

We see traction from next month itself: SBI Card CEO

Expect 'business as usual' scenario to restart from October; current operations at 60% of pre-Covid levels: Hardayal Prasad

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SBI Cards and Payment Services Ltd (SBI Card), the second largest credit card issuer in the country, remains upbeat about the company's financial performance this fiscal even while seeing the ongoing April quarter as a "challenging" one due to the impact of lockdown, a top official said.

"April has definitely not been business as usual for us. That said, things have improved in last 10 days with several of our operations in green zones functioning again. From a level of overall business of over ₹300 crore per day during pre-Covid-19, the company is now doing about ₹180 crore per day,

which is about 60 per cent," Hardayal Prasad, MD and Chief Executive Officer, SBI Card, told *BusinessLine*.

The first quarter this fiscal is quite challenging especially when there is no spend happening in the economy, he said.

The way forward

Prasad, however, said that things are getting normal in the green zones and there could be some traction from next month itself if the nation-wide lockdