**Landline No** : 0124-4715400  
**E-Mail ID** : [info@satincreditcare.com](mailto:info@satincreditcare.com)  
**Website** : [www.satincreditcare.com](http://www.satincreditcare.com)



Further, we wish to inform you that the Meeting of Board of Directors is commenced at 11:50 A.M. and concluded at 02:25 PM.

This is for your information and record please.

Thanking You,

Yours Sincerely,

For Satin Creditcare Network Limited

(Adhish Swaroop)

Company Secretary & Compliance Officer

Encl.: as above



Walker Chandiook & Co LLP  
Plot No. 19A 7<sup>th</sup> Floor  
Sector – 16A  
Noida – 201 301  
India

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**Independent Auditor's Report on the Standalone Annual Financial Results of Satin Creditcare Network Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Satin Creditcare Network Limited**

**Opinion**

- 1) We have audited the accompanying Standalone Annual Financial Results ('the Statement') of Satin Creditcare Network Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
- 2) In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

**Basis for Opinion**

- 3) We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



**Emphasis of Matter**

- 4) We draw attention to Note 5 in the Standalone Annual Financial Results, which describes significant uncertainties due to the outbreak of SARS-CoV-2 (COVID-19) virus. The impact of the COVID-19 pandemic on the operations of the Company and its financial position as at 31 March 2020 including the measurement of expected credit losses on the financial assets are dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Statement**

- 5) This Statement has been prepared on the basis of the Standalone Annual Audited Financial Statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- 6) In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 7) The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

- 8) Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
- 9) As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## Walker ChandioK & Co LLP

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- 10) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 11) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matter

- 12) The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker ChandioK & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

  
**Lalit Kumar**  
Partner  
Membership No. 095256  
UDIN: 20095256AAAABH1788



Place: Noida  
Date: 15 June 2020



# SATIN CREDITCARE NETWORK LTD.

Reaching out!

## SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2020

S. No	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31	March 31, 2019	March 31, 2020	March 31 2019
		(Refer note 14)	(Un-audited)	(Refer note 14)	(Audited)	(Audited)
1	<b>Revenue from operations</b>					
	Interest income	27,149.85	27,279.45	25,754.02	1,07,844.38	1,17,950.47
	Dividend income	-	-	-	2.21	-
	Fees and commission income	1,786.62	1,709.09	1,442.64	7,078.65	2,793.85
	Net gain on fair value changes	(2.34)	118.38	945.87	1,237.44	2,986.72
	Net gain on derecognition of financial instruments	8,500.42	5,555.12	4,753.15	23,608.14	13,345.54
	Other operating income	64.24	37.01	102.83	186.29	199.12
	<b>Total revenue from operations</b>	<b>37,498.79</b>	<b>34,699.05</b>	<b>32,998.51</b>	<b>1,39,957.11</b>	<b>1,37,275.70</b>
	Other income	52.24	32.26	11.82	133.30	28.62
	<b>Total income</b>	<b>37,551.03</b>	<b>34,731.31</b>	<b>33,010.33</b>	<b>1,40,090.41</b>	<b>1,37,304.32</b>
2	<b>Expenses</b>					
	Finance costs	13,472.47	14,157.03	15,102.21	57,368.06	63,903.26
	Impairment on financial instruments	11,179.32	5,288.10	(1,212.26)	18,882.89	5,206.70
	Employee benefits expenses	7,544.92	7,211.55	7,314.73	29,666.79	26,481.64
	Depreciation and amortisation expense	451.41	339.74	340.51	1,519.84	1,131.89
	Other expenses	3,209.13	2,231.18	2,993.15	11,336.07	10,019.13
	<b>Total expenses</b>	<b>35,857.25</b>	<b>29,227.60</b>	<b>24,538.34</b>	<b>1,18,773.65</b>	<b>1,06,742.62</b>
3	<b>Profit before tax (1-2)</b>	<b>1,693.78</b>	<b>5,503.71</b>	<b>8,471.99</b>	<b>21,316.76</b>	<b>30,561.70</b>
4	<b>Tax expense: (refer note 13)</b>					
	Current tax	(33.65)	1,770.18	20.49	5,474.97	4,117.75
	Deferred tax charge/(credit)	479.18	(1,034.65)	2,904.29	215.08	6,949.67
	<b>Total tax expense</b>	<b>445.53</b>	<b>735.53</b>	<b>2,924.78</b>	<b>5,690.05</b>	<b>11,067.42</b>
5	<b>Net profit after tax (3-4)</b>	<b>1,248.25</b>	<b>4,768.18</b>	<b>5,547.21</b>	<b>15,626.71</b>	<b>19,494.28</b>
6	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit and loss	175.70	39.09	24.73	87.80	(60.41)
	Income tax relating to items that will not be reclassified to profit and loss	(44.22)	(9.84)	(9.85)	(22.10)	19.95
	Items that will be reclassified to profit and loss	4,244.36	(103.01)	3,920.21	5,864.78	3,920.21
	Income tax relating to items that will be reclassified to profit and loss	(1,068.22)	25.92	(1,369.88)	(1,476.05)	(1,369.88)
	<b>Total other comprehensive income</b>	<b>3,307.62</b>	<b>(47.84)</b>	<b>2,565.21</b>	<b>4,454.43</b>	<b>2,509.87</b>
7	<b>Total comprehensive income (5+6)</b>	<b>4,555.87</b>	<b>4,720.34</b>	<b>8,112.42</b>	<b>20,081.14</b>	<b>22,004.15</b>
8	<b>Paid-up equity share capital (face value of ₹ 10 per equity share)</b>	-	-	-	5,171.27	4,853.07
9	<b>Other equity as per Statement of Assets and Liabilities</b>	-	-	-	1,40,105.69	1,10,288.62
10	<b>Earning per share (EPS) (face value of ₹ 10 per equity share)</b>					
	(EPS for the quarter ended not annualised)					
	- Basic (amount in ₹)	2.41	9.23	11.44	30.69	40.37
	- Diluted (amount in ₹)	2.41	9.21	11.37	30.52	40.09



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# SATIN CREDITCARE NETWORK LTD.

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SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2020

Note 1

Standalone Statement of Assets and Liabilities as at March 31, 2020

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	1,10,732.02	1,00,387.51
Bank balances other than cash and cash equivalents	65,434.15	69,396.52
Derivative financial instruments	673.63	186.99
Trade receivables	613.14	651.56
Loans	4,70,939.10	4,46,008.58
Investments	51,333.45	42,189.09
Other financial assets	1,758.77	1,999.59
	<b>7,01,484.26</b>	<b>6,60,819.84</b>
<b>Non-financial assets</b>		
Current tax assets (net)	3,152.99	1,366.12
Deferred tax assets (net)	-	571.18
Property, plant and equipment	5,241.24	4,301.77
Capital work-in-progress	3,413.64	1,614.29
Intangible assets under development	-	19.60
Other intangible assets	378.17	235.11
Other non-financial assets	1,752.61	627.37
	<b>13,938.65</b>	<b>8,735.44</b>
<b>TOTAL ASSETS</b>	<b>7,15,422.91</b>	<b>6,69,555.28</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	115.32	6.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	300.99	123.57
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	193.77	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,220.08	1,069.94
Debt securities	86,386.14	97,586.85
Borrowings (other than debt securities)	4,00,213.72	3,71,999.21
Subordinated liabilities	54,308.13	53,919.68
Other financial liabilities	24,400.91	27,593.31
	<b>5,67,139.06</b>	<b>5,52,298.57</b>
<b>Non-financial liabilities</b>		
Deferred tax liabilities (net)	1,142.04	-
Provisions	1,086.40	1,354.44
Other non-financial liabilities	778.45	760.58
	<b>3,006.89</b>	<b>2,115.02</b>
<b>EQUITY</b>		
Equity share capital	5,171.27	4,853.07
Other equity	1,40,105.69	1,10,288.62
	<b>1,45,276.96</b>	<b>1,15,141.69</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,15,422.91</b>	<b>6,69,555.28</b>



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Note 2

Standalone cash flow statement for the year ended March 31, 2020

## A Cash flow from operating activities

Profit before tax	
Adjustments for:	
Impairment on financial instruments	
Depreciation of right-of-use assets	
Net (gain)/loss on derecognition of property, plant and equipment	
Gain on sale of mutual funds	
Unrealised (gain)/loss on fair value changes of derivatives and investments	
Property, plant and equipment written off	
Impairment on financial instruments	
Dividend income	
Gain on sale of loan portfolio through assignment	
First loss default guarantee expenses	
Share based payment to employees	
Effective interest rate adjustment for financial instruments	
Interest expense for leasing arrangements	
Net gain on termination of leases	
Corporate guarantee premium income	
Unrealised exchange fluctuation loss (net)	
Operating profit before working capital changes	

### Movement in working capital

Decrease/(increase) in trade receivables	
(Increase)/decrease in loans	
Decrease/(increase) in deposits	
(Increase)/decrease in other financial assets	
(Increase)/decrease in other non-financial assets	
Increase in trade and other payables	
(Decrease)/increase in other financial liabilities	
(Decrease)/increase in provisions	
Increase/(decrease) in other non-financial liabilities	
Cash flows from/(used in) operating activities post working capital changes	
Income tax paid (net)	
Net cash flows from/ (used in) operating activities (A)	

## B Cash flows from investing activities

Purchase of property, plant and equipment, capital work-in-progress and intangible assets	
Proceeds from sale of property, plant and equipment and intangible assets	
Investment made in subsidiaries	
Purchase of other investments (net)	
Net cash used in investing activities (B)	

## C Cash flows from financing activities

Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	
Proceeds from debt securities	
Repayment of debt securities	
Proceeds from borrowings other than debt securities	
Repayment of borrowings other than debt securities	
Lease payments	
Proceeds from subordinated liabilities	
Repayment of subordinated liabilities	
Net cash flows from financing activities (C)	

Net increase in cash and cash equivalents (A+B+C)  
Cash and cash equivalents at the beginning of the year  
Cash and cash equivalents at the end of the year

### Notes:

Cash and cash equivalents\*  
Less: Overdraft facility against term deposits

\*This includes restricted cash and cash equivalents

	(₹ In Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Audited)	(Audited)
	21,316.76	30,561.70
	1,032.71	1,131.89
	487.13	-
	(2.90)	(2.77)
	(1,368.20)	(2,688.93)
	130.76	(306.34)
	-	48.64
	18,882.89	5,206.70
	(2.21)	-
	(23,608.14)	(13,345.54)
	1,278.78	321.42
	147.97	317.86
	2,087.29	1,251.05
	161.98	-
	(45.32)	-
	(0.38)	-
	188.49	230.38
	20,687.61	22,726.06
	38.42	(632.85)
	(13,987.33)	50,588.11
	3,962.37	(5,658.29)
	(157.49)	1,335.53
	(1,048.32)	233.84
	630.64	517.96
	(4,470.80)	8,799.34
	(180.24)	280.91
	83.76	(13.27)
	5,558.62	78,177.34
	(7,261.85)	(6,398.23)
	(1,703.23)	71,779.11
	(3,134.69)	(1,796.77)
	15.50	11.40
	(11,000.00)	(8,085.65)
	3,234.99	(16,559.75)
	(10,884.20)	(26,430.77)
	4,547.26	22.65
	21,413.18	40,370.00
	(32,852.45)	(34,702.86)
	2,98,029.30	3,25,358.64
	(2,80,954.11)	(3,44,401.21)
	(553.20)	-
	7,893.53	20,000.00
	(2,469.76)	(369.81)
	15,053.75	6,277.41
	2,466.32	51,625.75
	94,472.53	42,846.78
	96,938.85	94,472.53
	1,10,732.02	1,00,387.51
	(13,793.17)	(5,914.98)
	96,938.85	94,472.53



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## SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2020

### Notes to the audited standalone financial results:

- 3 The above financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee at its meeting held on June 15, 2020 and have been approved and taken on record by the Board of Directors at its meeting held on June 15, 2020. These results have been prepared in accordance with the requirement of Regulation 33 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 (as amended).
- 4 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all contracts having lease components existing on April 1, 2019 using the modified retrospective method, consequently, the Company has not restated comparative information. The Company has measured the lease liability at present value of remaining lease payments discounted using the incremental borrowing rate as the date of initial application and Right of Use (ROU) asset is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. On the date of initial application, the adoption of Ind AS 116 resulted in recognition of ROU assets and lease liability each of ₹1,503.28 Lakhs.
- 5.a The Novel Corona Virus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020, the Government of India announced a nation-wide lockdown till April 14, 2020, which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers. The Company has major proportion of its borrowers and AUM in rural geographies, where the impact of COVID-19 has been relatively lower and the government has announced a series of economic relief measures for rural India, which is expected to support rural borrower's repayment capacity. From 1st June onwards, further relaxations in lock down has been granted across the Country, which has helped the Company employees to contact the borrowers.
- 5.b Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended/will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view, providing moratorium to borrowers at a large scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ("SICR") for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Company has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including expected credit losses) could be different from that estimated by the Company.
- 5.c In view of the matters mentioned in Notes 5.a & 5.b above, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing microfinance companies to start operations, the Company resumed operations by complying with the regulatory guidelines on businesses, social distancing etc. Our employees were able to meet and collect instalments from those borrowers willing to repay, due to minimal impact of the lockdown on them as observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, current status/outcomes of discussions with the Company's lenders to seek/extend moratorium and various other financial support from other banks and financial institutions in determining the Company's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing, current liquidity position and necessary stress tests considering various scenarios, management is confident that the Company will be able to fulfill its obligations as and when these become due in the foreseeable future.
- 6 The Company allotted 1,343,283 Equity Shares to IndusInd Bank Limited, a non-promoter company on June 27, 2019. These shares are allotted against 1,343,283 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) which were allotted to IndusInd Bank Limited on December 28, 2017 at ₹ 335 each for which full amount was paid at the time of allotment of preference shares.
- 7 The Company allotted 1,791,044 Equity Shares to Trishashna Holdings & Investments Private Limited\* (THIPL), a promoter group company on June 27, 2019. These shares are allotted against 1,791,044 Fully convertible warrants (FCW) which were allotted to THIPL on December 28, 2017 at ₹ 335 each (25% of which was paid on allotment of FCW and 75% was paid on allotment of Equity Shares).



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# SATIN CREDITCARE NETWORK LTD.

Reaching out!

## SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2020

- 8 The Company made investment of ₹ 3,000 Lakhs in the Satin Housing Finance Limited, a wholly owned subsidiary of the Company on June 29, 2019 by subscribing to 3,00,00,000 Equity Shares of ₹10 each at an issue price of ₹10 each.
- 9 The Company made investment of ₹ 8,000 Lakhs in the Satin Finserv Limited, a wholly owned subsidiary of the Company, on July 27, 2019 and on November 4, 2019 by subscribing to 8,00,00,000 Equity Shares of ₹10 each at an issue price of ₹10 each.
- 10 During the year ended March 31, 2020, the Company raised ₹ 17,173.41 Lakhs through External Commercial Borrowings ('ECB'). In respect of derivative taken in relation to one of the ECB amounting to ₹ 6,487.41 Lakhs, the Company has adopted hedge accounting.
- 11 The Company has allotted following series of Non-Convertible Debentures during the reporting year:

Particulars	Date of allotment	No. of Debentures	Total amount (in ₹ Lakhs)
11.45%, Secured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of ₹ 1,000,000/- (Rupees Ten Lakhs only) for cash at par.	September 27, 2019	1,200	12,000.00
15.50%, Un-secured, Rated, Subordinated, Listed, Redeemable, Non-convertible Debentures of face value ₹ 1,000,000/- (Rupees Ten Lakhs only) for cash at par.	December 17, 2019	300	3,000.00
13.14%, Un-secured, Rated, Subordinated, Unlisted, Redeemable, Non-convertible Debentures of face value of ₹ 50,000/- (Rupees Fifty Thousands only) for cash at par.	March 24, 2020	10,010	5,005.00

- 12 The Chief Operating Decision Maker ("CODM") reviews the operations at the Company level. The operations of the Company fall under "financing activities" business only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments.
- 13 Based on the revised return filed by the Company for the Assessment Year 2019-20, the amount of current tax expense and deferred tax charge for the year ended March 31, 2019 have been regrouped.
- 14 Figures for the quarters ended March 31, 2020 and March 31, 2019 represents the balancing figures between the audited figures for the financial year and published reviewed year to date figures upto third quarter of the respective financial year.

By order of the Board of Directors  
For Satin Creditcare Network Limited

(H P Singh)

Chairman cum Managing Director  
DIN No. 00333754

Place: Gurugram  
Date: June 15, 2020



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Plot No. 19A 7<sup>th</sup> Floor  
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Noida – 201 301  
India  
T +91 120 485 5999  
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**Independent Auditor's Report on the Standalone Annual Financial Results of Satin Creditcare Network Limited Pursuant to the Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Satin Creditcare Network Limited**

**Opinion**

- 1) We have audited the accompanying Standalone Annual Financial Results ('the Statement') of Satin Creditcare Network Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
- 2) In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - i) presents financial results in accordance with the requirements of Regulation 52 of the Listing Regulations; and
  - ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

**Basis for Opinion**

- 3) We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



**Emphasis of Matter**

- 4) We draw attention to Note 5 in the Standalone Financial Results, which describes significant uncertainties due to the outbreak of SARS-CoV-2 (COVID-19) virus. The impact of the COVID-19 pandemic on the operations of the Company and its financial position as at 31 March 2020 including the measurement of expected credit losses on the financial assets are dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Statement**

- 5) This Statement has been prepared on the basis of the Standalone Annual Audited Financial Statements and has been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- 6) In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 7) The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

- 8) Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
- 9) As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.




- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- 10) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 11) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

- 12) The Statement includes the financial results for the half year ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited figures for the half year ended 30 September 2019, which were subject to limited review by us.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

  
**Lalit Kumar**  
Partner  
Membership No. 095256  
UDIN: 20095256AAAABJ9704



**Place:** Noida  
**Date:** 15 June 2020



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SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

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Statement of Standalone Financial Results for the Half year and Year ended March 31, 2020

(₹ In Lakhs except EPS)

S. No	Particulars	Half-year ended		Year ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(Refer note 14)	(Refer note 14)	(Audited)	(Audited)
1	<b>Revenue from operations</b>				
	Interest income	54,429.30	55,971.31	1,07,844.38	1,17,950.47
	Dividend income	-	-	2.21	-
	Fees and commission income	3,495.71	2,345.73	7,078.65	2,793.85
	Net gain on fair value changes	116.04	1,078.72	1,237.44	2,986.72
	Net gain on derecognition of financial instruments	14,055.54	11,584.81	23,608.14	13,345.54
	Other operating income	101.25	152.69	186.29	199.12
	<b>Total revenue from operations</b>	<b>72,197.84</b>	<b>71,133.26</b>	<b>1,39,957.11</b>	<b>1,37,275.70</b>
	Other income	84.50	19.02	133.30	28.62
	<b>Total income</b>	<b>72,282.34</b>	<b>71,152.28</b>	<b>1,40,090.41</b>	<b>1,37,304.32</b>
2	<b>Expenses</b>				
	Finance costs	27,629.50	31,762.57	57,368.06	63,903.26
	Impairment on financial instruments	16,467.42	(217.73)	18,882.89	5,206.70
	Employee benefits expenses	14,756.47	14,347.86	29,666.79	26,481.64
	Depreciation and amortisation expense	791.15	634.37	1,519.84	1,131.89
	Other expenses	5,440.31	4,758.38	11,336.07	10,019.13
	<b>Total expenses</b>	<b>65,084.85</b>	<b>51,285.45</b>	<b>1,18,773.65</b>	<b>1,06,742.62</b>
3	<b>Profit before tax (1-2)</b>	<b>7,197.49</b>	<b>19,866.83</b>	<b>21,316.76</b>	<b>30,561.70</b>
4	<b>Tax expense: (refer note 13)</b>				
	Current tax	1,736.53	1,427.95	5,474.97	4,117.75
	Deferred tax (credit)/charge	(555.47)	5,890.46	215.08	6,949.67
	<b>Total tax expense</b>	<b>1,181.06</b>	<b>7,318.41</b>	<b>5,690.05</b>	<b>11,067.42</b>
5	<b>Net profit after tax (3-4)</b>	<b>6,016.43</b>	<b>12,548.42</b>	<b>15,626.71</b>	<b>19,494.28</b>
6	<b>Other comprehensive income</b>				
	<b>Items that will not be reclassified to profit or loss</b>				
	Items that will not be reclassified to profit and loss	214.79	(3.65)	87.80	(60.41)
	Income tax relating to items that will not be reclassified to profit and loss	(54.06)	0.09	(22.10)	19.95
	<b>Items that will be reclassified to profit and loss</b>				
	Income tax relating to items that will be reclassified to profit and loss	4,141.35	3,920.21	5,864.78	3,920.21
		(1,042.30)	(1,369.88)	(1,476.05)	(1,369.88)
	<b>Total other comprehensive income</b>	<b>3,259.78</b>	<b>2,546.77</b>	<b>4,454.43</b>	<b>2,509.87</b>
7	<b>Total comprehensive income (5+6)</b>	<b>9,276.21</b>	<b>15,095.19</b>	<b>20,081.14</b>	<b>22,004.15</b>
8	<b>Paid-up equity share capital (face value of ₹ 10 per equity share)</b>	-	-	5,171.27	4,853.07
9	<b>Other equity as per Statement of Assets and Liabilities</b>	-	-	1,40,105.69	1,10,288.62
10	<b>Earning per share (EPS) (face value of ₹ 10 per equity share)</b>				
	(EPS for the half year ended not annualised)				
	- Basic (amount in ₹)	11.64	25.87	30.69	40.37
	- Diluted (amount in ₹)	11.64	25.72	30.52	40.09



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Statement of Standalone Financial Results for the Half year and Year ended March 31, 2020

### Note 1

#### Standalone Statement of Assets and Liabilities as at March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	1,10,732.02	1,00,387.51
Bank balances other than cash and cash equivalents	65,434.15	69,396.52
Derivative financial instruments	673.63	186.99
Trade receivables	613.14	651.56
Loans	4,70,939.10	4,46,008.58
Investments	51,333.45	42,189.09
Other financial assets	1,758.77	1,999.59
	<b>7,01,484.26</b>	<b>6,60,819.84</b>
<b>Non-financial assets</b>		
Current tax assets (net)	3,152.99	1,366.12
Deferred tax assets (net)	-	571.18
Property, plant and equipment	5,241.24	4,301.77
Capital work-in-progress	3,413.64	1,614.29
Intangible assets under development	-	19.60
Other intangible assets	378.17	235.11
Other non-financial assets	1,752.61	627.37
	<b>13,938.65</b>	<b>8,735.44</b>
<b>TOTAL ASSETS</b>	<b>7,15,422.91</b>	<b>6,69,555.28</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
<b>Payables</b>		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	115.32	6.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	300.99	123.57
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	193.77	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,220.08	1,069.94
Debt securities	86,386.14	97,586.85
Borrowings (other than debt securities)	4,00,213.72	3,71,999.21
Subordinated liabilities	54,308.13	53,919.68
Other financial liabilities	24,400.91	27,593.31
	<b>5,67,139.06</b>	<b>5,52,298.57</b>
<b>Non-financial liabilities</b>		
Deferred tax liabilities (net)	1,142.04	-
Provisions	1,086.40	1,354.44
Other non-financial liabilities	778.45	760.58
	<b>3,006.89</b>	<b>2,115.02</b>
<b>EQUITY</b>		
Equity share capital	5,171.27	4,853.07
Other equity	1,40,105.69	1,10,288.62
	<b>1,45,276.96</b>	<b>1,15,141.69</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,15,422.91</b>	<b>6,69,555.28</b>



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Note 2

Standalone cash flow statement for the year ended March 31, 2020

## A Cash flow from operating activities

Profit before tax	
<b>Adjustments for:</b>	
Impairment on financial instruments	
Depreciation of right-of-use assets	
Net (gain)/loss on derecognition of property, plant and equipment	
Gain on sale of mutual funds	
Unrealised (gain)/loss on fair value changes of derivatives and investments	
Property, plant and equipment written off	
Impairment on financial instruments	
Dividend income	
Gain on sale of loan portfolio through assignment	
First loss default guarantee expenses	
Share based payment to employees	
Effective interest rate adjustment for financial instruments	
Interest expense for leasing arrangements	
Net gain on termination of leases	
Corporate guarantee premium income	
Unrealised exchange fluctuation loss (net)	
<b>Operating profit before working capital changes</b>	
<b>Movement in working capital</b>	
Decrease/(increase) in trade receivables	
(Increase)/decrease in loans	
Decrease/(increase) in deposits	
(Increase)/decrease in other financial assets	
(Increase)/decrease in other non-financial assets	
Increase in trade and other payables	
(Decrease)/increase in other financial liabilities	
(Decrease)/increase in provisions	
Increase/(decrease) in other non-financial liabilities	
<b>Cash flows from/(used in) operating activities post working capital changes</b>	
Income tax paid (net)	
<b>Net cash flows from/ (used in) operating activities (A)</b>	

## B Cash flows from investing activities

Purchase of property, plant and equipment, capital work-in-progress and intangible assets	
Proceeds from sale of property, plant and equipment and intangible assets	
Investment made in subsidiaries	
Purchase of other investments (net)	
<b>Net cash used in investing activities (B)</b>	

## C Cash flows from financing activities

Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	
Proceeds from debt securities	
Repayment of debt securities	
Proceeds from borrowings other than debt securities	
Repayment of borrowings other than debt securities	
Lease payments	
Proceeds from subordinated liabilities	
Repayment of subordinated liabilities	
<b>Net cash flows from financing activities (C)</b>	

Net increase in cash and cash equivalents (A+B+C)  
Cash and cash equivalents at the beginning of the year  
Cash and cash equivalents at the end of the year

### Notes:

Cash and cash equivalents\*  
Less: Overdraft facility against term deposits

\*This includes restricted cash and cash equivalents

	(₹ In Lakhs)	
	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
	21,316.76	30,561.70
	1,032.71	1,131.89
	487.13	-
	(2.90)	(2.77)
	(1,368.20)	(2,688.93)
	130.76	(306.34)
	-	48.64
	18,882.89	5,206.70
	(2.21)	-
	(23,608.14)	(13,345.54)
	1,278.78	321.42
	147.97	317.86
	2,087.29	1,251.05
	161.98	-
	(45.32)	-
	(0.38)	-
	188.49	230.38
	20,687.61	22,726.06
	38.42	(632.85)
	(13,987.33)	50,588.11
	3,962.37	(5,658.29)
	(157.49)	1,335.53
	(1,048.32)	233.84
	630.64	517.96
	(4,470.80)	8,799.34
	(180.24)	280.91
	83.76	(13.27)
	5,558.62	78,177.34
	(7,261.85)	(6,398.23)
	(1,703.23)	71,779.11
	(3,134.69)	(1,796.77)
	15.50	11.40
	(11,000.00)	(8,085.65)
	3,234.99	(16,559.75)
	(10,884.20)	(26,430.77)
	4,547.26	22.65
	21,413.18	40,370.00
	(32,852.45)	(34,702.86)
	2,98,029.30	3,25,358.64
	(2,80,954.11)	(3,44,401.21)
	(553.20)	-
	7,893.53	20,000.00
	(2,469.76)	(369.81)
	15,053.75	6,277.41
	2,466.32	51,625.75
	94,472.53	42,846.78
	96,938.85	94,472.53
	1,10,732.02	1,00,387.51
	(13,793.17)	(5,914.98)
	96,938.85	94,472.53



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# SATIN CREDITCARE NETWORK LTD.

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## SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033

Statement of Standalone Financial Results for the Half year and Year ended March 31, 2020

### Notes to the audited standalone financial results:

- 3 The above financial results for the half year and year ended March 31, 2020 have been reviewed by the Audit Committee at its meeting held on June 15, 2020 and have been approved and taken on record by the Board of Directors at its meeting held on June 15, 2020. These results have been prepared in accordance with the requirement of Regulation 52 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 (as amended).
- 4 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all contracts having lease components existing on April 1, 2019 using the modified retrospective method, consequently, the Company has not restated comparative information. The Company has measured the lease liability at present value of remaining lease payments discounted using the incremental borrowing rate as the date of initial application and Right of Use (ROU) asset is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. On the date of initial application, the adoption of Ind AS 116 resulted in recognition of ROU assets and lease liability each of ₹1,503.28 Lakhs.
- 5.a The Novel Corona Virus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020, the Government of India announced a nation-wide lockdown till April 14, 2020, which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers. The Company has major proportion of its borrowers and AUM in rural geographies, where the impact of COVID-19 has been relatively lower and the government has announced a series of economic relief measures for rural India, which is expected to support rural borrower's repayment capacity. From 1st June onwards, further relaxations in lock down has been granted across the Country, which has helped the Company employees to contact the borrowers.
- 5.b Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended/will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view, providing moratorium to borrowers at a large scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ("SICR") for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Company has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including expected credit losses) could be different from that estimated by the Company.
- 5.c In view of the matters mentioned in Notes 5.a & 5.b above, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing microfinance companies to start operations, the Company resumed operations by complying with the regulatory guidelines on businesses, social distancing etc. Our employees were able to meet and collect instalments from those borrowers willing to repay, due to minimal impact of the lockdown on them as observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, current status/outcomes of discussions with the Company's lenders to seek/extend moratorium and various other financial support from other banks and financial institutions in determining the Company's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing, current liquidity position and necessary stress tests considering various scenarios, management is confident that the Company will be able to fulfill its obligations as and when these become due in the foreseeable future.
- 6 During the period, the Company allotted 1,343,283 equity shares to IndusInd Bank Limited, a non-promoter company, on June 27, 2019. These shares are allotted against 1,343,283 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) which were allotted to IndusInd Bank Limited on December 28, 2017 at ₹ 335 each for which full amount was paid at the time of allotment of such OCCRPS.
- 7 During the period, the Company allotted 1,791,044 equity shares to Trishashna Holdings & Investments Private Ltd' (THIPL), a promoter group company, on June 27, 2019. These equity shares are allotted against 1,791,044 fully convertible warrants (FCW) which were allotted to THIPL on December 28, 2017 at ₹ 335 each (25% of which was paid on allotment of FCW and 75% was paid on allotment of equity shares).



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Statement of Standalone Financial Results for the Half year and Year ended March 31, 2020

- 8 During the year ended March 31, 2020, the Company raised ₹ 17,173.41 Lakhs through External Commercial Borrowings ('ECB'). In respect of derivative taken in relation to one of the ECB amounting to ₹ 6,487.41 Lakhs, the Company has adopted hedge accounting.
- 9 The Company made investment of ₹ 3,000 Lakhs in the Satin Housing Finance Limited, a wholly owned subsidiary of the Company on June 29, 2019 by subscribing to 3,00,00,000 Equity Shares of ₹10 each at an issue price of ₹10 each.
- 10 The Company made investment of ₹ 8,000 Lakhs in the Satin Finserv Limited, a wholly owned subsidiary of the Company, on July 27, 2019 and on November 4, 2019 by subscribing to 8,00,00,000 Equity Shares of ₹10 each at an issue price of ₹10 each.
- 11 The Company has allotted following series of Non-Convertible Debentures during the reporting year:

Particulars	Date of allotment	No. of Debentures	Total amount (in ₹ Lakhs)
11.45%, Secured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of ₹ 1,000,000/- (Rupees Ten Lakhs only) for cash at par.	September 27, 2019	1,200	12,000.00
15.50%, Un-secured, Rated, Subordinated, Listed, Redeemable, Non-convertible Debentures of face value ₹ 1,000,000/- (Rupees Ten Lakhs only) for cash at par.	December 17, 2019	300	3,000.00
13.14%, Un-secured, Rated, Subordinated, Unlisted, Redeemable, Non-convertible Debentures of face value of ₹ 50,000/- (Rupees Fifty Thousands only) for cash at par.	March 24, 2020	10,010	5,005.00

- 12 The Chief Operating Decision Maker ("CODM") reviews the operations at the Company level. Therefore, the operations of the Company fall under "financing activities" business only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments.
- 13 Based on the revised return filed by the Company for the Assessment Year 2019-20, the amount of current tax expense and deferred tax charge for the year ended March 31, 2019 have been regrouped.
- 14 Figures for the half year ended March 31, 2020 and March 31, 2019 represents the balancing figures between the audited figures for the financial year and published reviewed year to date figures upto half year of the respective financial year.

By order of the Board of Directors  
For Satin Creditcare Network Limited

(H P Singh)

Chairman cum Managing Director  
DIN No. 00333754

Place: Gurugram  
Date: June 15, 2020



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**Independent Auditor's Report on the Consolidated Annual Financial Results of Satin Creditcare Network Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Satin Creditcare Network Limited**

**Opinion**

- 1) We have audited the accompanying consolidated annual financial results ('the Statement') of Satin Creditcare Network Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
- 2) In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 13 below, the Statement:
  - a. includes the annual financial results of the entities listed in Annexure 1;
  - b. presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - c. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

**Basis for Opinion**

- 3) We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.



## Emphasis of Matter

- 4) We draw attention to Note 6 in the Consolidated Financial Results, which describes significant uncertainties due to the outbreak of SARS-CoV-2 (COVID-19) virus. The impact of the COVID-19 pandemic on the operations of the Group and its financial position as at 31 March 2020 including the measurement of expected credit losses on the financial assets are dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Statement

- 5) The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33. The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
- 6) In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- 7) The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

## Auditor's Responsibilities for the Audit of the Statement

- 8) Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
- 9) As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- 10) We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 11) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 12) We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

**Other Matter**

- 13) We did not audit the annual financial statements of 3 subsidiaries included in the Statement, whose financial information reflects total assets of ₹39,842.87 lakh as at 31 March 2020, total revenues of ₹ 10,478.34 lakh, total net loss after tax of ₹ 129.37 lakh, total comprehensive income of ₹(101.33 lakh) and cash inflows of ₹ 4,857.16 lakh for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors and the procedures performed by us as stated in paragraph 12 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.



## Walker Chandiok & Co LLP

- 14) The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013



**Lalit Kumar**

Partner

Membership No. 095256

UDIN: 20095256AAAABG4850



**Place:** Noida

**Date:** 15 June 2020

# Walker ChandioK &Co LLP

## Annexure 1

### List of entities included in the Statement

- a) Taraashna Financial Services Limited (formerly known as Taraashna Services Limited)
- b) Satin Housing Finance Limited
- c) Satin Finserv Limited





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Statement of audited Consolidated Financial Results for the Quarter and for the year ended March 31, 2020

(₹ In Lakhs except EPS)

S. No	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31 2019	March 31, 2019	March 31, 2020	March 31 2019
		(Refer note 13)	(Un-audited)	(Refer note 13)	(Audited)	(Audited)
1	<b>Revenue from operations</b>					
	Interest income	28,256.61	28,222.59	25,998.73	1,11,000.52	1,18,606.59
	Dividend income	-	-	-	2.21	-
	Fees and commission income	3,948.46	3,323.69	2,942.97	13,778.42	9,090.27
	Net gain on fair value changes	40.39	172.53	984.73	1,437.83	3,049.79
	Net gain on derecognition of financial instruments	8,500.42	5,555.12	4,753.15	23,608.14	13,345.54
	Other operating income	49.12	17.83	93.84	124.42	168.77
	<b>Total revenue from operations</b>	<b>40,795.00</b>	<b>37,291.76</b>	<b>34,773.42</b>	<b>1,49,951.54</b>	<b>1,44,260.96</b>
	Other income	131.24	168.34	139.43	391.65	253.37
	<b>Total Income</b>	<b>40,926.24</b>	<b>37,460.10</b>	<b>34,912.85</b>	<b>1,50,343.19</b>	<b>1,44,514.33</b>
2	<b>Expenses</b>					
	Finance costs	13,870.88	14,506.31	15,281.77	58,609.00	64,248.74
	Impairment on financial instruments	11,361.74	5,367.57	(1,194.54)	19,180.66	5,242.11
	Employee benefit expenses	9,000.68	8,579.70	8,372.77	35,134.58	30,547.81
	Depreciation and amortisation expense	517.80	401.48	359.58	1,753.72	1,251.12
	Other expenses	4,369.85	3,215.98	3,439.15	14,502.59	11,643.61
	<b>Total expenses</b>	<b>39,120.95</b>	<b>32,071.04</b>	<b>26,258.73</b>	<b>1,29,180.55</b>	<b>1,12,933.39</b>
3	<b>Profit before tax (1-2)</b>	<b>1,805.29</b>	<b>5,389.06</b>	<b>8,654.12</b>	<b>21,162.64</b>	<b>31,580.94</b>
4	<b>Tax expense: (refer note 12)</b>					
	Current tax	76.59	1,739.38	73.21	5,575.17	4,388.42
	Deferred tax charge/(credit)	420.60	(1,021.68)	2,934.94	90.21	7,042.88
	<b>Total tax expense</b>	<b>497.19</b>	<b>717.70</b>	<b>3,008.15</b>	<b>5,665.38</b>	<b>11,431.30</b>
5	<b>Net profit after tax (3-4)</b>	<b>1,308.10</b>	<b>4,671.36</b>	<b>5,645.97</b>	<b>15,497.26</b>	<b>20,149.64</b>
6	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit and loss	208.04	41.06	(0.46)	126.65	(51.50)
	Income tax relating to items that will not be reclassified to profit and loss	(53.28)	(10.32)	(2.50)	(32.91)	17.36
	Items that will be reclassified to profit and loss	4,244.36	(103.01)	3,920.21	5,864.78	3,920.21
	Income tax relating to items that will be reclassified to profit and loss	(1,068.22)	25.92	(1,369.88)	(1,476.05)	(1,369.88)
	<b>Total other comprehensive income</b>	<b>3,330.90</b>	<b>(46.35)</b>	<b>2,547.37</b>	<b>4,482.47</b>	<b>2,516.19</b>
7	<b>Total comprehensive income (5+6)</b>	<b>4,639.00</b>	<b>4,625.01</b>	<b>8,193.34</b>	<b>19,979.73</b>	<b>22,665.83</b>
8	<b>Net profit after tax attributable to:</b>					
	Owners of the holding company	1,308.10	4,671.36	5,645.97	15,497.26	20,119.45
	Non-controlling interests	-	-	-	-	30.19
9	<b>Other comprehensive income attributable to:</b>					
	Owners of the holding company	3,330.90	(46.36)	2,547.37	4,482.47	2,516.19
	Non-controlling interests	-	-	-	-	-
10	<b>Total comprehensive income attributable to:</b>					
	Owners of the holding company	4,639.00	4,625.00	8,193.34	19,979.73	22,635.64
	Non-controlling interests	-	-	-	-	30.19
11	<b>Paid-up equity share capital (face value of ₹ 10 per equity share)</b>	-	-	-	5,171.27	4,853.07
12	<b>Other equity as per Statement of Assets and Liabilities</b>	-	-	-	1,39,697.64	1,10,091.57
13	<b>Earning per share (EPS) (face value of ₹ 10 per equity share)</b>					
	(EPS for the quarter ended not annualised)					
	- Basic (amount in ₹)	2.53	9.04	11.64	30.43	41.67
	- Diluted (amount in ₹)	2.53	9.02	11.57	30.27	41.37



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Statement of audited Consolidated Financial Results for the Quarter and for the year ended March 31, 2020

Note 1

Consolidated Statement of Assets and Liabilities as at March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	1,17,698.47	1,02,496.82
Bank balances other than cash and cash equivalents	70,417.64	73,345.19
Derivative financial instruments	673.63	186.99
Trade receivables	1,232.97	1,237.63
Loans	4,94,111.17	4,54,862.48
Investments	24,573.21	26,428.85
Other financial assets	2,521.89	2,006.69
	<b>7,11,228.98</b>	<b>6,60,564.65</b>
<b>Non-financial assets</b>		
Current tax assets (net)	3,778.61	2,200.40
Deferred tax assets (net)	-	865.24
Property, plant and equipment	5,618.82	4,456.26
Capital work-in-progress	3,413.64	1,614.29
Intangible assets under development	-	19.60
Goodwill	3,370.66	3,370.66
Other intangible assets	405.61	236.46
Other non-financial assets	2,145.45	768.28
	<b>18,732.79</b>	<b>13,531.19</b>
<b>TOTAL ASSETS</b>	<b>7,29,961.77</b>	<b>6,74,095.84</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	117.56	6.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	848.47	182.10
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	193.77	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,332.60	1,154.83
Debt securities	86,386.14	97,586.85
Borrowings (other than debt securities)	4,11,462.61	3,75,553.88
Subordinated liabilities	56,302.54	53,919.68
Other financial liabilities	25,532.33	28,266.20
	<b>5,82,176.02</b>	<b>5,56,669.55</b>
<b>Non-financial liabilities</b>		
Deferred tax liabilities (net)	727.90	-
Provisions	1,285.71	1,515.48
Other non-financial liabilities	903.23	966.17
	<b>2,916.84</b>	<b>2,481.65</b>
<b>EQUITY</b>		
Equity share capital	5,171.27	4,853.07
Other equity	1,39,697.64	1,10,091.57
Equity attributable to equity holders of the holding company	<b>1,44,868.91</b>	<b>1,14,944.64</b>
Non-controlling interest	-	-
Total equity	<b>1,44,868.91</b>	<b>1,14,944.64</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,29,961.77</b>	<b>6,74,095.84</b>



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Azadpur, New Delhi-110033, India

**CIN** : L65991DL1990PLC041796  
**Landline No** : 124 - 4715400  
**E-Mail ID** : info@satincreditcare.com  
**Website** : www.satincreditcare.com



# SATIN CREDITCARE NETWORK LTD.

Reaching out!

SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033

Note 2

Consolidated cash flow statement for the year ended March 31, 2020

**A Cash flow from operating activities**

	(₹ In Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Audited)	(Audited)
Profit before tax	21,162.64	31,580.94
<b>Adjustments for:</b>		
Depreciation and amortisation	1,147.51	1,251.12
Depreciation of right-of-use assets	606.21	-
Net (gain)/loss on derecognition of property, plant and equipment	(2.83)	(1.98)
Gain on sale of liquid funds	(1,568.59)	(2,752.00)
Unrealised (gain)/loss on fair value changes of derivatives and investments	130.76	(306.34)
Property, plant and equipment written off	-	48.64
Impairment on financial instruments	19,180.66	5,242.11
Dividend income	(2.21)	-
Gain on sale of loan portfolio through assignment	(23,608.14)	(13,345.54)
First loss default guarantee expenses	3,089.11	894.90
Share based payment to employees	196.20	425.34
Effective interest rate adjustment for financial instruments	2,104.43	1,258.73
Interest expense for leasing arrangements	188.19	-
Net gain on termination of leases	(42.44)	-
Unrealised exchange fluctuation loss (net)	188.49	230.38
<b>Operating profit before working capital changes</b>	<b>22,769.99</b>	<b>24,526.30</b>
<b>Movement in working capital</b>		
Decrease/(increase) in trade receivables	4.66	(60.46)
(Increase)/decrease in loans	(28,570.57)	41,904.78
Decrease/(increase) in deposits	2,927.55	(7,054.25)
(Increase)/decrease in other financial assets	(994.43)	1,268.19
(Increase)/decrease in other non-financial assets	(6,733.93)	192.43
Increase/(decrease) in trade and other payables	1,149.46	(1,166.29)
(Decrease)/increase in other financial liabilities	(5,822.98)	7,841.73
(Decrease)/increase in provisions	(103.12)	335.70
Increase in other non-financial liabilities	2.95	27.79
<b>Cash flows from/(used in) operating activities post working capital changes</b>	<b>(15,370.42)</b>	<b>67,815.92</b>
Income tax paid (net)	(7,159.41)	(6,716.21)
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>(22,529.83)</b>	<b>61,099.71</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment and capital work-in-progress and intangible assets	2,116.53	(1,869.01)
Proceeds from sale of property, plant and equipment and intangible assets	16.47	12.55
Payment for acquisition of subsidiary, net of cash acquired	-	(331.63)
Purchase of other investments (net)	3,435.38	(16,496.68)
<b>Net cash used in investing activities (B)</b>	<b>5,568.38</b>	<b>(18,684.77)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	4,437.67	11.51
Proceeds from debt securities	21,413.18	40,370.00
Repayment of debt securities	(32,852.45)	(34,702.86)
Proceeds from borrowings other than debt securities	3,12,518.42	3,29,267.50
Repayment of borrowings other than debt securities	(2,87,956.35)	(3,45,753.07)
Lease payments	(693.40)	-
Proceeds from subordinated liabilities	9,887.77	20,000.00
Repayment of subordinated liabilities	(2,469.76)	(369.81)
<b>Net cash flows from financing activities (C)</b>	<b>24,285.08</b>	<b>8,823.27</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>7,323.63</b>	<b>51,238.21</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>96,581.67</b>	<b>45,343.46</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,03,905.30</b>	<b>96,581.67</b>

**Notes:**

Cash and cash equivalents\*

Less: Overdraft facility against term deposits

\*This includes restricted cash and cash equivalents

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## SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033

Statement of audited Consolidated Financial Results for the Quarter and for the year ended March 31, 2020

### Notes to the audited consolidated financial results:

- 3 The above consolidated financial results for the quarter and period ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of Satin Creditcare Network Limited ("the Holding Company") at its meeting held on June 12, 2020. These results have been prepared in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 4 The consolidated financial results have been prepared in accordance with the 'Indian Accounting Standard - Consolidated Financial Statements' prescribed under Section 133 of the Companies Act, 2013 and comprise the financial results of the Holding Company and its wholly owned subsidiaries.
- 5 Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all contracts having lease components existing on April 1, 2019 using the modified retrospective method, consequently, the Group has not restated comparative information. The Group has measured the lease liability at present value of remaining lease payments discounted using the incremental borrowing rate as the date of initial application and Right of Use (ROU) asset is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. On the date of initial application, the adoption of Ind AS 116 resulted in recognition of ROU assets and lease liability each of ₹ 1,822.53 Lakhs.
- 6.a The Novel Corona Virus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020, the Government of India announced a nation-wide lockdown till April 14, 2020, which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This has led to significant disruptions and dislocations for individuals and businesses, impacting Group's regular operations including lending and collection activities due to inability of employees to physically reach borrowers. The Group has major proportion of its borrowers and AUM in rural geographies, where the impact of COVID-19 has been relatively lower and the government has announced a series of economic relief measures for rural India, which is expected to support rural borrower's repayment capacity. From 1st June onwards, further relaxations in lock down has been granted across the Country, which has helped the Group employees to contact the borrowers.
- 6.b Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Group has extended/will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view, providing moratorium to borrowers at a large scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ("SICR") for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Group has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Group (including credit losses) could be different from that estimated by the Group.
- 6.c In view of the matters mentioned in Notes 6.a & 6.b above, the Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing microfinance companies to start operations, the Group resumed operations by complying with the regulatory guidelines on businesses, social distancing etc. Our employees were able to meet and collect instalments from those borrowers willing to repay, due to minimal impact of the lockdown on them as observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, current status/outcomes of discussions with the Group's lenders to seek/extend moratorium and various other financial support from other banks and financial institutions in determining the Group's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing, current liquidity position and necessary stress tests considering various scenarios, management is confident that the Group will be able to fulfill its obligations as and when these become due in the foreseeable future.
- 7 The Holding Company allotted 13,43,283 equity shares to IndusInd Bank Limited, a non-Promoter Company, on June 27, 2019. These equity shares are allotted against 13,43,283 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) which were allotted to IndusInd Bank Limited on December 28, 2017 at ₹ 335 each for which full amount was paid at the time of allotment of such OCCRPS.
- 8 The Holding Company allotted 17,91,044 equity shares to Trishashna Holdings & Investments Private Limited\* (THIPL), a Promoter group company, on June 27, 2019. These shares are allotted against 17,91,044 fully convertible warrants (FCW) which were allotted to THIPL on December 28, 2017 at ₹ 335 each (25% of which was paid on allotment of FCW and 75% was paid on allotment of equity shares).
- 9 During the year ended March 31, 2020, the Holding Company raised ₹ 17,173.41 Lakhs through External Commercial Borrowings ('ECB'). In respect of derivative taken in relation to one of the ECB amounting to ₹ 6,487.41 Lakhs, the Holding Company has adopted hedge accounting.
- 10 The Holding Company has allotted following series of Non-Convertible Debentures during the reporting year:

Particulars	Date of allotment	No. of Debentures	Total amount (in ₹ Lakhs)
11.45%, Secured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of ₹ 1,000,000/- (Rupees Ten Lakhs only) for cash at par.	September 27, 2019	1,200	12,000.00
15.50%, Un-secured, Rated, Subordinated, Listed, Redeemable, Non-convertible Debentures of face value ₹ 1,000,000/- (Rupees Ten Lakhs only) for cash at par.	December 17, 2019	300	3,000.00
13.14%, Un-secured, Rated, Subordinated, Unlisted, Redeemable, Non-convertible Debentures of face value of ₹ 50,000/- (Rupees Fifty Thousands only) for cash at par.	March 24, 2020	10,010	5,005.00

- 11 The Chief Operating Decision Maker ("CODM") reviews the operations at the Group level. The operations of the Holding Company and its subsidiaries fall under "financing activities" business only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 - Operating Segments.
- 12 Based on the revised return filed by the Holding Company for the Assessment Year 2019-20, the amount of current tax expense and deferred tax charge for the year ended March 31, 2019 have been re-grouped.
- 13 Figures for the quarters ended March 31, 2020 and March 31, 2019 represents the balancing figures between the audited figures for the financial year and published reviewed year to date figures upto third quarter of the respective financial year.

By order of the Board of Directors  
For Satin Creditcare Network Limited

Place: Gurugram  
Date: June 15, 2020



(H P Singh)  
Chairman cum Managing Director  
DIN No. 00333754

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**Independent Auditor's Report on Consolidated Annual Financial Results of the Company  
Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015 (as amended)**

**To the Board of Directors of Satin Creditcare Network Limited**

**Opinion**

- 1) We have audited the accompanying consolidated annual financial results ('the Statement') of Satin Creditcare Network Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
- 2) In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 13 below, the Statement:
  - a. includes the annual financial results of the entities listed in Annexure 1;
  - b. presents financial results in accordance with the requirements of Regulation 52 of the Listing Regulations; and
  - c. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

**Basis for Opinion**

- 3) We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.



## Emphasis of Matter

- 4) We draw attention to Note 6 in the consolidated financial results, which describes significant uncertainties due to the outbreak of SARS-CoV-2 (COVID-19) virus. The impact of the COVID-19 pandemic on the operations of the Group and its financial position as at 31 March 2020 including the measurement of expected credit losses on the financial assets are dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Statement

- 5) The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
- 6) In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- 7) The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

## Auditor's Responsibilities for the Audit of the Statement

- 8) Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
- 9) As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- 10) We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 11) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 12) We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### Other Matters

- 13) We did not audit the annual financial statements of 3 subsidiaries included in the Statement, whose financial information reflects total assets of ₹39,842.87 lakh as at 31 March 2020, total revenues of ₹ 10,478.34 lakh, total net loss after tax of ₹ 129.37 lakh, total comprehensive income of ₹(101.33 lakh) and cash inflows of ₹ 4,857.16 lakh for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 12 above.



Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

## Walker Chandiok & Co LLP

- 14) The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the half year ended 30 September 2019, which were subject to limited review by us.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013



Lalit Kumar

Partner

Membership No. 095256

UDIN: 20095256AAAABI6622



Place: Noida

Date: 15 June 2020

# Walker ChandioK & Co LLP

## Annexure 1

### List of entities included in the Statement

- a) Taraashna Financial Services Limited (formerly known as Taraashna Services Limited)
- b) Satin Housing Finance Limited
- c) Satin Finserv Limited





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Statement of audited Consolidated Financial Results for the half year and year ended March 31, 2020

(₹ In Lakhs except EPS)

S. No	Particulars	Half-year ended		Year ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(Refer note 13)	(Refer note 13)	(Audited)	(Audited)
1	<b>Revenue from operations</b>				
	Interest income	56,479.20	56,427.36	1,11,000.52	1,18,606.59
	Dividend income	-	-	2.21	-
	Fees and commission income	7,272.15	5,375.50	13,778.42	9,090.27
	Net gain on fair value changes	212.92	1,118.59	1,437.83	3,049.79
	Net gain on derecognition of financial instruments	14,055.54	11,584.81	23,608.14	13,345.54
	Other operating income	66.95	134.89	124.42	168.77
	<b>Total revenue from operations</b>	<b>78,086.76</b>	<b>74,641.15</b>	<b>1,49,951.54</b>	<b>1,44,260.96</b>
	Other income	299.58	159.08	391.65	253.37
	<b>Total income</b>	<b>78,386.34</b>	<b>74,800.23</b>	<b>1,50,343.19</b>	<b>1,44,514.33</b>
2	<b>Expenses</b>				
	Finance cost	28,377.19	32,007.37	58,609.00	64,248.74
	Impairment on financial instruments	16,729.31	(192.33)	19,180.66	5,242.11
	Employee benefits expenses	17,580.38	16,442.75	35,134.58	30,547.81
	Depreciation and amortisation expense	919.28	689.59	1,753.72	1,251.12
	Other expenses	7,585.83	5,605.45	14,502.59	11,643.61
	<b>Total expenses</b>	<b>71,191.99</b>	<b>54,552.83</b>	<b>1,29,180.55</b>	<b>1,12,933.39</b>
3	<b>Profit before tax (1-2)</b>	<b>7,194.35</b>	<b>20,247.40</b>	<b>21,162.64</b>	<b>31,580.94</b>
4	<b>Tax expense: (refer note 12)</b>				
	Current tax	1,815.97	1,547.83	5,575.17	4,388.42
	Deferred tax (credit)/charge	(601.08)	5,912.49	90.21	7,042.88
	<b>Total tax expense</b>	<b>1,214.89</b>	<b>7,460.32</b>	<b>5,665.38</b>	<b>11,431.30</b>
5	<b>Net profit after tax (3-4)</b>	<b>5,979.46</b>	<b>12,787.08</b>	<b>15,497.26</b>	<b>20,149.64</b>
6	<b>Other comprehensive income</b>				
	Items that will not be reclassified to profit and loss	249.10	(3.72)	126.65	(51.50)
	Income tax relating to items that will not be reclassified to profit and loss	(63.60)	0.12	(32.91)	17.36
	Items that will be reclassified to profit and loss	4,141.35	3,920.21	5,864.78	3,920.21
	Income tax relating to items that will be reclassified to profit and loss	(1,042.30)	(1,369.88)	(1,476.05)	(1,369.88)
	<b>Total other comprehensive income</b>	<b>3,284.55</b>	<b>2,546.73</b>	<b>4,482.47</b>	<b>2,516.19</b>
7	<b>Total comprehensive income (5+6)</b>	<b>9,264.01</b>	<b>15,333.81</b>	<b>19,979.73</b>	<b>22,665.83</b>
8	<b>Net profit after tax attributable to:</b>				
	Owners of the holding company	5,979.46	12,787.08	15,497.26	20,119.45
	Non-controlling interests	-	-	-	30.19
9	<b>Other comprehensive income attributable to</b>				
	Owners of the holding company	3,284.54	2,546.73	4,482.47	2,516.19
	Non-controlling interests	-	-	-	-
10	<b>Total comprehensive income attributable to</b>				
	Owners of the holding company	9,264.00	15,333.81	19,979.73	22,635.64
	Non-controlling interests	-	-	-	30.19
11	Paid-up equity share capital (face value of ₹ 10 per equity share)	-	-	5,171.27	4,853.07
12	Other equity as per Statement of Assets and Liabilities	-	-	1,39,697.64	1,10,091.57
13	<b>Earning per share (EPS) (face value of ₹ 10 per equity share)</b>				
	(EPS for the half year ended not annualised)				
	- Basic (amount in ₹)	11.57	26.37	30.43	41.67
	- Diluted (amount in ₹)	11.57	26.21	30.27	41.37



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**CIN** : L65991DL1990PLC041796  
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**E-Mail ID** : info@satincreditcare.com  
**Website** : www.satincreditcare.com



# SATIN CREDITCARE NETWORK LTD.

Reaching out!

SATIN CREDITCARE NETWORK LIMITED

CIN : L65991DL1990PLC041796

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi-110033

Statement of audited Consolidated Financial Results for the half year and year ended March 31, 2020

Note 1

Consolidated Statement of Assets and Liabilities as at March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	1,17,698.47	1,02,496.82
Bank balances other than cash and cash equivalents	70,417.64	73,345.19
Derivative financial instruments	673.63	186.99
Trade receivables	1,232.97	1,237.63
Loans	4,94,111.17	4,54,862.48
Investments	24,573.21	26,428.85
Other financial assets	2,521.89	2,006.69
	<b>7,11,228.98</b>	<b>6,60,564.65</b>
<b>Non-financial assets</b>		
Current tax assets (net)	3,778.61	2,200.40
Deferred tax assets (net)	-	865.24
Property, plant and equipment	5,618.82	4,456.26
Capital work-in-progress	3,413.64	1,614.29
Intangible assets under development	-	19.60
Goodwill	3,370.66	3,370.66
Other intangible assets	405.61	236.46
Other non-financial assets	2,145.45	768.28
	<b>18,732.79</b>	<b>13,531.19</b>
<b>TOTAL ASSETS</b>	<b>7,29,961.77</b>	<b>6,74,095.84</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	117.56	6.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	848.47	182.10
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	193.77	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,332.60	1,154.83
Debt securities	86,386.14	97,586.85
Borrowings (other than debt securities)	4,11,462.61	3,75,553.88
Subordinated liabilities	56,302.54	53,919.68
Other financial liabilities	25,532.33	28,266.20
	<b>5,82,176.02</b>	<b>5,56,669.55</b>
<b>Non-financial liabilities</b>		
Deferred tax liabilities (net)	727.90	-
Provisions	1,285.71	1,515.48
Other non-financial liabilities	903.23	966.17
	<b>2,916.84</b>	<b>2,481.65</b>
<b>EQUITY</b>		
Equity share capital	5,171.27	4,853.07
Other equity	1,39,697.64	1,10,091.57
Equity attributable to equity holders of the holding company	<b>1,44,868.91</b>	<b>1,14,944.64</b>
Non-controlling interest	-	-
Total equity	<b>1,44,868.91</b>	<b>1,14,944.64</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,29,961.77</b>	<b>6,74,095.84</b>



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Note 2

Consolidated cash flow statement for the year ended March 31, 2020

## A Cash flow from operating activities

Profit before tax

### Adjustments for:

Depreciation and amortisation

Depreciation of right-of-use assets

Net (gain)/loss on derecognition of property, plant and equipment

Gain on sale of liquid funds

Unrealised (gain)/loss on fair value changes of derivatives and investments

Property, plant and equipment written off

Impairment on financial instruments

Dividend income

Gain on sale of loan portfolio through assignment

First loss default guarantee expenses

Share based payment to employees

Effective interest rate adjustment for financial instruments

Interest expense for leasing arrangements

Net gain on termination of leases

Unrealised exchange fluctuation loss (net)

### Operating profit before working capital changes

### Movement in working capital

Decrease/(increase) in trade receivables

(Increase)/decrease in loans

Decrease/(increase) in deposits

(Increase)/decrease in other financial assets

(Increase)/decrease in other non-financial assets

Increase/(decrease) in trade and other payables

(Decrease)/increase in other financial liabilities

(Decrease)/increase in provisions

Increase in other non-financial liabilities

### Cash flows from/(used in) operating activities post working capital changes

Income tax paid (net)

### Net cash flows from/(used in) operating activities (A)

### Cash flows from investing activities

Payments for property, plant and equipment and capital work-in-progress and intangible assets

Proceeds from sale of property, plant and equipment and intangible assets

Payment for acquisition of subsidiary, net of cash acquired

Purchase of other investments (net)

### Net cash used in investing activities (B)

### Cash flows from financing activities

Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)

Proceeds from debt securities

Repayment of debt securities

Proceeds from borrowings other than debt securities

Repayment of borrowings other than debt securities

Lease payments

Proceeds from subordinated liabilities

Repayment of subordinated liabilities

### Net cash flows from financing activities (C)

Net increase in cash and cash equivalents (A+B+C)

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

### Notes:

Cash and cash equivalents\*

Less: Overdraft facility against term deposits

\*This includes restricted cash and cash equivalents

(₹ In Lakhs)  
For the year ended March 31, 2020 For the year ended March 31, 2019

(Audited) (Audited)

21,162.64 31,580.94

1,147.51 1,251.12

606.21 -

(2.83) (1.98)

(1,568.59) (2,752.00)

130.76 (306.34)

- 48.64

19,180.66 5,242.11

(2.21) -

(23,608.14) (13,345.54)

3,089.11 894.90

196.20 425.34

2,104.43 1,258.73

188.19 -

(42.44) -

188.49 230.38

22,769.99 24,526.30

4.66 (60.46)

(28,570.57) 41,904.78

2,927.55 (7,054.25)

(994.43) 1,268.19

(6,733.93) 192.43

1,149.46 (1,166.29)

(5,822.98) 7,841.73

(103.12) 335.70

2.95 27.79

(15,370.42) 67,815.92

(7,159.41) (6,716.21)

(22,529.83) 61,099.71

2,116.53 (1,869.01)

16.47 12.55

- (331.63)

3,435.38 (16,496.68)

5,568.38 (18,684.77)

4,437.67 11.51

21,413.18 40,370.00

(32,852.45) (34,702.86)

3,12,518.42 3,29,267.50

(2,87,956.35) (3,45,753.07)

(693.40) -

9,887.77 20,000.00

(2,469.76) (369.81)

24,285.08 8,823.27

7,323.63 51,238.21

96,581.67 45,343.46

1,03,905.30 96,581.67

1,17,698.47 1,02,496.82

(13,793.17) (5,915.15)

1,03,905.30 96,581.67

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Statement of audited Consolidated Financial Results for the half year and year ended March 31, 2020

### Notes to the audited consolidated financial results:

- 3 The above consolidated financial results for the year ended March 31, 2020 have been reviewed by the Audit Committee at its meeting held on June 12, 2020 and have been approved and taken on record by the Board of Directors at its meeting held on June 12, 2020. These results have been prepared in accordance with the requirement of Regulation 52 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 (as amended).
- 4 The consolidated financial results have been prepared in accordance with the 'Indian Accounting Standard - Consolidated Financial Statements' prescribed under Section 133 of the Companies Act, 2013 and comprise the financial results of the Holding Company and its wholly owned subsidiaries.
- 5 Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all contracts having lease components existing on April 1, 2019 using the modified retrospective method, consequently, the Group has not restated comparative information. The Group has measured the lease liability at present value of remaining lease payments discounted using the incremental borrowing rate as the date of initial application and Right of Use (ROU) asset is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. On the date of initial application, the adoption of Ind AS 116 resulted in recognition of ROU assets and lease liability each of ₹ 1,822.53 Lakhs.
- 6.a The Novel Corona Virus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020, the Government of India announced a nation-wide lockdown till April 14, 2020, which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This has led to significant disruptions and dislocations for individuals and businesses, impacting Group's regular operations including lending and collection activities due to inability of employees to physically reach borrowers. The Group has major proportion of its borrowers and AUM in rural geographies, where the impact of COVID-19 has been relatively lower and the government has announced a series of economic relief measures for rural India, which is expected to support rural borrower's repayment capacity. From 1st June onwards, further relaxations in lock down has been granted across the Country, which has helped the Group employees to contact the borrowers.
- 6.b Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Group has extended/will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view, providing moratorium to borrowers at a large scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ("SICR") for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Group has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Group (including credit losses) could be different from that estimated by the Group.
- 6.c In view of the matters mentioned in Notes 6.a & 6.b above, the Group has assessed the impact of the COVID- 19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing microfinance companies to start operations, the Group resumed operations by complying with the regulatory guidelines on businesses, social distancing etc. Our employees were able to meet and collect instalments from those borrowers willing to repay, due to minimal impact of the lockdown on them as observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, current status/outcomes of discussions with the Group's lenders to seek/extend moratorium and various other financial support from other banks and financial institutions in determining the Group's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing, current liquidity position and necessary stress tests considering various scenarios, management is confident that the Group will be able to fulfill its obligations as and when these become due in the foreseeable future.
- 7 During the period, the Holding Company allotted 1,343,283 equity shares to IndusInd Bank Limited, a non-promoter company, on June 27, 2019. These shares are allotted against 1,343,283 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) which were allotted to IndusInd Bank Limited on December 28, 2017 at ₹ 335 each for which full amount was paid at the time of allotment of such OCCRPS.
- 8 During the period, the Holding Company allotted 1,791,044 equity shares to Trishashna Holdings & Investments Private Ltd' (THIPL), a promoter group company, on June 27, 2019. These equity shares are allotted against 1,791,044 fully convertible warrants (FCW) which were allotted to THIPL on December 28, 2017 at ₹ 335 each (25% of which was paid on allotment of FCW and 75% was paid on allotment of equity shares).
- 9 During the year ended March 31, 2020, the Holding Company raised Rs. 17,173.41 Lakhs through External Commercial Borrowings ('ECB'). In respect of derivative taken in relation to one of the ECB amounting to Rs. 6,487.41 Lakhs, the Holding Company has adopted hedge accounting.



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Reaching out!

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Statement of audited Consolidated Financial Results for the half year and year ended March 31, 2020

- 10 The Holding Company has allotted following series of Non-Convertible Debentures during the reporting year:

Particulars	Date of allotment	No. of Debentures	Total amount (in ₹ Lakhs)
11.45%, Secured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of ₹ 1,000,000/- (Rupees Ten Lakhs only) for cash at par.	September 27, 2019	1,200	12,000.00
15.50%, Un-secured, Rated, Subordinated, Listed, Redeemable, Non-convertible Debentures of face value ₹ 1,000,000/- (Rupees Ten Lakhs only) for cash at par.	December 17, 2019	300	3,000.00
13.14%, Un-secured, Rated, Subordinated, Unlisted, Redeemable, Non-convertible Debentures of face value of ₹ 50,000/- (Rupees Fifty Thousands only) for cash at par.	March 24, 2020	10,010	5,005.00

- 11 The Chief Operating Decision Maker ("CODM") reviews the operations at the Group level. Therefore, the operations of the Holding Company and its subsidiaries fall under "financing activities" business only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments.
- 12 Based on the revised return filed by the Company for the Assessment Year 2019-20, the amount of current tax expense and deferred tax charge for the year ended March 31, 2019 have been regrouped.
- 13 Figures for the half year ended March 31, 2020 and March 31, 2019 represents the balancing figures between the audited figures for the financial year and published reviewed year to date figures upto half year of the respective financial year.

By order of the Board of Directors  
For Satin Creditcare Network Limited

Place: Gurugram  
Date: June 15, 2020



(H P Singh)

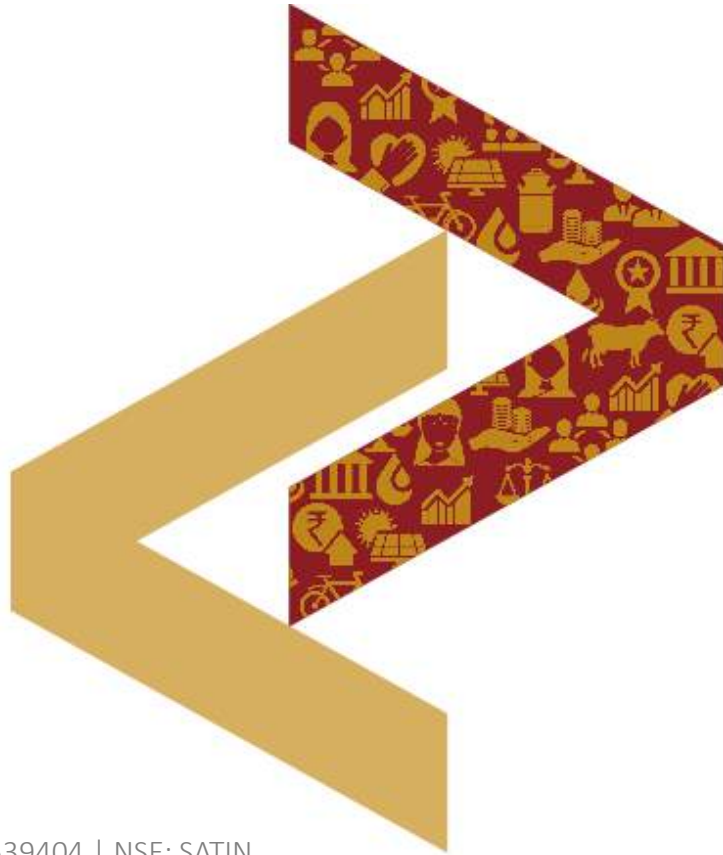
Chairman cum Managing Director  
DIN No. 00333754



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**SATIN CREDITCARE NETWORK LTD.**  
*Reaching out!*

**INVESTOR PRESENTATION**  
**June 2020**

**BUILDING A DIFFERENCE  
TO MAKE A DIFFERENCE**

BSE: 539404 | NSE: SATIN  
Corporate Identity No. L65991DL1990PLC041796

**WE ARE  
GREAT PLACE TO WORK - CERTIFIED™**

Building and Sustaining High-Performance™ Culture



**03 - 09**

COVID – 19 Business Update & New Initiatives

**10 -14**

Overview and Key Performance Highlights

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What makes Satin a Compelling Investment Story

**35 - 38**

Multiple Growth Levers

**39 - 57**

Financials of the Company & Its Subsidiaries

**58 - 65**

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 year ended Mar31, 2020 have been regrouped.



# COVID-19 Business Update & New Initiatives

# COVID-19 Business Update



The World Health Organisation declared COVID-19 as a pandemic on March 11, 2020 and India has been under a national lockdown since March 25, 2020.

Below are the key highlights on the same:

## Branch Operations

- As per government directives to slowly open up the lockdown restrictions along with observing social distancing protocol, the workforce is carrying on operations at the branch level on rotation basis
- All of our branches are operational

## Centre Meetings

- We are conducting limited format center meetings to adhere to social distancing
- Regular connect and awareness calls with clients during restriction of movement

## Collection Efficiencies

- Most borrowers willing to pay, and we have collected over Rs. 228.5 crore since lockdown until 10th June'20, despite the tight restrictions in operations
- ~76% of borrowers are in rural areas (which fortunately have little or no Covid19 incidence)
- ~78% engaged in animal husbandry and agriculture allied activities which comes under essential services, hence recoveries from these borrowers (engaged in essential services) are expected to be much faster

## Credit Cost/Provisions

- Additional credit cost of Rs. 82.76 crore has been accounted for COVID-19 impact

## Employees

- Advising Employees about the precautions to be taken at individual and community level and have assured them of our support through this period
- All safety protocols of temperature sensing, wearing of safety gears, social distancing measures, office sanitizing etc. are being adhered to very strictly
- Ensuring safety and well-being by making provisions for the staff who are staying at the branches, enabled work from home for HO & RO staff with IT support
- E-learning modules for all the employees covering the behaviour and functional aspects
- Continuous interaction with field staff to keep them motivated, Happy Hour with HR, series of interactions with employees to counsel and motivate them
- We are currently working with approximately 90% field staff at our branches

## IT Technology Strength

- We are focused on cashless collection and have quickly launched digital collections in the current lockdown situation as well. Digital collections have seen a good traction and scale
- We have launched a customer service app to connect with our clients and service them digitally

## Liquidity Management

- In the last week of March raised Rs. 400 crore, despite nationwide lockdown. Raised Rs. 344 crore post March 31st 2020
- As of 31st March 2020, Company has Rs. 1,600 crore as liquidity and additionally, sanctioned but undrawn lines are of Rs. 871 crore, one of the highest in the industry
- With the current levels of liquidity, Company is comfortable in serving all its outside liabilities for next ~ 6-7 months assuming an extreme stress testing scenario of zero collection over this unprecedented period.
- Considering the current collection trends, company is comfortable in serving its outside liabilities for next 12 months
- Capital adequacy ratio of 30.49%
- Comfortable ALM position

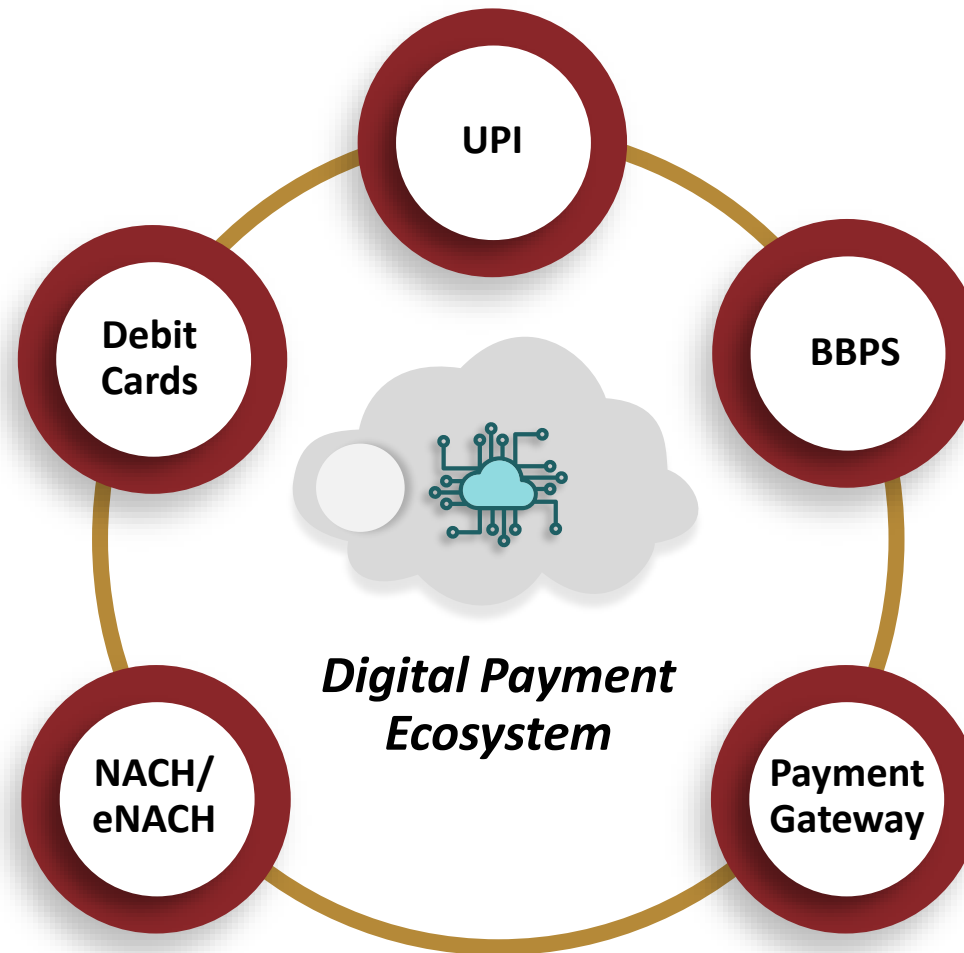
## Moratorium status

- **Borrowers**
  - Borrowers who avail moratorium – the incremental interest and the increase in the loan tenure would be explained to the borrower
  - 25-30% clients are likely to opt for moratorium
- **Lenders**
  - We got moratorium from ~63% of lenders
  - Continue to work with our lenders to raise additional funds
  - Company continues to serve interest during moratorium

# Taking further steps to achieve completely digital ecosystem



Modes enabled during COVID-19 for *contactless repayments via popular apps like Google pay, Paytm, Phonepe etc.*

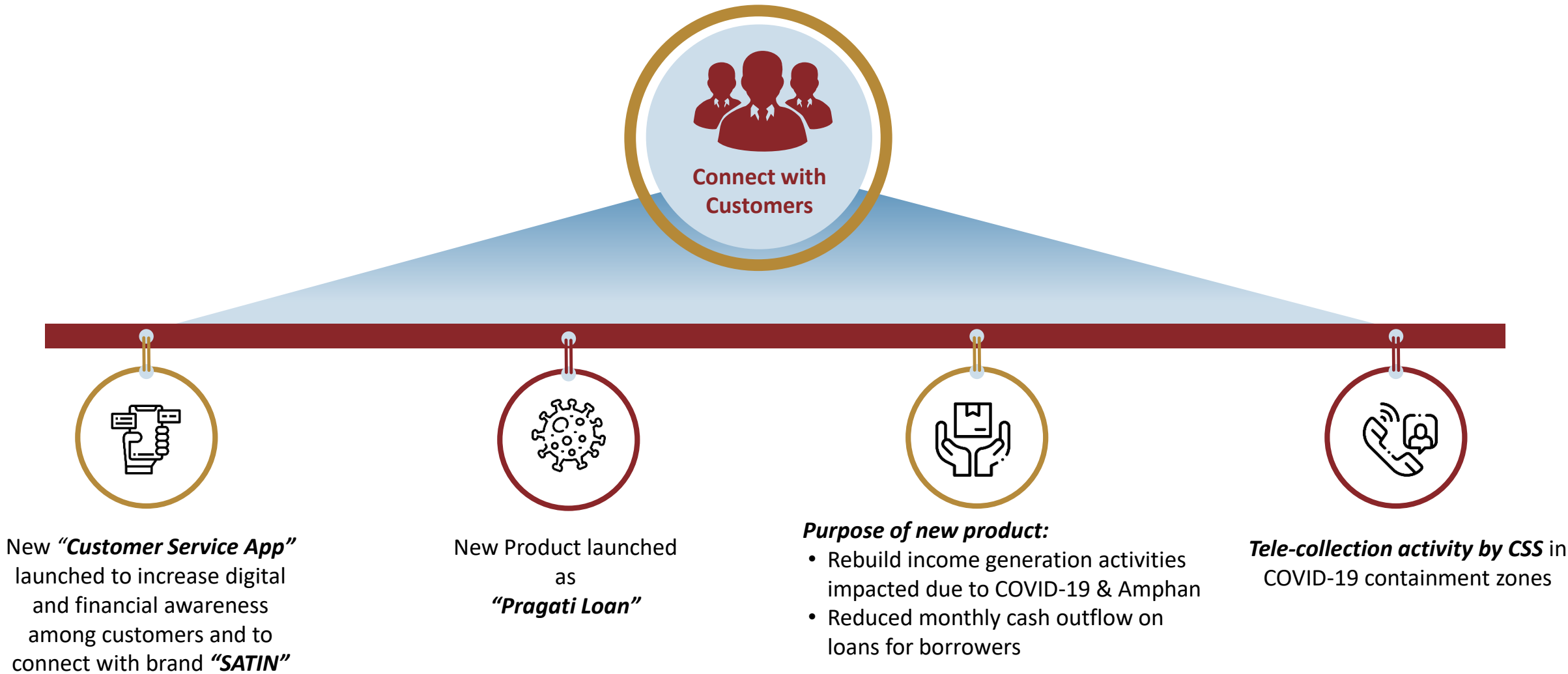


Under progress - *Addition of Satin on BBPS (Bharat Bill Payment System) :: One Stop Solution by NPCI for recurring payments*

Customer activation *under process for regular collections via NACH/eNACH through bank accounts*

For financially literate customers, *payment gateway facility to be provided on Satin website*

# Steps taken to improve connect with customers during COVID-19



# Socially responsible at the time of COVID – 19 and Amphan



## Activities done during COVID-19:



Contribution of Rs. 10 lacs to **PM Cares Fund**



Donation of **Ration and other essential items for Covid and Amphan**



Distribution of **Masks and other safety items**



Contribution of Rs. 5 lacs to **Assam government for fight against COVID-19**



**PM CARES**  
Prime Minister's Citizen Assistance and Relief  
in Emergency Situations Fund





# Overview and Key Performance Highlights

# Key Business Performance Highlights (1/2)



India's leading NBFC-MFI with 34.6 lacs customers, 1,383 branches, 397 districts and 23 states, with Assets Under Management (AUM) of Rs. 8,174 crore for FY20

RoA 2.2%, RoE 11.9% and CRAR 30.49% in FY20

Awarded Companies with Great Manager award and National Best Employer Brands in NBFC Sector

'Great Place to Work' certified in January 2020

Awarded Certificate of Excellence in Clean Energy Finance, in line with our commitment towards a better tomorrow

Awarded 8<sup>th</sup> Rank In "Dream Companies to Work For"

Percentage of Promoter pledge has gone down from 52.88% in Dec'18 to 11.8%, more shares in the process of being released as repayment is done

Having 76% rural exposure which is immune from various economic challenges, GNPA at 2.9% and NNPA at 0.6% in Q4FY20, despite difficult business environment

Only lender to 58% clients at the time of disbursement for MFI lending

*Figures are on consolidated basis unless otherwise stated*

# Key Business Performance Highlights (2/2)



Long term Credit Rating CARE A-(stable ) and ICRA A-(stable); Short term rating CARE A1 and ICRA A1 (upgraded from ICRA A2+), Grading MFI1 (highest order)

Social rating sA from Microfinanza, C1 Code of Conduct Assessment (COCA) from ICRA, the highest grade

- Implemented cashless disbursements across 100% branches
- 37.0% of collection via cashless mode in Mar'20, up from 27% in Dec'19, enabled in all branches

Added 29 new branches across 7 districts during Q4FY20, further strengthening our PAN India presence. Strategy to have per district exposure below 1% of total AUM

Book value per share at Rs. 278.54

In line with our efforts to diversify our offerings, share of non microfinance portfolio has reached ~7% of total AUM

Satin Housing Finance Ltd (SHFL), AUM of Rs. 139 crore with Nil delinquency, Standalone credit rating of CARE BBB (Stable). Successfully started raising debt, 9 lenders including refinance facility sanction from NHB, Rs. 30 cr additional equity infusion by SCNL during FY20

Taraashna Services Ltd renamed as Taraashna Financial Services Ltd (TFSL), AUM has grown up by ~9% during Q4FY20 to Rs. 704 crores

Satin Finserv Ltd, Satin's MSME arm, AUM of Rs. 111 Crore, Investment of Rs. 80 crore during FY20 by SCNL, Standalone credit rating of CARE BBB-

*Figures are on consolidated basis unless otherwise stated*

# Corporate Overview Standalone – FY20



Rs. **156** crore

PAT

**2.3%**

ROA

**12.0%**

ROE

**30.49%**

CRAR

Rs. **7,220** crore

GLP

Rs. **8,045** crore

Disbursement

**25.6** lacs

No. of Loans disbursed

**1,140**

Branches

Rs. **33,000**

Average Ticket Size

**23**

States & UTs

**36.2** lacs

Loan Accounts Outstanding

**98.8%**

Collection Efficiency

# Corporate Overview Consolidated – FY20



Rs. **155** crore

PAT

**2.2%**

ROA

**11.9%**

ROE

Rs. **8,174** crore

GLP

Rs. **1,503** crore

Revenue

Rs. **917** crore

NII

**1,383**

Branches

**23**

States & UTs

**34.6** lacs

Clients

*Data for FY20, RoA and RoE are calculated on annualized basis*



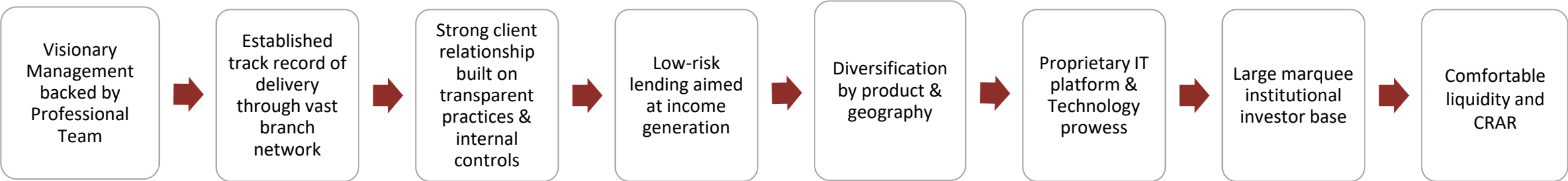
# What makes Satin a Compelling Investment Story

# Who we are



Microfinance is primarily based on the Joint Liability Group (JLG) model, to provide financial assistance and enable women from rural and semi-urban areas to achieve self sustainability

## CREATING A NICHE BY BEING A ONE STOP FINANCIAL SERVICES PROVIDER FOR OUR CUSTOMERS



Seeking Excellence



Accountability & Ownership



Team Work & Collaboration



Integrity



Nurturing Lives

# Awarded excellence in clean energy finance



***Distributed 85,579 clean energy products impacting 4.11 lakh people's lives***

## Awarded Certificate of Excellence in Clean Energy Finance



01

***Satin is one of the newest partners of Microenergy Credits – (MEC)***

02

***Satin's clean energy programme*** is an illustration of its dedication to serve the bottom of pyramid section of society by providing customized financial solution

03

***Satin is investing in carbon funds*** for expanding and improving their clean energy programme

# What makes Satin a Compelling Investment Story



**1. Leading MFI player with differentiated Product Offerings**

**2. Diversified Geographical Reach**

**3. Technology Prowess**

**4. Robust Underwriting Processes**

**5. Well-diversified liability profile**

**6. Ample Liquidity & Positive ALM**

**7. Strong & Experienced Management Team**

**8. Successfully Handled Crisis during legacy of 30 years**

# 1. Leading MFI player with differentiated Product Offerings



	SCNL	Business Correspondent Services	Housing Finance	SME
Product features as on Mar'20	MFI <sup>(1)</sup>	Taraashna Financial Services Limited <sup>(2)</sup>	Satin Housing Finance Limited <sup>(3)</sup>	Satin Finserv Limited (SFL) <sup>(4)</sup>
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/2 Bi-Weekly	Monthly	Monthly/Quarterly
No. of States/UTs	23	8	4	8
No. of Branches	1,134*	213	15	15
Gross Loan Portfolio (Rs. crore)	6,953 <sup>(5)</sup>	704	139	111
No. of loan accounts	3,613,818	373,779	1,266	1,113
Avg. Ticket Size for Q4 FY20	Rs. 37,000 (JLG)	Rs. 31,200 (JLG)	Rs. 1,257,000	Rs. 442,000 (Retail) <sup>(6)</sup>

## Notes

(1) As on Mar'20, 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. 267 crore other than MFI portfolio

(6) Average Ticket Size of Retail Financing is 4.4 lacs. Overall, the average ticket size of SFL is Rs. 9.97 lacs

\*As of Q4FY20, there were 1,134 branches with Microfinance operations & 34 branches with MSME operations. Out of the 34 MSME branches, 28 of them also had microfinance operations & 6 were unique.

## ... With focus only on Micro-Finance Products



### Income Generation Loan (Prarambh)

Ticket Size :  
Rs. 8,000 – Rs. 30,000

Tenure : 12/24 months

### Long Term Loan (Vridhhi)

Ticket Size :  
Rs. 31,000 – Rs. 50,000

Tenure : 24 months

### Festival Loan

Ticket Size :  
Rs. 6,000

Tenure : 6 months

### Product Financing/Wash Loan

Ticket Size :  
Rs. 1,099 – Rs. 15,000

Tenure : 6-9 months

### Eligibility Criteria

- Household Income: Rural-Rs. 1.25 Lacs & Urban/Semi-Urban- Rs. 2 Lacs
- Member Attendance: 75% in previous 8 meetings
- Center Attendance: 75% in previous 8 meetings
- Satin can be 3<sup>rd</sup> lender & 2<sup>nd</sup> MFI

- Outstanding (incl. applied loan): <=1.25 Lacs
- CSS
- OTP validation
- No loans given to delinquent customers

## ... With opportunities to leverage our customer reach



**Satin finances product purchase of solar lamps, bicycles etc. and grants loan for safe water and sanitation facilities**

Financing ~Rs. 100 crore during FY20

### Product Financing

#### Bicycle Loan

*60,000+ loans disbursed*

#### Solar Products

*55,000 loans disbursed*

#### Home Appliances

*7,500 loans disbursed*

#### Consumer Durables

*20,000+ loans disbursed*

#### Water & Sanitation

*27,000+ loans disbursed*

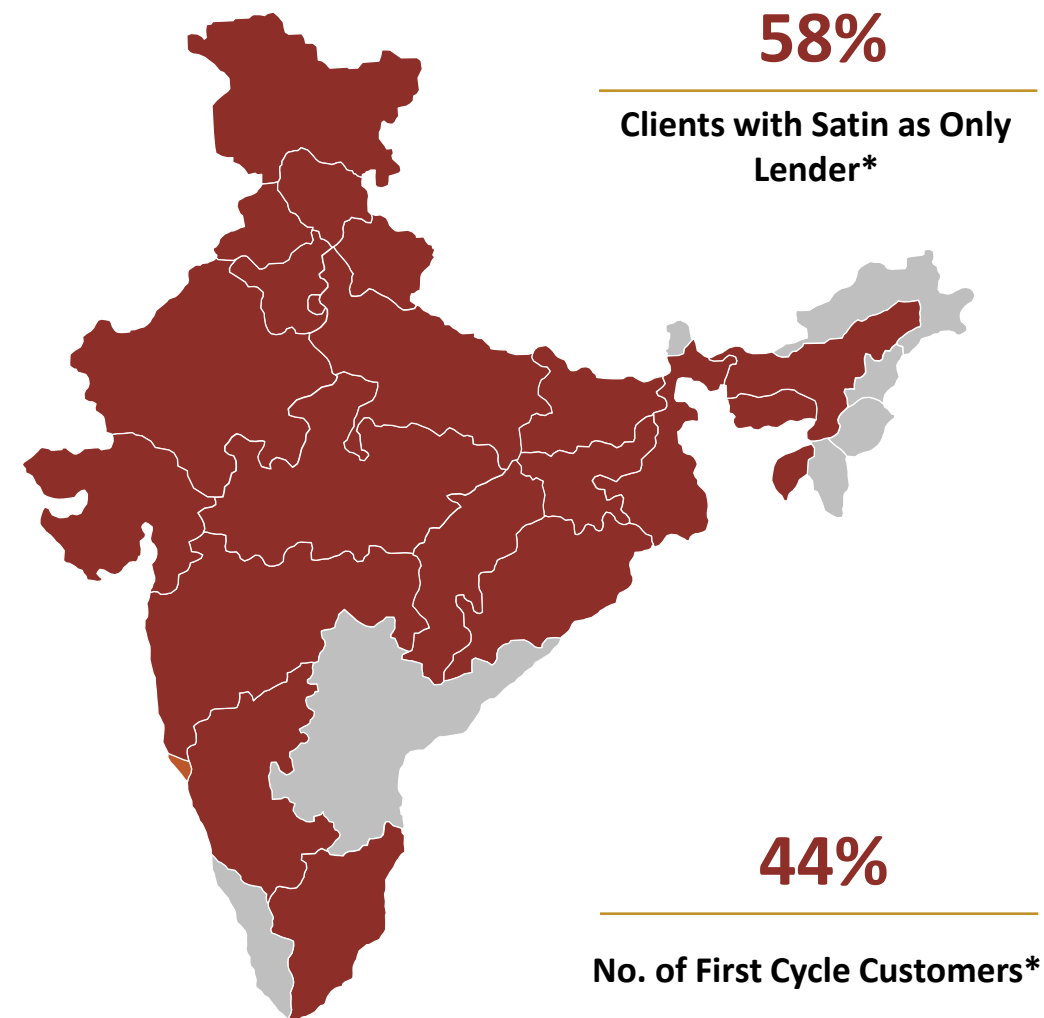
### Benefits

- Enhances the productivity and income generating potential of its clients
- Enables company to leverage its rural outreach
- Capitalizes on company's existing network and client base
- No incremental cost, thus the income directly adds up to the bottom line

*Note: No. of loans disbursed during FY20*

## 2. Diversified Geographical Presence

...serving ~36 lacs Customers across India



**34.6 lacs**

No. Of Active Clients

**397**

No. of Districts

**68**

No. of Regional Offices

**8,152**

No. of Loan Officers

**39.9 lacs**

No. of Loan Accounts

**87,000+**

No. of Villages

**2.6 lacs**

No. of Centres

**13,005**

No. of Employees

*The pictorial representation of Map of India does not purport to be the Political Map of India*

*On Consolidated basis  
\*at the time of disbursement, data is for JLG Standalone only*

# ... Leading to increasing footprints



1. Increasing exposure to Newer states

2. Reducing exposure to traditional regions

3. Foraying into New Geographies

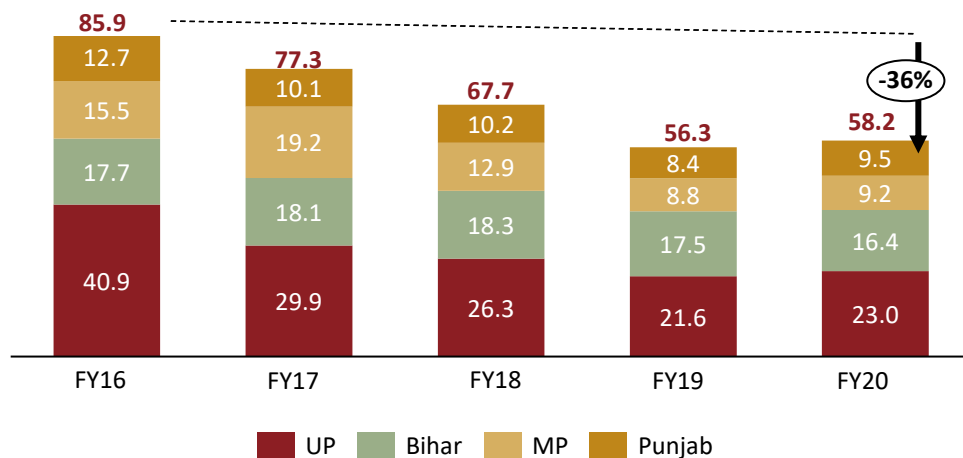
States	% of total GLP		GLP (Rs. crore) Mar'20
	FY15	FY20	
UTTAR PRADESH	43.3%	23.0%	1,884
BIHAR	17.2%	16.4%	1,339
MP	18.5%	9.2%	753
DELHI & NCR	5.1%	3.5%	283
UTTARAKHAND	4.0%	1.6%	130
<b>TOTAL</b>	<b>88.1%</b>	<b>53.7%</b>	<b>4,388</b>

States	% of total GLP		GLP (Rs. crore) Mar'20
	FY15	FY20	
PUNJAB	8.2%	9.5%	778
RAJASTHAN	1.6%	5.6%	460
HARYANA	1.1%	3.7%	299
MAHARASHTRA	0.9%	1.1%	87
J&K	0.1%	0.1%	8
<b>TOTAL</b>	<b>11.9%</b>	<b>20.0%</b>	<b>1,631</b>

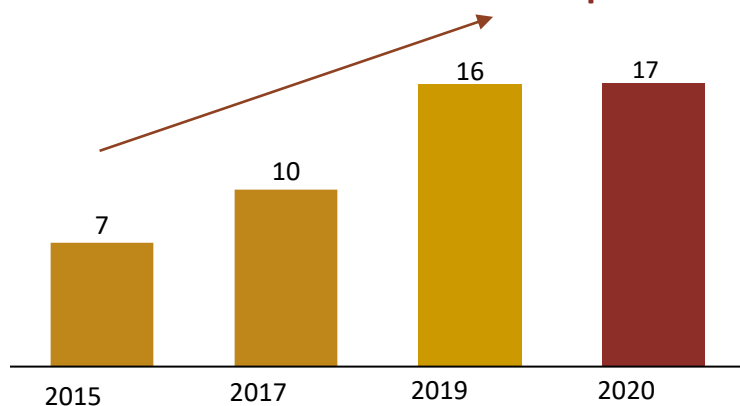
States	% of total GLP		GLP (Rs. crore) Mar'20
	FY15	FY20	
WEST BENGAL	0.0%	6.0%	488
ASSAM	0.0%	4.7%	381
GUJARAT	0.0%	3.6%	292
ORISSA	0.0%	3.5%	284
TAMIL NADU	0.0%	3.1%	249
JHARKHAND	0.0%	2.1%	172
KARNATAKA	0.0%	1.3%	108
CHHATTISGARH	0.0%	1.1%	93
TRIPURA	0.0%	0.8%	66
HIMACHAL PRADESH	0.0%	0.1%	8
PONDICHERRY	0.0%	0.1%	7
MEGHALAYA	0.0%	0.1%	5
SIKKIM	0.0%	0.0%	1
<b>TOTAL</b>	<b>0.0%</b>	<b>26.4%</b>	<b>2,154</b>

# ... And de-risking geographical concentration To have become a PAN India Player

Share of Top 4 States Reduced from 86% to 58% over 5 years

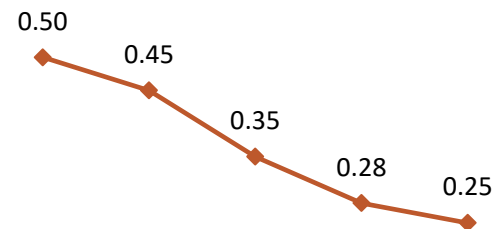


Number of States with more than 1% exposure of SATIN

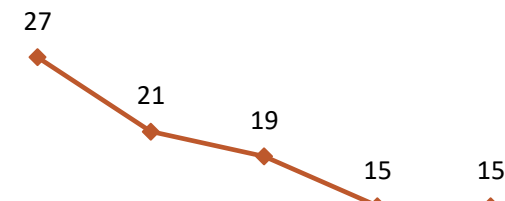


Limiting Exposure per district

Average exposure per district %



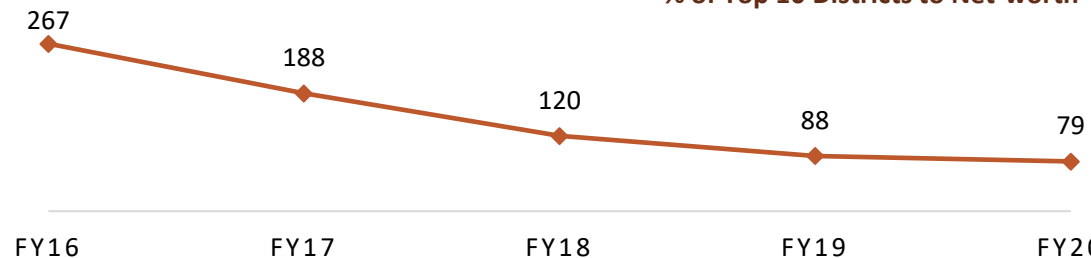
% of Top 10 Districts to AUM



FY16 FY17 FY18 FY19 FY20

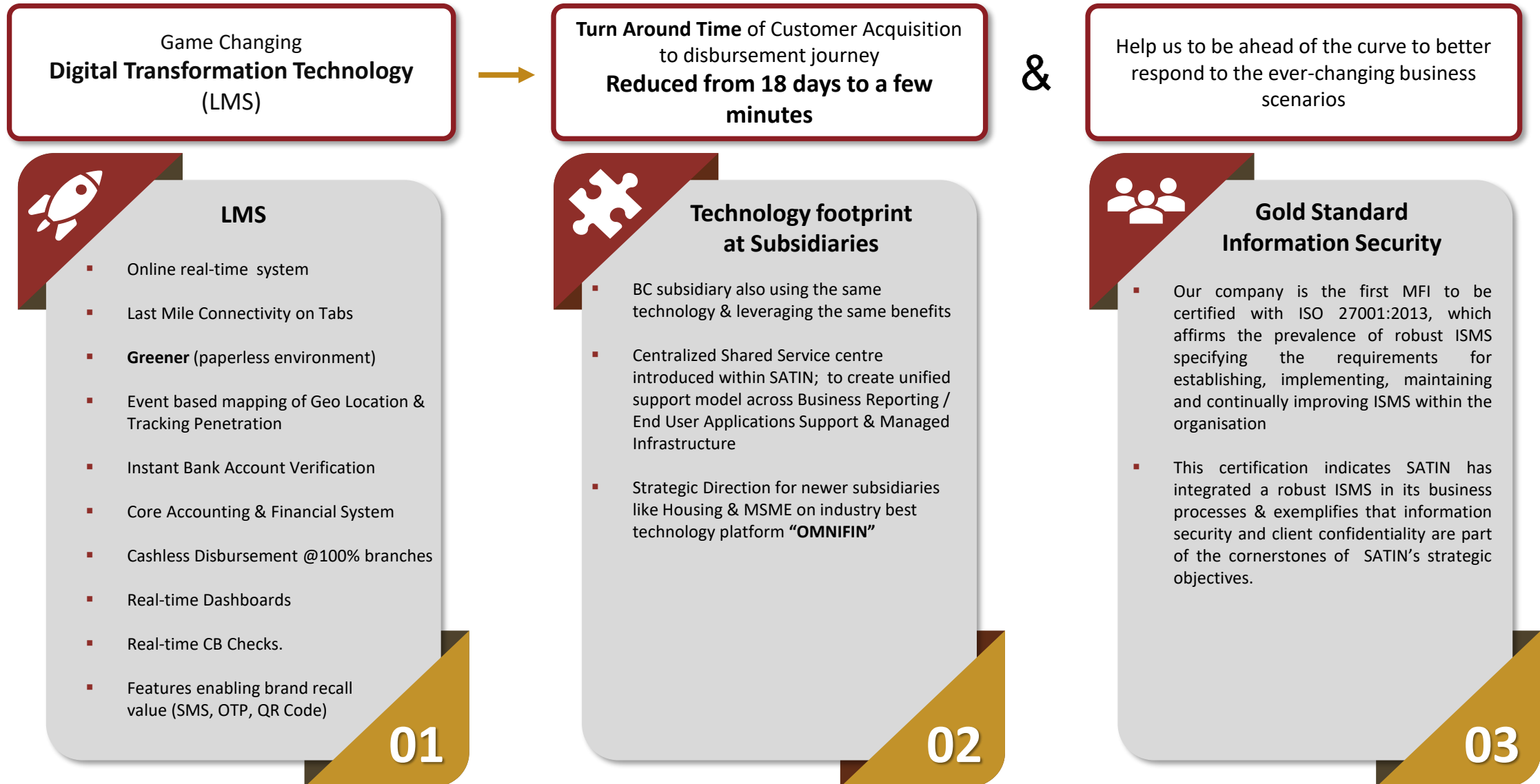
Particulars	FY16	FY17	FY18	FY19	FY20
No. of Districts - JLG	180	236	306	359	397
% of Districts with <1% exposure	85.0%	88.1%	92.5%	96.4%	96.5%
% of Districts with >2%	5.6%	2.1%	1.0%	0.6%	0.5%

% of Top 10 Districts to Net-worth



FY16 FY17 FY18 FY19 FY20

### 3. A Difference Powered by Technological Prowess & Processes...



# Centralized Share Services (Vision, Scope & Task Criteria)



Aimed to maximize the effectiveness of the business process and policies by providing and ensuring high quality services to our clients as well as our stakeholders

## Credit Risk Management and Data Quality Maintenance

Loan application details and document verification

Bank details verification & validation

Comments on the basis of checklist

Sanctioning the loan application

## Customer Services

Incoming complaint management (multilingual)-SPARSH(IVR)

Loan disbursement verification-TVR

Death verification process

Loan Dost (Outgoing calls)

## Centralized Shared Services

### KYC Process

Checking the authenticity of documents and improving the quality of documentation and data base

### TVR

Tele Verification Response Report is a way to evaluate quality of process followed to disburse a loan and prevent the occurrence of issues or defects in the process

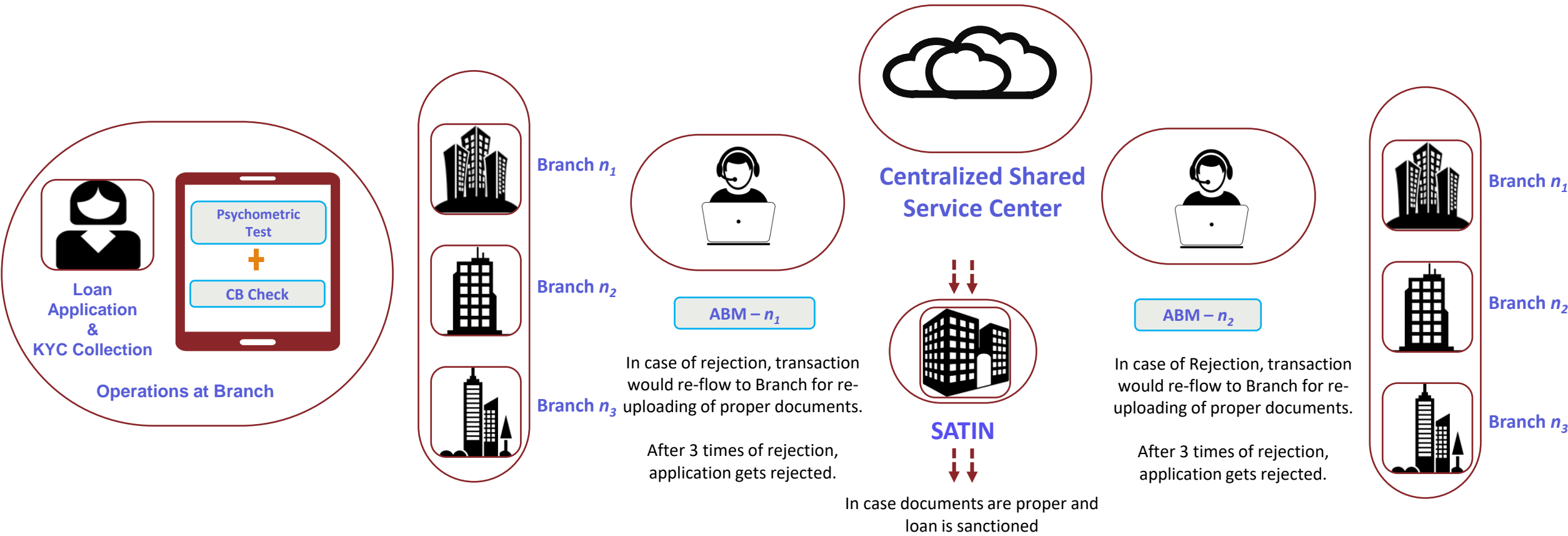
### IVR

Interactive Voice Response helps to enhance public image of our brand and provides protection if there is a slip-up in customer service

### Tele Collection

To generate the lead for collection from PAR clients and reduce PAR stats

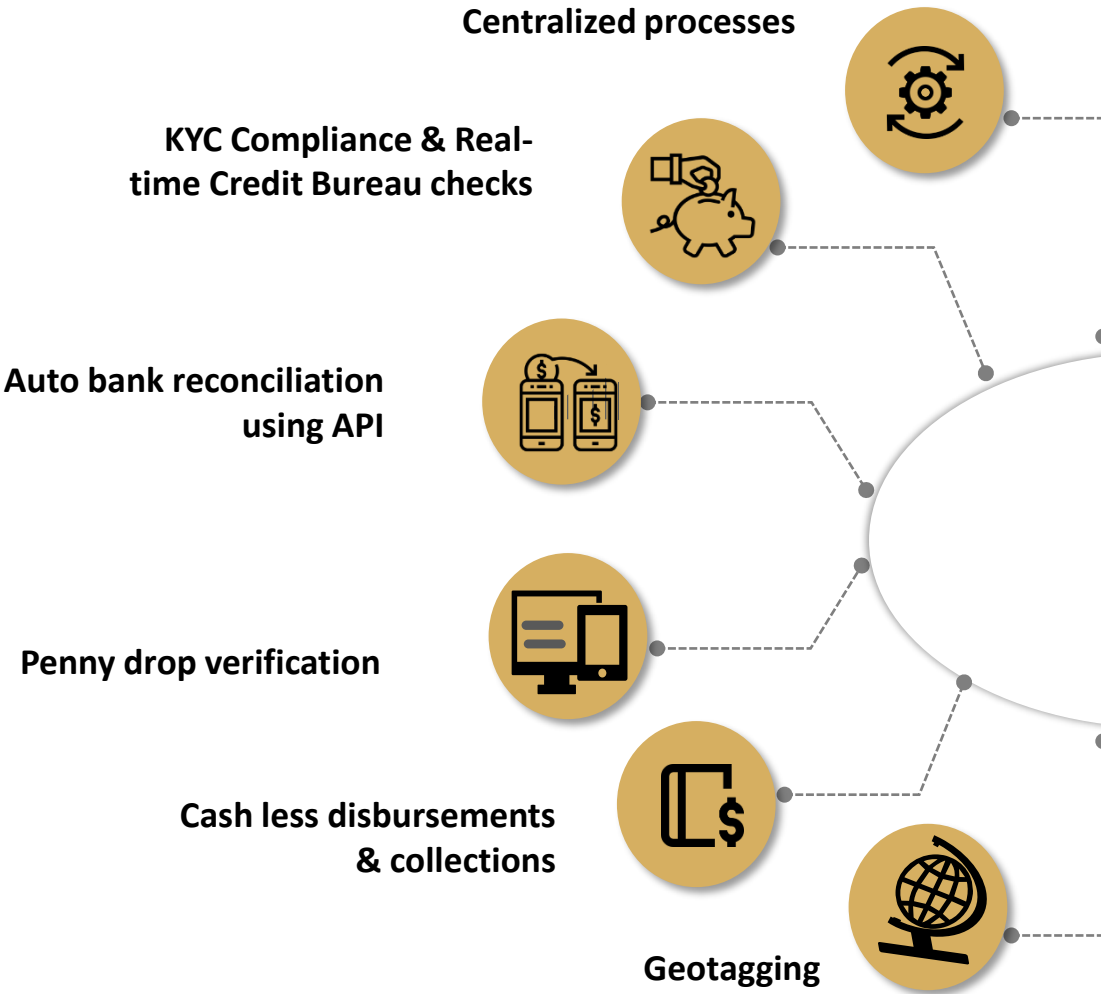
# Centralized Shared Services



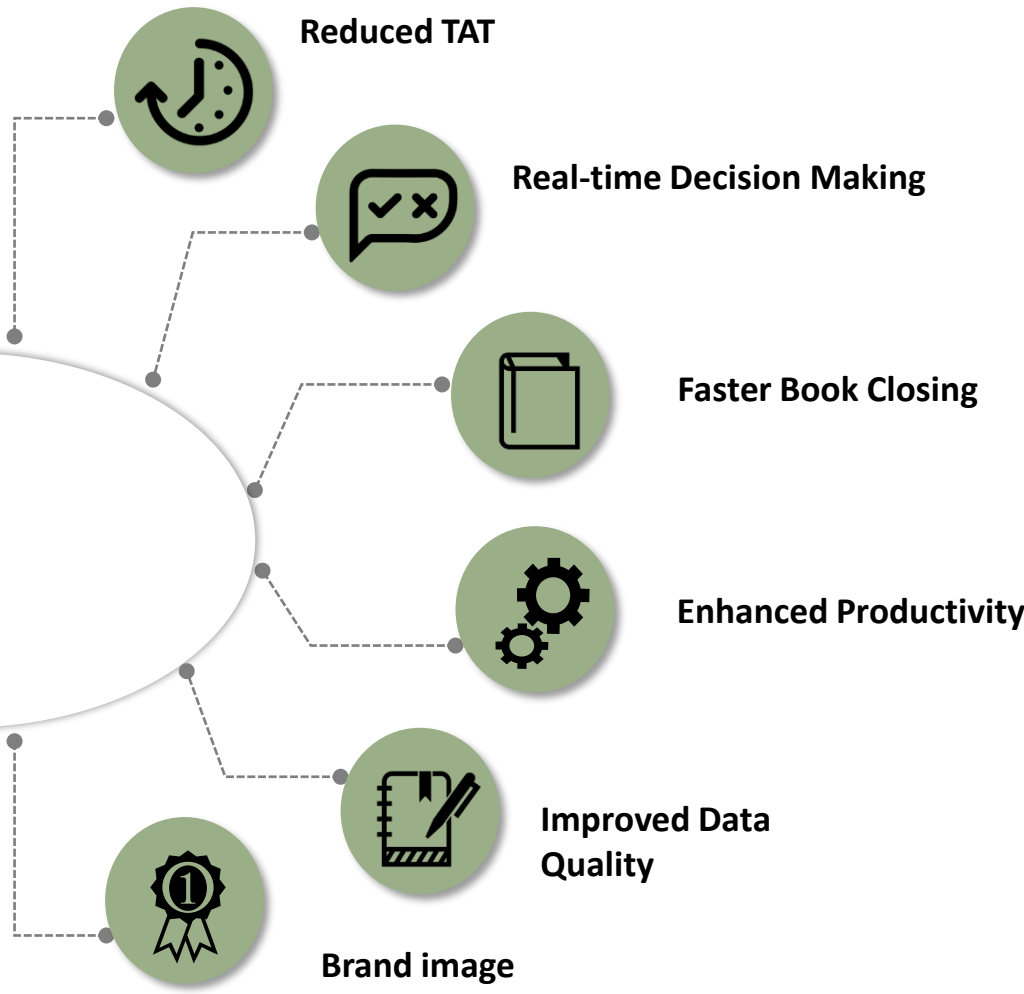
# ... Leading to Operating Efficiency & Scalability



## New initiatives...



## ..leading to improved processes



## 4. Robust Underwriting Processes



### **Real-time Credit Bureau checks**

to track loan history of the prospective clients, also created own Credit Bureau scorecard for individual clients for better screening



### **Rotating responsibility**

Shuffling CSOs every 9 months and transferring every 18 months to reduce human biases. Risk Officers visit customers regularly



### **Centralized Share Services**

KYC verification, IVR, TVR, ensuring uniform processes



### **Geo-tagging**

of 100% branches and centers and 70% customers' houses



### **Account verification & Cashless Disbursements**

via penny drop verification along with strict KYC compliance, also cashless disbursements eliminates the cash handling risk

# ...Full-fledged in-house Internal Audit



## Full-fledged in-house Internal Audit



**101**

Zonal Auditors &  
Regional Auditors

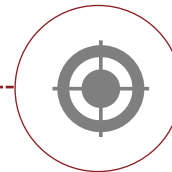
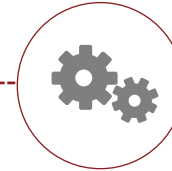


**100% Digital**

on Audit Reports and Findings

**Quarterly Audit**

Regional Office, Branch & Social  
Performance Management



**Feedback based**

Compliance Audit

**3,876 Audits**

completed in last year

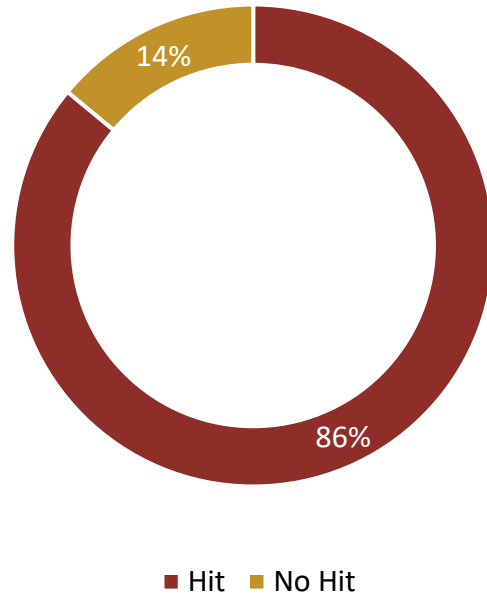
**18 man-days**

field audit per auditor per month

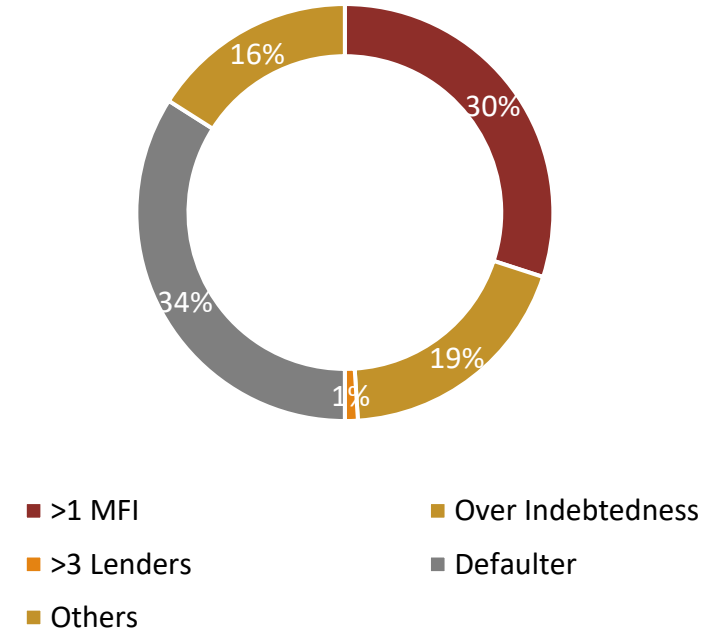
# ... Coupled with robust underwriting techniques



Hit Rate for all Products – Q4FY20



CB Rejection Reason – Q4FY20



## SCNL Guidelines

	Limit	RBI Guidelines	MFIN Guidelines
Indebtedness Limit (INR)	125,000	Yes	Yes
Maximum No. of MFIs/Lenders	2/3	Yes	Yes

Rejection Rate for all products is ~18% for Q4FY20

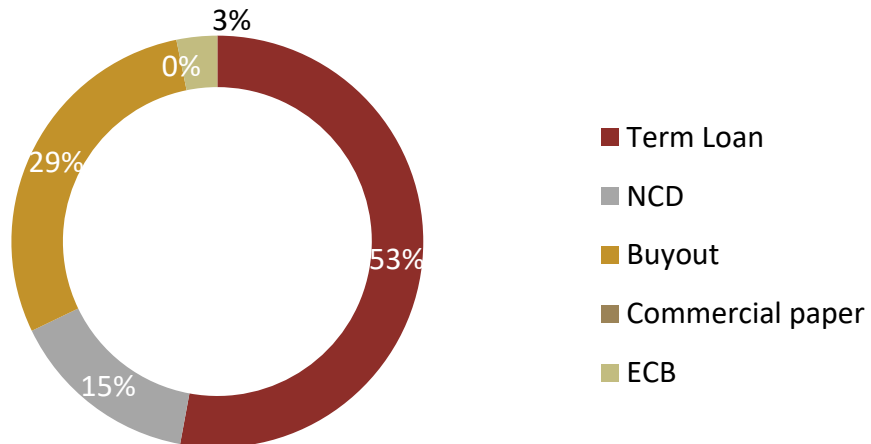
### Note:

- Rejections are done based on data derived from CB report
- Rejection detail belongs to JLG customers

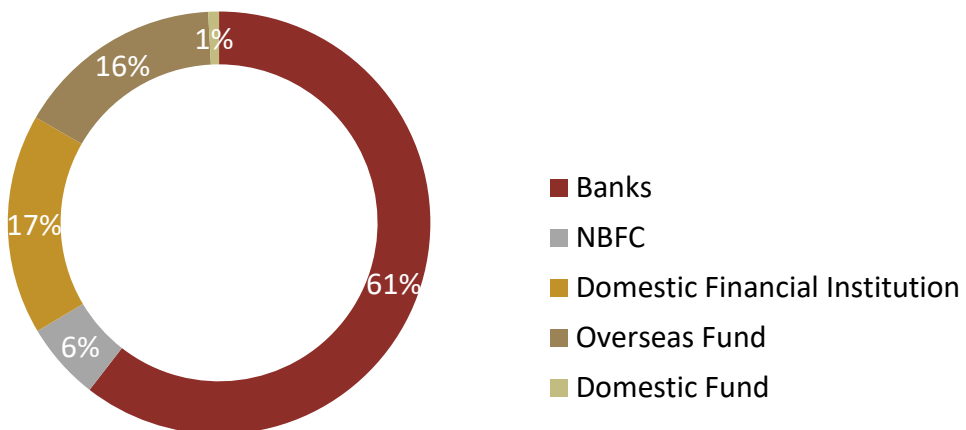
## 5. We have a well-diversified Liability Profile...

... insulated from Capital Market Turbulence

Product-wise Mar'20



Lender-wise Mar'20



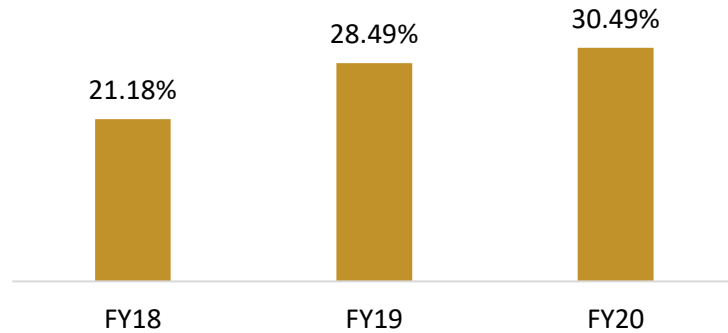
Large Lender Base  
64 Active Lenders

Top 10 Funders	% Share as on 31 <sup>st</sup> Mar'20
NABARD	12%
State Bank of India	11%
Indian Bank	8%
Bank of Maharashtra	4%
SIDBI	4%
Standard Chartered Bank	4%
Bank of Baroda	4%
Blue Orchard Microfinance Fund	4%
IDFC First Bank	3%
HSBC	3%
<b>Total of top 10 lenders</b>	<b>58%</b>

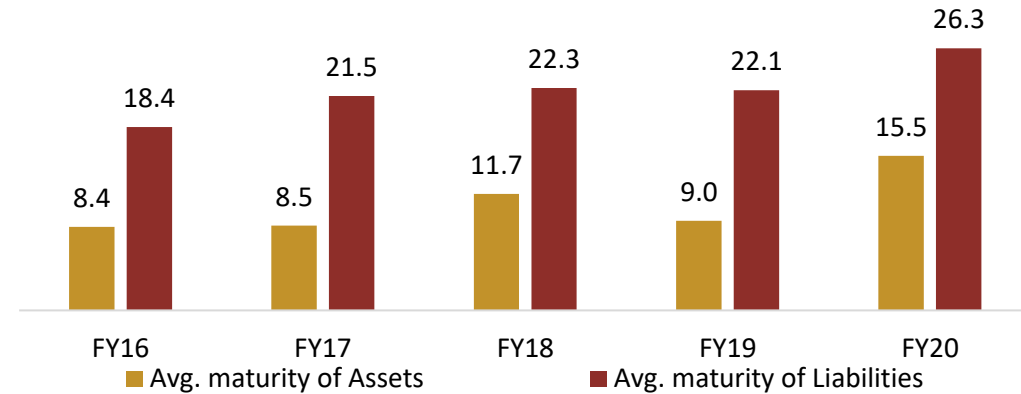
## 6. Strong Capitalization with Ample Liquidity



### Healthy CRAR to support Growth Opportunities



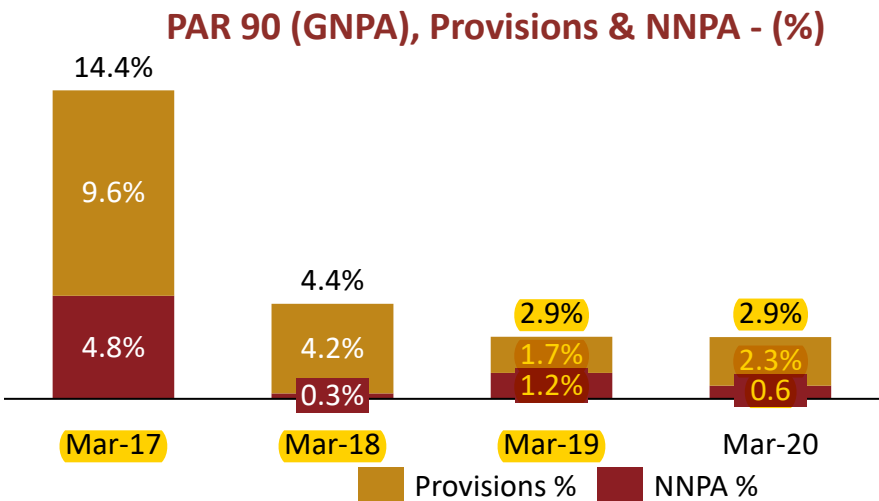
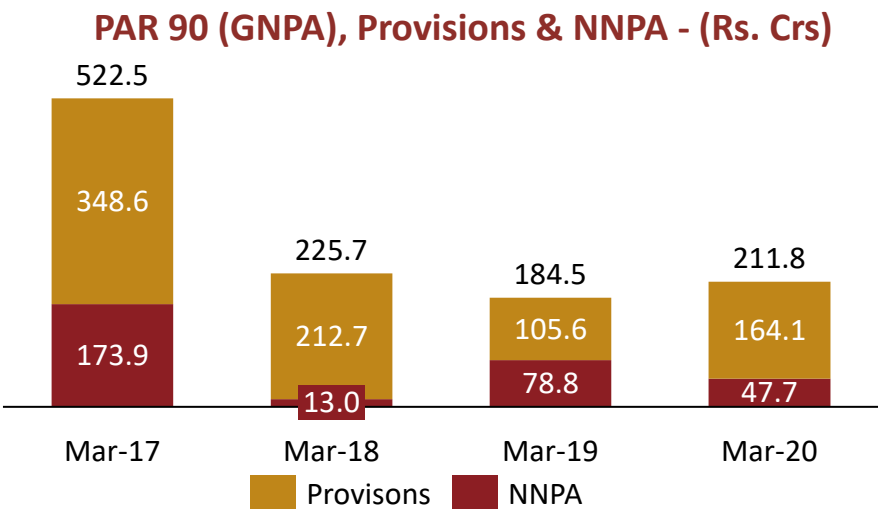
### Benefit of positive ALM continues



Static ALM as on 31 <sup>st</sup> Mar'20 (Rs. Crore)	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
<b>Inflows</b>							
Liquidity at the beginning of month*	1,600	1,522	1,474	1,289	1,044	1,013	1,600
Principal - Loan portfolio	5	16	104	122	179	205	631
Interest - Loan portfolio	5	27	37	62	61	66	257
<b>Total (A)</b>	<b>1,610</b>	<b>1,566</b>	<b>1,615</b>	<b>1,473</b>	<b>1,283</b>	<b>1,283</b>	<b>2,488</b>
<b>Outflows</b>							
Principal repayments	54	57	272	397	199	242	1,221
Interest repayments	34	35	53	32	72	41	266
<b>Total (B)</b>	<b>88</b>	<b>92</b>	<b>325</b>	<b>429</b>	<b>271</b>	<b>282</b>	<b>1,487</b>
Cumulative Mismatch (A-B)	1,522	1,474	1,289	1,044	1,013	1,001	1,001

\*Excluding margin money deposits Rs 269.5 cr lien with Lenders and undrawn sanction in hand Rs.871 crore as on Mar'20  
Amount raised during last 7 days: Rs. 400 cr , including sub-debt of Rs. 50 cr

# ... With improving asset quality – Yearly

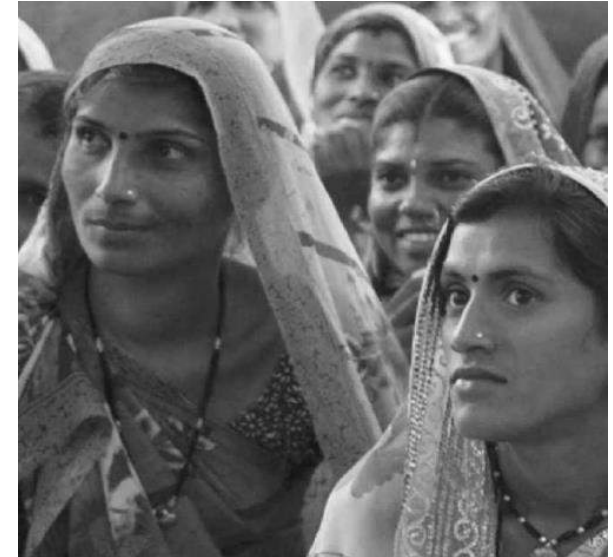


Provision as per RBI rules as at 31<sup>st</sup> March 2020 is Rs. 81.7 crore, hence we are sufficiently provided



# MULTIPLE GROWTH LEVERS..

# Industry Growth Drivers



Government focus  
on digitisation



Massive growth  
potential of MSME  
and BC sectors



Healthy growth in  
affordable housing  
finance segment



Increased  
penetration of  
technology in  
rural areas



Large unmet  
demand in the  
industry

# Industry Performance



**13,844** (+27% Y-o-Y)

Branch Network

**112,616** (+31% Y-o-Y)

Employee Base

**3.1 crore** (+31% Y-o-Y)

Total Clients

**3.7 crore** (+32% Y-o-Y)

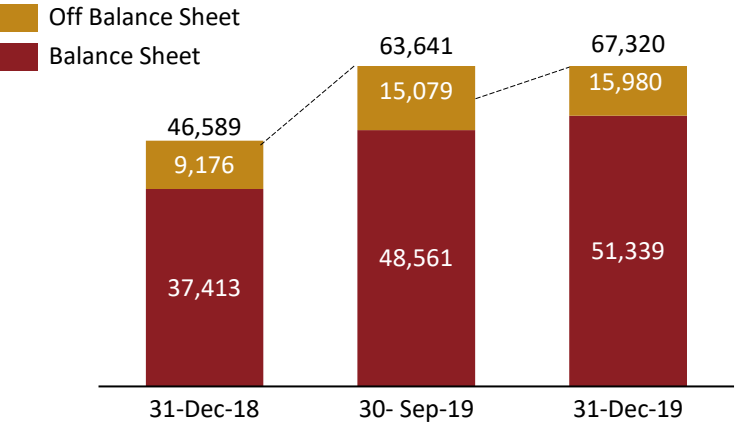
Total Loan Accounts

Rs. **28,623** (+15% Y-o-Y)

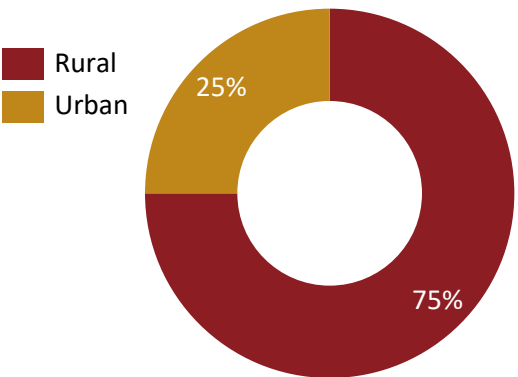
Average Ticket Size

Rs. **67,320 crore** (+44% Y-o-Y)

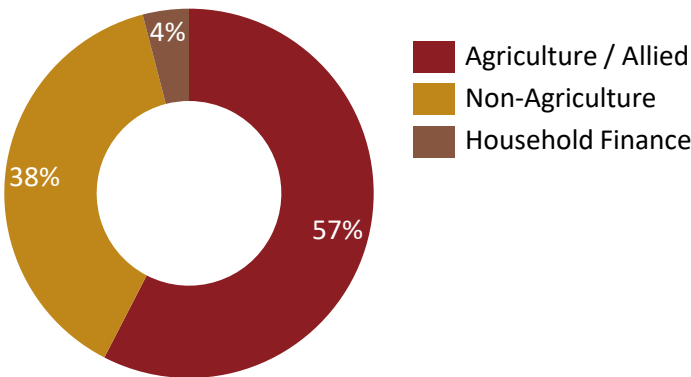
Assets Under Management (AUM)



Loan Portfolio (Rs. crore)



Breakup of GLP geography (31<sup>st</sup> Dec 2019)



Breakup of GLP purpose (31<sup>st</sup> Dec 2019)

Source: MFIN Micrometer December 2019, Data is for Microfinance companies

# Diversification with allied product offerings



## Taraashna Financial Services Ltd - TFSL

- » Acting as a business correspondent, TFSL provides credit to clients in rural and semi-urban areas on behalf of partner banks and NBFCs
- » The cashless disbursement percentage has reached almost 94% of TFSL's total disbursement for Mar'20, 1% collection through cashless mode
- » TFSL has a low risk business model which is highly capital efficient
- » AUM stood at Rs. 704 crore, with presence across 8 states
- » The Company operates through 213 branches, has more than 3.7 lakh active loan clients.
- » `67,000 loans disbursed in Q4FY20

## Satin Housing Finance Ltd (SHFL)

- » 100% retail book comprising of:
  - » Affordable home loans – 87%
  - » Loan against property – 13%
- » Boasts of excellent portfolio quality with NIL delinquency since inception, Collection Efficiency of >80% during lockdown
- » Mainly caters to customers belonging to Middle- and Low-Income Groups in peripherals of Tier II and below cities
- » CRAR of 125.9% and gearing of 1.28. Equity infusion of Rs. 30 cr by SCNL in FY20, total equity stands at Rs. 80 crore
- » AUM Rs. 139 crore, with presence across 4 states with 1,266 customers
- » Standalone rating of BBB (Stable) from CARE
- » 9 active lenders including NHB refinance

## Satin Finserv Limited (SFL)

- » Incorporated in Aug'18, got license from RBI to start business in Jan'19
- » Standalone credit rating of CARE BBB-
- » Gross Loan Portfolio of Rs. 111 crore in FY20
- » CRAR for Q3FY20 is 92.06%
- » Equity infusion of Rs 80 crore by SCNL during FY20, total equity stands at s 102.5 cr as on Mar 31, 2020
- » Business will focus on secured retail MSME lending, wholesale lending to small NBFC MFI and others
- » 15 Branches across 8 states with 1,113 active loan clients

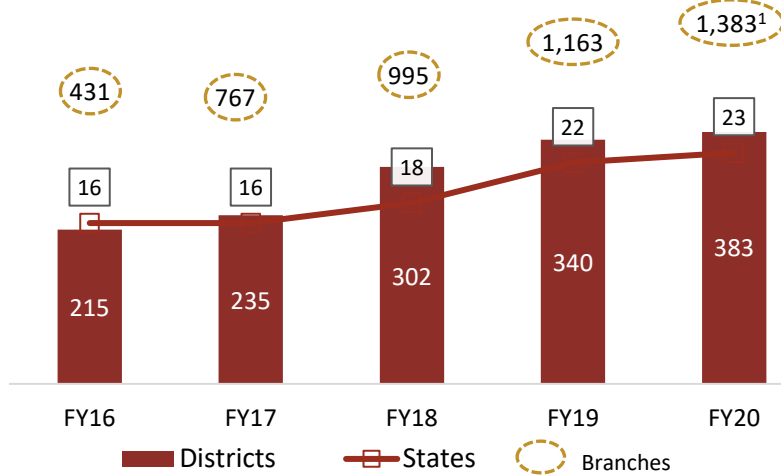


# KEY FINANCIAL & OPERATIONAL METRICS

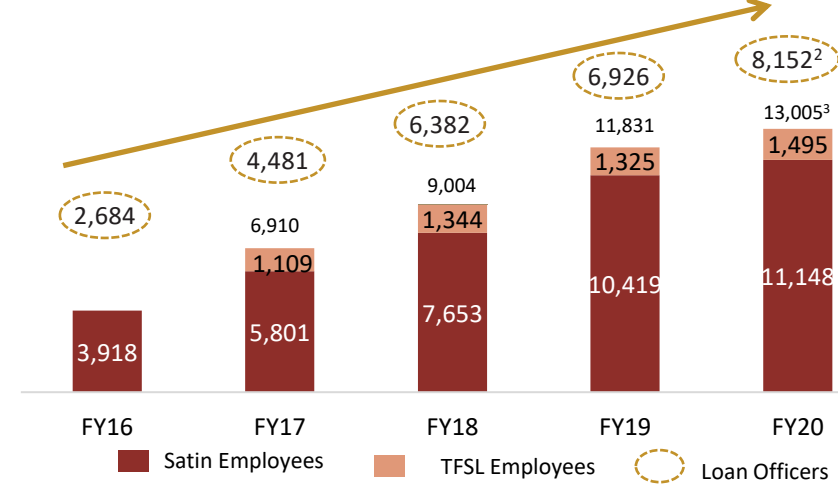
# Key Operation Metrics – (1/2)



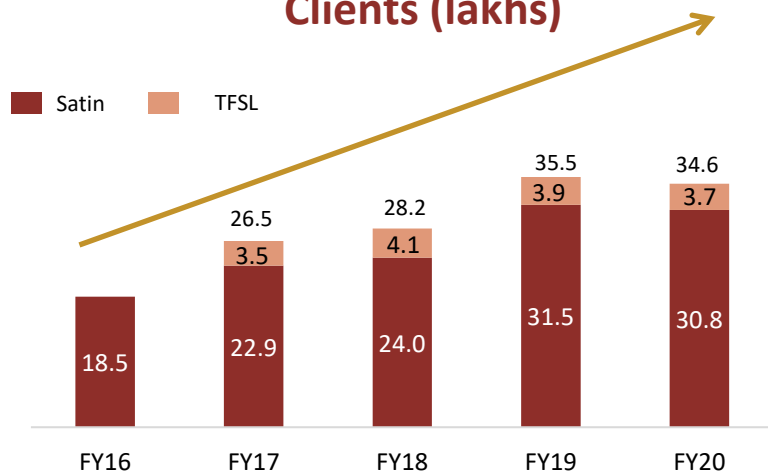
## Districts, States and Branches



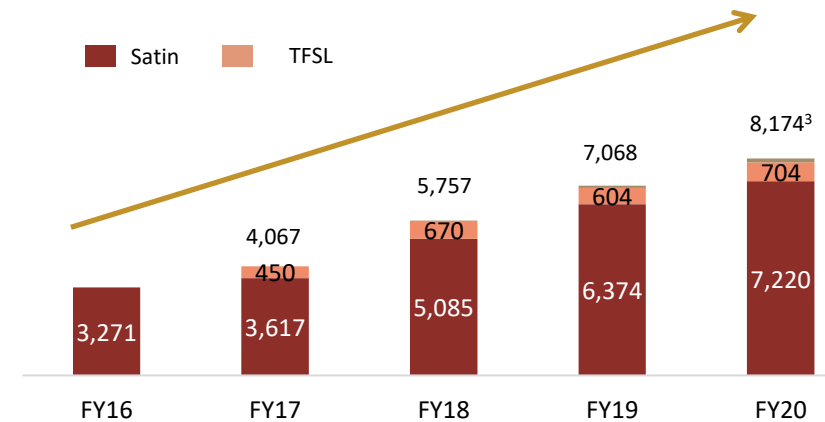
## Employees & Loan Officers



## Clients (lakhs)



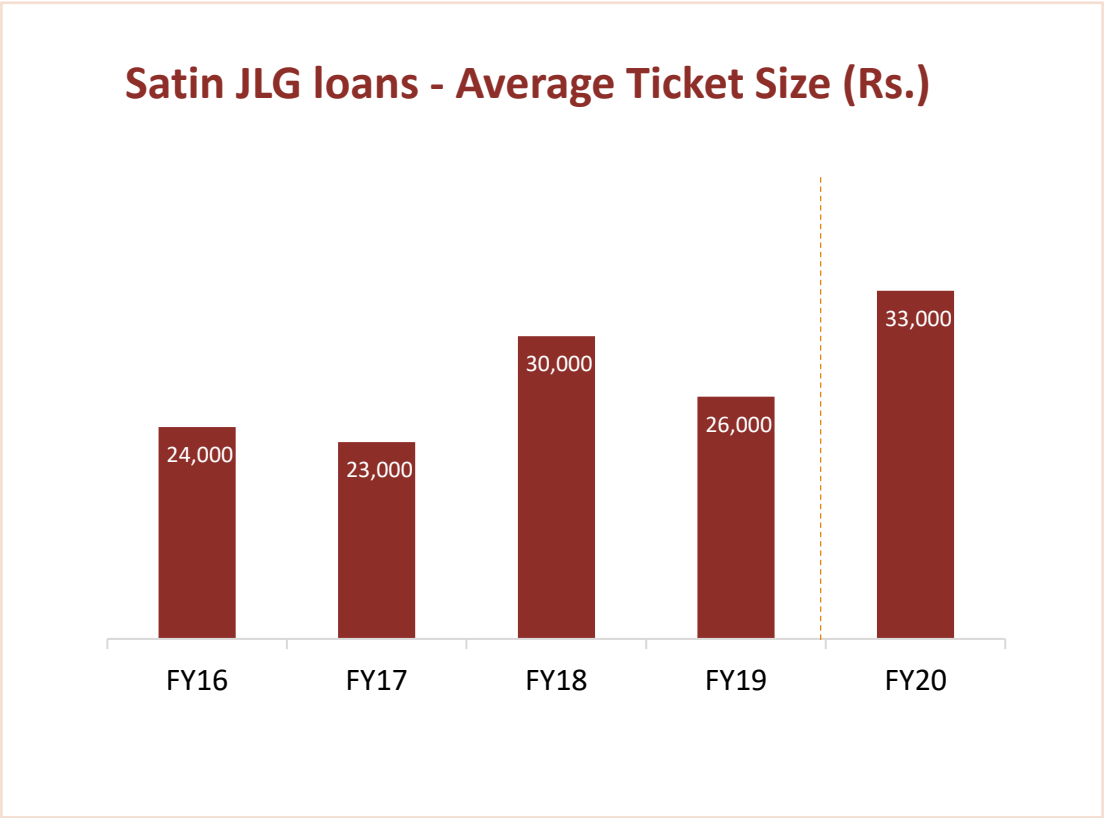
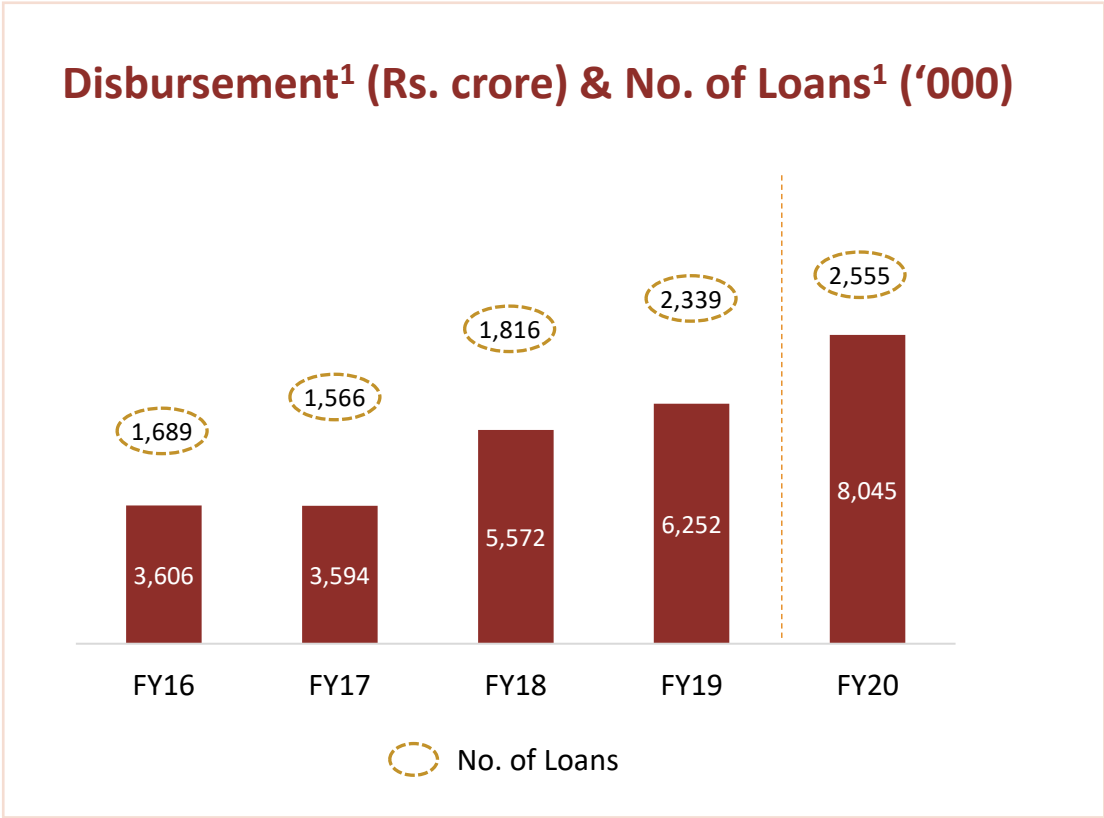
## Gross Loan Portfolio (Rs. crore)



Note: (1) Data on Consolidated basis. On a standalone basis, the number of branches were 1,140; (2) Data on a consolidated basis. On a standalone basis the number of loan officers were 6,863; (3) Consolidated figures includes Satin Housing Finance Limited and Satin Finserv Ltd.



## Steady Growth seen in Disbursement

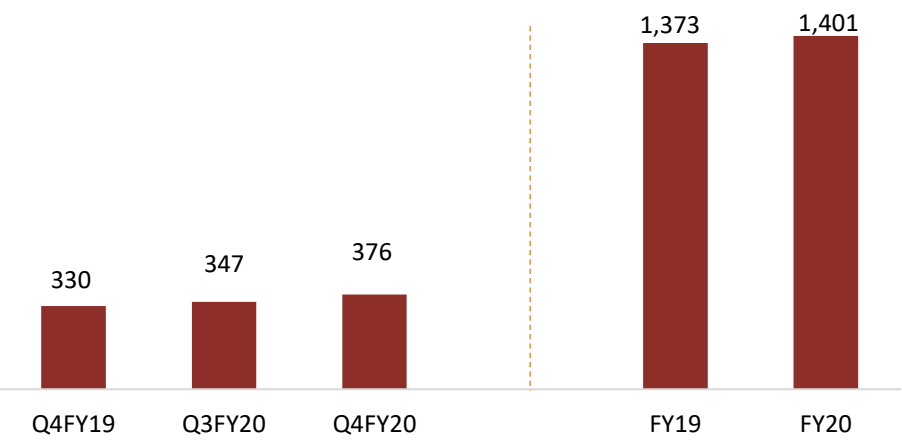


1. Data on Standalone basis

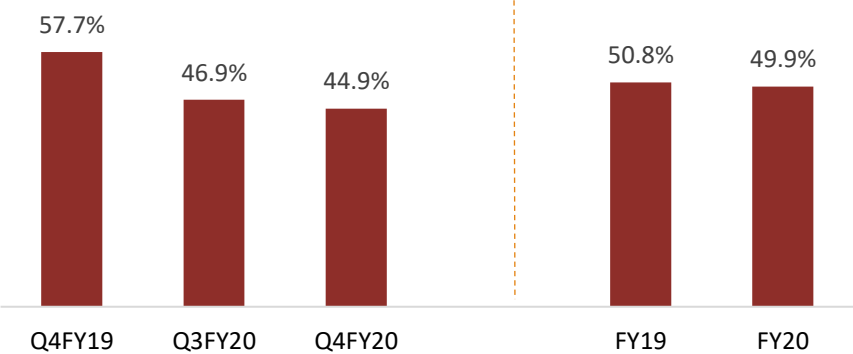
# Key Standalone Financials



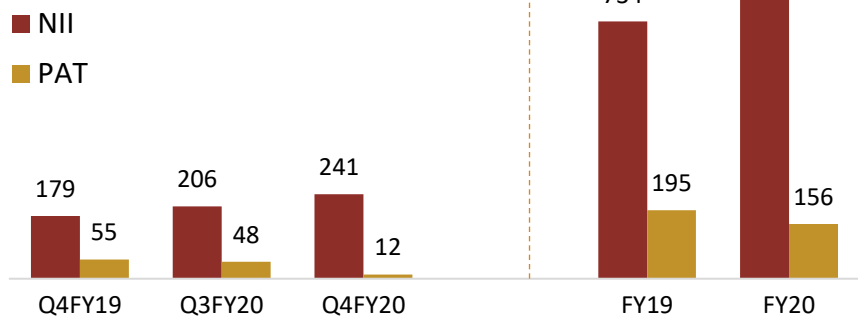
Gross Income (Rs. crore)



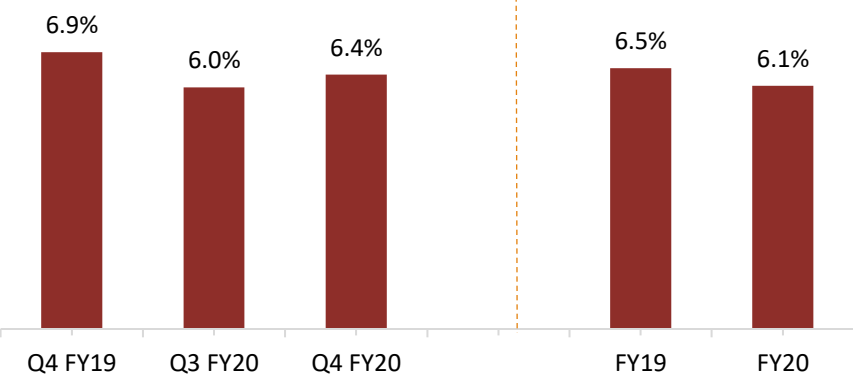
Cost to Income Ratio (%)



NII and PAT (Rs. crore)



Opex to GLP (%)





# FINANCIAL & OPERATIONAL DETAILS (Consolidated)

# Annexure – Business Details – Consolidated



Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ%
<b>AUM (Rs. crore)</b>	<b>8,174</b>	<b>7,068</b>	<b>15.6%</b>	<b>7,284</b>	<b>12.2%</b>
On-Book AUM*	4,621	4,459	3.6%	4,092	12.9%
Securitization	46	429	-89.2%	34	34.2%
Assignment	2,056	1,281	60.5%	1,776	15.7%
Business Correspondence	543	633	-14.2%	522	4.0%
TFSL - Business Correspondence	704	604	16.5%	646	9.0%
SHFL - Housing Finance	139	79	75.7%	138	0.4%
SFL	111	11	872.9%	109	1.3%
<b>AUM Mix (Rs. crore)</b>	<b>8,174</b>	<b>7,068</b>	<b>15.6%</b>	<b>7,284</b>	<b>12.2%</b>
MFI Lending	6,380	5,473	16.6%	5,600	13.9%
Product Financing	30	7	355.9%	18	61.5%
MSME	267	261	2.1%	249	7.0%
Business Correspondence - IndusInd Bank	543	633	-14.2%	522	4.0%
TFSL - Business Correspondence	704	604	16.5%	646	9.0%
SHFL - Housing Finance	139	79	75.7%	138	0.4%
SFL	111	11	872.9%	109	1.3%
<b>No. of Branches</b>	<b>1,383</b>	<b>1,163</b>	<b>18.9%</b>	<b>1,354</b>	<b>2.1%</b>
SCNL	1,140	977	16.7%	1,110	2.7%
TFSL	213	180	18.3%	213	0.0%
SHFL	15	5	200.0%	13	15.4%
SFL	15	1	-	18	-16.7%

\*includes securitization, differences due to rounding off

# Annexure – Business Details – Consolidated



Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ%
<b>No. of Employees</b>	<b>13,005</b>	<b>11,831</b>	<b>9.9%</b>	<b>12,971</b>	<b>0.3%</b>
SCNL	11,148	10,419	7.0%	11,184	-0.3%
TFSL	1,495	1,325	12.8%	1,477	1.2%
SHFL	216	83	160.2%	182	18.7%
SFL	146	4	-	128	14.1%
<b>No. of Loan Officers</b>	<b>8,152</b>	<b>6,959</b>	<b>17.1%</b>	<b>8,225</b>	<b>-0.9%</b>
SCNL	6,863	5,991	14.6%	7,005	-2.0%
TFSL	1,068	922	15.8%	1,057	1.0%
SHFL	106	46	130.4%	102	3.9%
SFL	115	-	-	61	-
<b>No. of Active Clients</b>	<b>3,458,304</b>	<b>3,547,128</b>	<b>-2.5%</b>	<b>3,563,799</b>	<b>-3.0%</b>
SCNL	3,082,146	3,149,607	-2.1%	3,192,871	-3.5%
TFSL	373,779	396,887	-5.8%	368,879	1.3%
SHFL	1,266	630	101.0%	1,225	3.3%
SFL	1,113	4	-	824	35.1%
<b>Average Ticket Size</b>					
<b>MFI Lending (SCNL)</b>	<b>37,000</b>	<b>26,000</b>	<b>42.3%</b>	<b>35,000</b>	<b>5.7%</b>
Product Financing (SCNL)	4,195	3,666	14.4%	4,120	1.8%
MSME (SCNL)	2,250,000	3,640,000	-38.2%	1,400,000	60.7%
TFSL	31,200	28,400	9.9%	31,000	0.6%
SHFL	1,257,000	1,453,000	-13.5%	1,268,000	-0.9%
SFL	997,000	28,700,000	-	1,327,000	-24.9%

# Annexure – P&L Statement – Consolidated



Particulars (Rs. crore)	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %	FY20	FY19	YoY%
<b>Revenue</b>								
Interest and Fee Income	257	239	7.7%	250	2.9%	994	1,116	-11.0%
DA Income	85	48	78.8%	56	53.0%	236	133	76.9%
Treasury Income	23	30	-25.2%	32	-29.7%	117	95	23.7%
BC Fees	35	28	23.3%	31	12.2%	127	87	45.9%
Other Operating Income	10	5	92.5%	6	63.3%	29	13	117.8%
<b>Total Revenue</b>	<b>409</b>	<b>350</b>	<b>17.0%</b>	<b>375</b>	<b>9.3%</b>	<b>1,503</b>	<b>1,445</b>	<b>4.0%</b>
<b>Expenses</b>								
Finance Cost	139	153	-9.2%	145	-4.4%	586	642	-8.8%
Employee Benefit Expenses	90	84	7.5%	86	4.9%	351	305	15.0%
Credit Cost & FLDG for BC	127	-10	-	61	107.1%	223	58	280.8%
Other Expenses	31	33	-6.1%	25	24.6%	114	110	3.4%
Depreciation and amortization expense	5	4	43.8%	4	29.0%	18	13	40.2%
<b>Total Expenses</b>	<b>391</b>	<b>263</b>	<b>48.6%</b>	<b>321</b>	<b>22.0%</b>	<b>1,292</b>	<b>1,129</b>	<b>14.4%</b>
<b>Profit Before Tax</b>	<b>18</b>	<b>87</b>	<b>-79.1%</b>	<b>54</b>	<b>-66.5%</b>	<b>212</b>	<b>316</b>	<b>-33.0%</b>
Tax expense	5	30	-83.4%	7	-30.2%	57	114	-50.4%
<b>Profit after Tax</b>	<b>13</b>	<b>56</b>	<b>-76.9%</b>	<b>47</b>	<b>-72.1%</b>	<b>155</b>	<b>201</b>	<b>-23.1%</b>
Other comprehensive income net of taxes	33	25	-	-1	-	45	25	78.1%
<b>Total Comprehensive Income</b>	<b>46</b>	<b>81</b>	<b>-43.0%</b>	<b>46</b>	<b>-</b>	<b>200</b>	<b>227</b>	<b>-11.9%</b>



# **FINANCIAL & OPERATIONAL DETAILS (Standalone)**

# Annexure - Operational Details – Standalone (Quarterly)



Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %
<b>Gross AUM (Rs. crore)</b>	<b>7,220</b>	<b>6,374</b>	<b>13.3%</b>	<b>6,390</b>	<b>13.0%</b>
No. of districts	383	340	12.6%	371	3.2%
No. of branches	1,140	977	16.7%	1,110	2.7%
No. of States of operation	23	22	4.5%	22	4.5%
No. of Employees	11,148	10,419	7.0%	11,184	-0.3%
No. of Loan Officers	6,863	5,991	14.6%	7,005	-2.0%
No. of Loan accounts	3,615,690	3,604,646	0.3%	3,822,803	-5.4%
Disbursement during the period (Rs. crore)	2,516	2,314	8.7%	1,904	32.1%
No. of loans disbursed during the period	726,661	857,224	-15.2%	571,403	27.2%

Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %
<b>MFI Lending (excl. Prod. Financing &amp; MSME)</b>					
Gross AUM (Rs. crore)	6,923	6,106	13.4%	6,123	13.1%
No. of branches	1,134	971	16.8%	1,104	2.7%
No. of Employees	11,120	10,298	8.0%	11,154	-0.3%
No. of Loan Accounts	3,512,881	3,572,524	-1.7%	3,757,074	-6.5%
Disbursement during the period (Rs. crore)	2,454	2,171	13.0%	1,861	31.9%
No. of loans disbursed during the period	668,256	841,191	-20.6%	539,656	23.8%

# Annexure - Operational Details – Standalone (Quarterly)



Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %
Productivity Metrics for MFI lending					
Gross AUM/ Branch (Rs. crore)	6.1	6.3	-2.9%	5.5	10.1%
Gross AUM/ Loan Officer (Rs. crore)	1.0	1.0	-1.0%	0.9	15.4%
Disbursement/ Branch (Rs. crore)	2.2	2.2	-3.2%	1.7	28.4%
Disbursement/ Loan Officer (Rs. crore)	0.4	0.4	-1.3%	0.3	34.6%
No. of Clients/ Branch	2,627	3,211	-18.2%	2,833	-7.3%
No. of Clients/ Loan Officer	434	520	-16.5%	446	-2.7%
Average Ticket Size (Rs.)	37,000	26,000	42.3%	35,000	6.5%
Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %
Product Financing					
Gross AUM (Rs. crore)	30	6.5	355.9%	18	61.5%
No. of Loans Accounts	100,937	30,374	232.3%	63,897	58.0%
Disbursement during the period (Rs. crore)	24	5.7	325.7%	13	88.1%
No. of loans disbursed during the period	58,241	15,657	272.0%	31,529	84.7%
Ticket Size for the period (Rs.)	4,195	3,666	14.4%	4,120	1.8%
Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %
MSME <sup>(1)</sup>					
Gross AUM (Rs. crore)	267	261	2.1%	249	7.0%
No. of branches	34	34	0.0%	34	0.0%
No. of employees	28	121	-76.9%	30	-6.7%
No. of Loans Accounts	1,872	1,748	7.1%	1,832	2.2%
Disbursement during the period (Rs. crore)	37	137	-73.0%	31	20.9%
No. of loans disbursed during the period	164	376	-56.4%	218	-24.8%
Average Ticket size	2,250,000	3,640,000	-38.2%	1,400,000	60.7%

1. Includes Loan Dost portfolio

# Annexure - Financial Performance – Standalone



Particulars (Rs crore)	FY20	Q4FY20	Q4FY19	Q3FY20	FY19
Gross yield <sup>(1)</sup>	20.61%	22.07%	22.07%	21.70%	23.97%
Financial Cost Ratio <sup>(2)</sup>	8.44%	7.92%	10.10%	8.85%	11.15%
Net Interest Margin <sup>(3)</sup>	12.17%	14.15%	11.98%	12.86%	12.81%
Operating Expense ratio <sup>(4)</sup>	6.07%	6.35%	6.91%	6.03%	6.51%
Loan Loss Ratio <sup>(5)</sup>	2.97%	6.81%	-0.60%	3.39%	0.96%
RoA <sup>(6)</sup>	2.25%	0.72%	3.30%	2.87%	3.01%
RoE <sup>(8)</sup>	12.00%	3.49%	19.97%	13.79%	19.08%
Leverage (Total Debt <sup>(7)</sup> / Total Net Worth)	3.72	3.72	4.55	3.41	4.55
Cost to Income Ratio	49.86%	44.88%	57.69%	46.89%	50.83%

Asset Quality	FY20	Q4FY20	Q4FY19	Q3FY20	FY19
<b>GNPA %</b>	2.9	2.9	2.9	3.1	2.9
ECL as % of AUM	2.3	2.3	1.7	2.2	1.7

1. Gross Yield represents the ratio of total Income in the relevant period to the average AUM
2. Financial Cost Ratio represents the ratio of interest Expense in the relevant period to the Average AUM
3. Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio
4. Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding Credit Cost and interest Expense) to the Average AUM
5. Loan Loss Ratio represents the ratio of credit cost (including FLDG on BC) to the Average AUM
6. RoA is annualized and represents ratio of PAT to the Average Total Assets
7. Total Debt includes Securitization and preference shares considered as debt in accordance of IndAS
8. RoE is annualized and represents PAT(Post Preference Dividend) to the average equity (i.e., net worth excluding preference share capital)

# Annexure - P&L Statement– Standalone



Particulars (Rs crore)	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %	FY20	FY19	YoY%
<b>Revenue</b>								
Interest and Fee Income	247	237	4.3%	242	2.2%	966	1,113	-13.2%
DA Income	85	48	78.8%	56	53.0%	236	133	76.9%
Treasury Income	21	29	-27.3%	31	-30.4%	112	91	22.0%
BC Income	14	14	1.0%	15	-10.8%	62	25	148.9%
Other Operating Income	9	3	193.1%	4	96.9%	25	11	135.3%
<b>Total Revenue</b>	<b>376</b>	<b>330</b>	<b>13.8%</b>	<b>347</b>	<b>8.1%</b>	<b>1,401</b>	<b>1,373</b>	<b>2.0%</b>
<b>Expenses</b>								
Finance Cost	135	151	-10.8%	142	-4.8%	574	639	-10.2%
Employee Benefit Expenses	75	73	3.1%	72	4.6%	297	265	12.0%
Credit Cost & FLDG for BC	116	-9	-1393.4%	54	113.4%	202	55	264.7%
Other Expenses	28	27	5.0%	21	34.1%	101	97	3.7%
Depreciation and amortization expense	5	3	32.6%	3	32.9%	15	11	34.3%
<b>Total Expenses</b>	<b>359</b>	<b>245</b>	<b>46.1%</b>	<b>292</b>	<b>22.7%</b>	<b>1,188</b>	<b>1,067</b>	<b>11.3%</b>
<b>Profit Before Tax</b>	<b>17</b>	<b>85</b>	<b>-80.0%</b>	<b>55</b>	<b>-69.2%</b>	<b>213</b>	<b>306</b>	<b>-30.3%</b>
Tax expense	4	29	-84.7%	7	-39.0%	57	111	-48.6%
<b>Profit After Tax</b>	<b>12</b>	<b>55</b>	<b>-77.5%</b>	<b>48</b>	<b>-73.9%</b>	<b>156</b>	<b>195</b>	<b>-19.9%</b>
Other comprehensive income net of taxes	33	25	31.4%	-1	-	45	25	77.5%
<b>Total Comprehensive Income</b>	<b>46</b>	<b>81</b>	<b>-43.5%</b>	<b>47</b>	<b>-3.4%</b>	<b>201</b>	<b>220</b>	<b>-8.8%</b>



# FINANCIAL & OPERATIONAL DETAILS (Subsidiaries)

# Annexure - Operational Details – TFSL



Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ%
<b>Gross AUM (Rs. crore)</b>	<b>704</b>	<b>604</b>	<b>16.5%</b>	<b>646</b>	<b>9.3%</b>
Disbursement during the period (Rs. crore)	211	206	2.4%	213	-1.2%
No. of loans disbursed during the period	66,450	72,115	-7.9%	68,586	-3.1%
No. of Active Customers	373,779	396,887	-5.8%	368,879	1.3%
No. of Employees	1,495	1,325	12.8%	1,477	1.2%
No. of Loan Officers	1,068	922	15.8%	1,057	1.0%
No. of States of operation	8	8	0.0%	8	-
No. of districts	108	91	18.7%	108	-
No. of branches	213	180	18.3%	213	-
No. of Regional Offices (RO)	9	8	12.5%	9	-

<b>Productivity Metrics</b>					
Gross AUM/ Branch (Rs. crore)	3.3	3.4	-1.5%	3.0	9.0%
Gross AUM/ Loan Officer (Rs. crore)	0.7	0.7	0.6%	0.6	7.9%
Disbursement/ Branch (Rs. crore)	1.0	1.1	-13.4%	1.0	-1.2%
Disbursement/ Employee (Rs. crore)	0.1	0.2	-9.2%	0.1	-2.4%
No. of Clients/ Branch	1,755	2,205	-20.4%	1,732	1.3%
No. of Clients/ Loan Officer	350	430	-18.7%	349	0.3%
Average Ticket size (Rs.)	31,200	28,400	9.9%	31,000	0.6%

# Annexure - P&L Statement – TFSL



Particulars (Rs crore)	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %	FY20	FY19	YoY%
<b>Revenue</b>								
<b>Total Revenue</b>	<b>22.2</b>	<b>16.4</b>	<b>1.4%</b>	<b>17.2</b>	<b>20.17%</b>	<b>69.8</b>	<b>68.3</b>	<b>2.2%</b>
<b>Expenses</b>								
Finance Cost	0.8	1.1	141.2%	0.9	-16.5%	3.2	2.5	28.4%
Employee Benefit Expenses	9.4	8.7	8.5%	9.7	5.1%	38.3	35.3	8.3%
Credit Cost	4.2	2.0	218.0%	6.1	435.4%	13.4	5.7	133.5%
Other Expenses	7.7	2.3	-17.4%	2.5	19.7%	14.4	11.1	29.6%
Depreciation and amortization expense	0.4	0.1	43.7%	0.5	9.1%	1.7	1.1	58.5%
<b>Total Expenses</b>	<b>22.5</b>	<b>14.2</b>	<b>34.5%</b>	<b>19.6</b>	<b>40.7%</b>	<b>71.0</b>	<b>55.7</b>	<b>27.3%</b>
<b>Profit Before Tax</b>	<b>-0.3</b>	<b>2.1</b>	<b>-205.3%</b>	<b>-2.5</b>	<b>-823.5%</b>	<b>-1.2</b>	<b>12.6</b>	<b>-109.5%</b>
Tax expense	0.1	1.0	-173.6%	-0.5	163.2%	-0.2	4.1	-104.6%
<b>Profit After Tax</b>	<b>-0.4</b>	<b>1.2</b>	<b>-218.3%</b>	<b>-2.0</b>	<b>-469.8%</b>	<b>-1.0</b>	<b>8.4</b>	<b>-111.9%</b>
Other comprehensive income net of taxes	<b>0.2</b>	-0.2	-	-	-	0.3	0.1	304.3%
<b>Total Comprehensive Income</b>	<b>-0.2</b>	<b>1.0</b>	<b>-206.9%</b>	<b>-2.0</b>	<b>-459.9%</b>	<b>-0.7</b>	<b>8.5</b>	<b>-108.9%</b>

# Annexure - Operational Details – SHFL



Particulars	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ%
Gross AUM (Rs. crore)	139	79	75.7%	138	0.4%
Average Ticket Size (Rs)	1,257,000	1,453,000	-13.5%	1,268,000	-0.9%
Disbursement (Rs. crore)	6	34	-82.9%	26	-77.2%
CRAR (%)	125.89	111.1	-	133.78	-
No. of Branches	15	5	200.0%	13	15.4%
No. of States	4	4	0.0%	4	0.0%
No. of Total Staff	216	83	160.2%	182	18.7%
No. of Loan Officers	106	46	130.4%	102	3.9%

# Annexure - Financial Details– SHFL



Particulars (Rs crore)	Q4FY20	Q4FY19	YoY%	Q3FY20	QoQ %	FY20	FY19	YoY%
Revenue								
Interest and Fee Income	5.1	2.2	127.6%	4.6	11.3%	16.8	4.5	277.4%
Treasury Income	0.6	0.4	52.4%	0.5	32.4%	1.9	1.0	83.4%
Other income	0.8	1.0	-18.0%	1.1	-27.5%	2.3	1.6	43.1%
<b>Total Revenue</b>	<b>6.5</b>	<b>3.6</b>	<b>80.1%</b>	<b>6.2</b>	<b>5.9%</b>	<b>21.0</b>	<b>7.1</b>	<b>196.9%</b>
Expenses								
Finance cost	2.9	0.8	258.7%	2.4	20.7%	8.3	1.1	651.0%
Employee benefit expenses	3.1	1.6	92.4%	2.3	37.1%	9.7	4.8	102.0%
Credit Cost	0.9	0.1	613.9%	0.1	929.5%	1.2	0.3	285.6%
Other expenses	0.0	0.8	-95.8%	0.8	-96.0%	2.5	2.3	9.5%
Depreciation and amortization expenses	0.1	-	244.4%	0.1	14.4%	0.5	0.1	413.3%
<b>Total Expenses</b>	<b>7.1</b>	<b>3.4</b>	<b>109.3%</b>	<b>5.7</b>	<b>24.3%</b>	<b>22.2</b>	<b>8.6</b>	<b>158.7%</b>
<b>Profit Before Tax</b>	<b>-0.6</b>	<b>0.2</b>	<b>-343.3%</b>	<b>0.5</b>	<b>-225.9%</b>	<b>-1.2</b>	<b>-1.5</b>	<b>-18.6%</b>
Tax expense	-0.1	0.1	-233.8%	0.2	-166.7%	-0.3	-0.3	2.0%
<b>Profit After Tax</b>	<b>-0.5</b>	<b>0.1</b>	<b>-405.2%</b>	<b>0.3</b>	<b>-261.3%</b>	<b>-0.9</b>	<b>-1.2</b>	<b>-23.4%</b>
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-0.4</b>	<b>0.2</b>	<b>-380.6%</b>	<b>0.3</b>	<b>-257.0%</b>	<b>-0.9</b>	<b>-1.2</b>	<b>-25.6%</b>

# Annexure - Financial & Operational Details – SFL



Particulars	Q4FY20
Gross AUM (Rs. crore)	111
Average Ticket Size (Rs)	996,500
Disbursement (Rs. crore)	10
No. of Loan Disbursed	312
No. of Branches	15
No. of States	8
No. of Total Staff	146

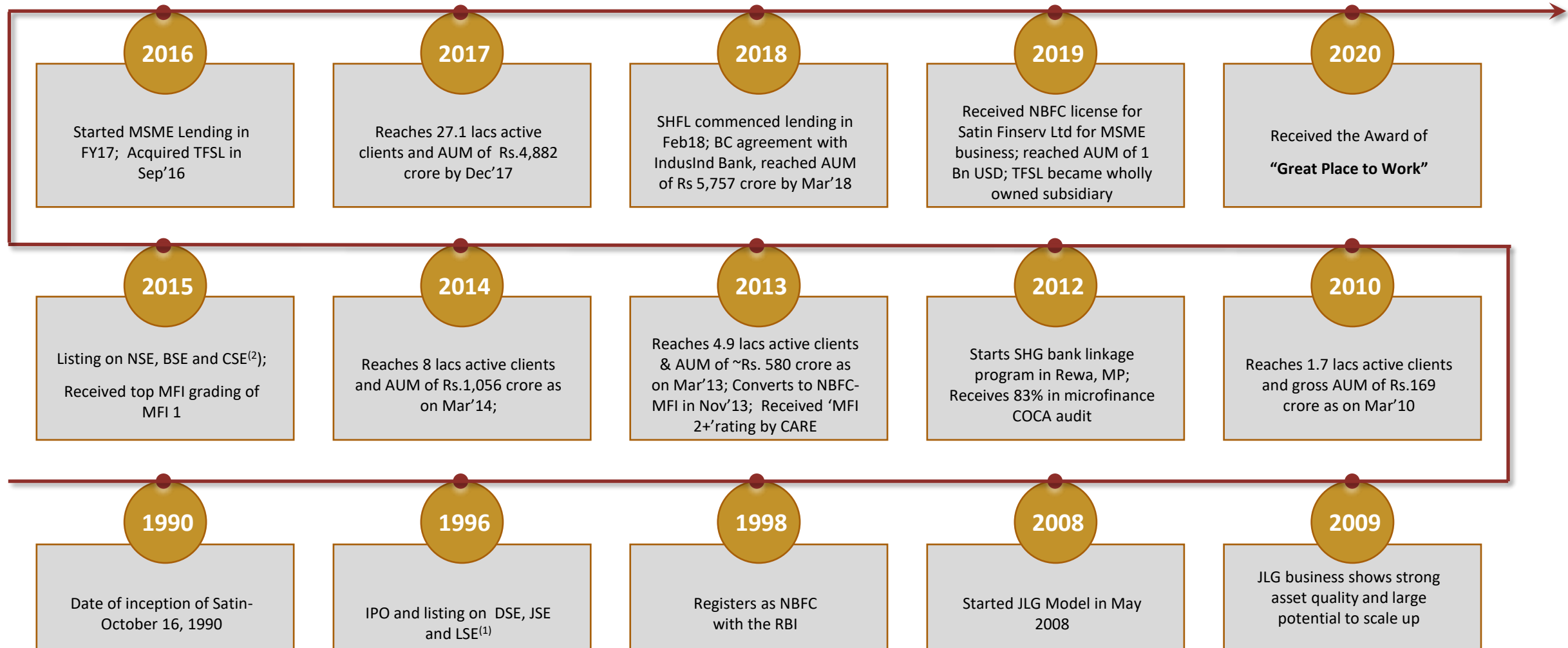
Particulars (Rs crore)	Q4FY20	FY20
Revenue		
Interest and Fee Income	5.72	13.59
Treasury Income	0.06	0.24
Other income	0.08	0.18
<b>Total Revenue</b>	<b>5.86</b>	<b>14.02</b>
Expenses		
Finance cost	0.73	1.76
Employee benefit expenses	2.11	6.67
Credit Cost	0.56	1.46
Other expenses	0.42	3.13
Depreciation and amortization expenses	0.09	0.11
Total Expenses	<b>3.90</b>	<b>13.14</b>
<b>Profit Before Tax</b>	<b>1.96</b>	<b>0.88</b>
Tax expense (DTA)	0.53	0.24
<b>Profit After Tax</b>	<b>2.49</b>	<b>0.65</b>
Other comprehensive income	-0.02	-
<b>Total Comprehensive Income</b>	<b>2.47</b>	<b>0.65</b>



# Key milestones: Crossed the USD 1 billion AUM mark



## Business Timeline

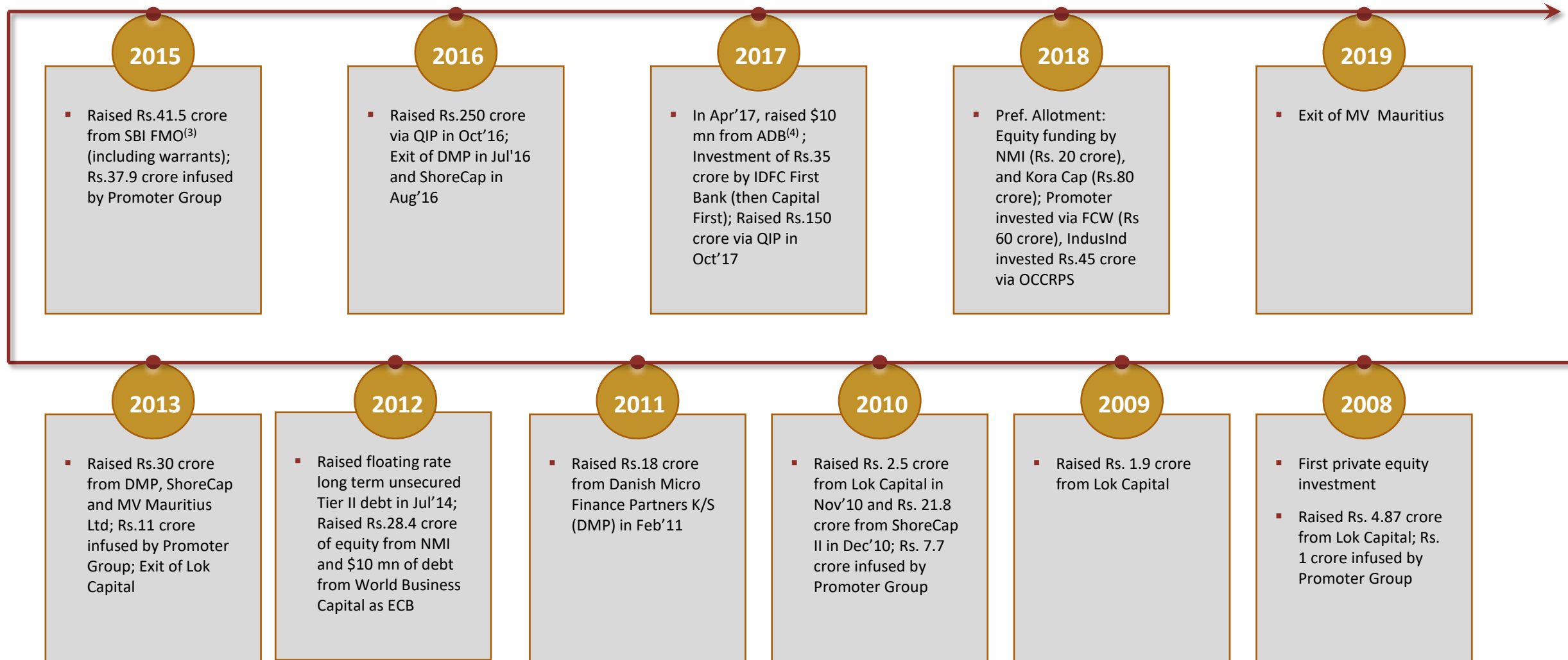


**Note:** 1. Regional Stock Exchanges (DSE – Delhi Stock Exchange, JSE – Jaipur Stock Exchange, LSE- Ludhiana Stock Exchange); (2) BSE - BSE Limited, NSE - National Stock Exchange of India Limited, CSE - The Calcutta Stock Exchange Limited

# Key milestones: Crossed the USD 1 billion AUM mark



## Fund Raising Timeline



**Note:** (3) SBI FMO Emerging Asia Financial Sector Fund Pte. Limited; (4) ADB – Asian Development Bank

# Differentiated Investment Choice...



## Investor confidence

- 7 rounds of equity capital raised with marquee investors
- Profitable exit to 4 investors
- QIP: Rs. 250 crore from marquee institutions in Oct 2016, Rs. 150 crore from large domestic MFs in Oct 2017



## Promoter Commitment

- Promoter stake quite high among MFIs, having invested at regular intervals at par with incoming PE
- Adequate board representation – Nominee Directors representing the Investors

## Key Shareholders



### Mutual Funds

- DSP
- Aditya Birla
- UTI



### Financial Institutions

- IDFC First Bank Ltd
- IndusInd Bank Ltd



### Foreign Portfolio Investor

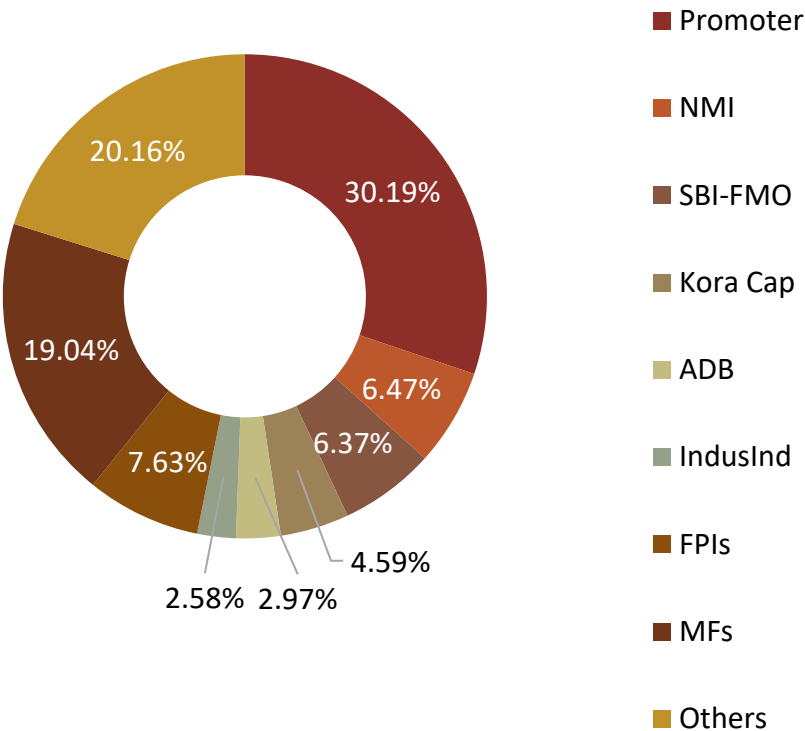
- Morgan Stanley
- Government Pension Fund Global
- Massachusetts Institute of Technology



### Foreign Bank

- Asian Development Bank

## Marquee Shareholder Base As on Mar 31, 2020



# Making a Difference to the Community



## Women Financial Empowerment Workshops

6 Workshops for our clients in 5 states with average participation of 300-350 clients



## Health Check-up Camps

5 Free health check-up camps for the community in Assam and Odisha



## Financial Awareness Camps

9 Awareness camps in Sivasagar region on Credit Discipline and Financial Literacy, in the wake of Assam crisis.



## Skill Development Training

6 Skill development trainings in partnership with USHA sewing machines in Assam



## Supporting Local Schools

Supporting 4 local government schools through provision of school bags to the students in Assam



## Water and Sanitation (WASH) Loans & Clean Energy Loans

Financing safe water and sanitation needs of our clients in 4 states (Assam, Bihar, Uttar Pradesh and West Bengal) and providing clean energy loans for purchase of solar home lighting systems



## Flood & Cyclone Relief Initiatives

Flood relief camps in West Bengal, Assam and Bihar



*Building a Difference to Make a Difference*



# Awards and Accolades



- Mr. HP Singh, CMD, was conferred the '**Golden Globe Tiger Awards**' at an awards ceremony in Malaysia
- Mr. HP Singh received the '**Exemplary Leader**' Award
- Mr. HP Singh received Business Leader of the Year Award in NBFC Sector at World HRD Congress by ET Now



**November 2018**

Got sA social rating  
from **Microfinanza**



**December 2018**

Won the "**SKOCH Award**"  
for Digital Transformation



**January 2019**

Received "**C1**" grade in Code of  
Conduct Assessment from **ICRA**



**July 2019**

Moved up in  
"**Fortune The Next 500**"



**July 2019**

Got 1st Prize in  
Customer Service Index by **MFIN**



**September 2019**

"Outstanding Contribution to Water and  
Sanitation Lending" from Sa-Dhan and  
Water.org



**November 2019**

Awarded "Company with Great  
Manager"



**February 2020**

Won "National Best Employer Brand"  
"Dream Companies to Work For"

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# Contact information



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**Thank You**

**SATIN CREDITCARE NETWORK LTD.**

*Reaching out!*



## SATIN CREDITCARE NETWORK LTD.

Reaching out!

15<sup>th</sup> June 2020, New Delhi

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) one of the leading microfinance company in the country has announced its audited financial results for the fourth quarter and full year ended 31<sup>st</sup> March 2020. The financial numbers are based on IndAS.

### Financial Performance (On a Consolidated Basis)

Particulars (Rs. Crs.)	FY20	FY19	Y-o-Y	Remarks
Assets under Management (AUM)	8,174	7,068	+15.6%	Profits & return ratios impacted due to higher provisions in the wake of COVID-19 and other external factors during the last quarter of FY20
Net Interest Income	917	803	+14.2%	
Pre-Provisioning Operating Profit (PPOP)	434	374	+16.3%	
Profit After Tax (PAT)	155	201	-22.9%	
ROA (%)	2.2%	3.1%	-90 bps	

- During FY20, Micro Finance Disbursements stood at Rs. 8,045 crores as compared to Rs. 6,252 crores in FY19 a growth of +28.7%
- As on 31st March 2020, the Assigned Portfolio stood at Rs. 2,056 crores
- As on 31st March 2020, Business Correspondence through IndusInd Bank (in the SCNL Book) stood at Rs. 543 crores
- Credit cost on account of COVID-19 amounted to Rs. 82.76 crore

### Increasing Footprints with Improved Outreach

Particulars	Mar – 20	Mar - 19	Y-O-Y
States & UTs	23	22	-
Branches	1,383	1,163	+18.9%
Districts	397	359	+10.6%
No. of Loan Officers	8,152	6,959	+17.1%

### Capital Adequacy and Liquidity

- Our capital base has been strong with CRAR of 30.49% and well above the regulatory requirements
- We have a healthy Tier-I capital comprising of 22.10% of the total capital base
- We continue to maintain a healthy balance sheet liquidity with Rs. 1,600 crores of surplus funds as on 31st March 2020
- We have undrawn sanctions worth Rs. 871 crore as on 31<sup>st</sup> March 2020

### Borrowing Profile

- Total Borrowings (standalone) stood at Rs. 5,409 crore as on 31st March 2020
- Our Debt-to-equity ratio as of 31<sup>st</sup> March 2020 stood at 3.72x
- Our reliance on NBFC funding has also further reduced to 6% from 12% last year which has significantly reduced our reliance on higher cost of funding
- 61% of our borrowings are through Banks

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## SATIN CREDITCARE NETWORK LTD.

Reaching out!

### Update on Moratorium

- **Borrowers:**
  - Borrowers who will avail moratorium will have to pay the incremental interest and the increase in the loan tenure would be explained to the borrower
  - 25-30% borrowers are estimated to avail for moratorium
- **Lenders:**
  - We got moratorium from ~63% of lenders
  - We also continue to work with our lenders to raise additional funds. Company will continue to serve interest during moratorium
  - The recent announcement by the RBI governor with respect to TLTRO with specific limit for the NBFCs and NBFC MFIs is positive for the MFI Industry.
  - Also, Announcement of NABARD getting INR 25,000 crores, SIDBI getting INR 15,000 crores and National Housing Bank (NHB) getting INR 10,000 crores is a booster for the sector
  - **Satin and its Subsidiaries have a strong existing relationship with these institutions**

### Asset Quality

- Gross Non-Performing Assets (GNPA) at an AUM level stood at 2.9% as on 31<sup>st</sup> March 2020,
- We have made adequate provisioning of 2.3% bringing our NNPA to 0.6% from 1.2% as of 31<sup>st</sup> March 2019
- Our NNPA has seen a reduction of 60 bps on a Year or Year basis, while on a sequential basis it has come down by 30 bps

### Subsidiaries

- Business Correspondent services under Taraashna Financial Services Limited has reached an AUM of Rs. 704 crores. As of 31<sup>st</sup> March 2020, the Company operates through 213 branches, has more than 3.7 lakh active loan clients
- Satin Housing Finance Ltd, has now reached an AUM of Rs. 139 cr, with nil delinquencies and having presence across 4 states. SHFL has 100% retail book comprising of 87% affordable housing loans and 13% of LAP. The Company has 9 active lenders including NHB refinance
- Satin Finserv Ltd, our MSME arm is also taking good shape post commencing operations having AUM of Rs. 111 crores. During the year there was an equity infusion of Rs.80 Crores, taking total equity of the company to Rs. 102.5 crore. SFL's business aims to focus on secured retail MSME lending, wholesale lending to small NBFC MFI and others



## **SATIN CREDITCARE NETWORK LTD.**

*Reaching out!*

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

“Considering the eventful year especially for financial sector, the Company’s performance has been noteworthy. We managed to grow our AUM by 15% to Rs. 8,174 crores while improving on our asset quality.

During the year we completed our process reengineering and digitisation. We continue to adopt newer technologies and digital solutions in all our functions for more efficient and effective working and hence higher customer satisfaction.

From March 2020 the world got struck by COVID-19 pandemic, which compelled governments across globe to implement stringent lockdowns which led to complete halt in economic activities. As the impact of COVID-19 was felt towards the last fortnight of the financial year 2020, we saw some impact on our performance for the month of March & April 2020. However, with lockdowns restrictions easing out we believe growth to return to normalcy in the coming quarters considering lot of opportunities in the sector.

Satin has been one of the dominant players in the industry with PAN India geographic presence and now, with right systems and processes in place we believe that going ahead operating leverage will play out and reap significant benefits which will help us control our costs and improve profitability and return matrix.”

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## SATIN CREDITCARE NETWORK LTD.

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### **About Satin Creditcare Network Limited**

Satin Creditcare Network Limited (SCNL or Satin) is a leading microfinance institution (MFI) in the country with presence in 23 states & union territory and around 86,000 villages. The company mission is to be one stop solution for excluded households at the bottom of the pyramid for all their financial requirements. The company also offers a bouquet of financial products in the Non-MFI segment (comprising of loans to MSMEs), a housing finance subsidiary, and business correspondent services and similar services to other financial Institutions through Taraashna Financial Services Limited, a business correspondent company and a 100% subsidiary of SCNL.

In April 2017, SCNL incorporated a wholly owned housing finance subsidiary (Satin Housing Finance Limited or "SHFL") for providing loans to the affordable housing segment.

In January 2019, received separate NBFC license to commence MSME business, Satin Finserv Limited.

As of March 2020, SCNL had 1,383 branches and a headcount of 13,005 across 23 states and union territories serving 34.6 lacs clients. A pan-India player with a strong presence throughout Uttar Pradesh, Bihar, North East, Madhya Pradesh and is a dominant player in its other states of operations.

### **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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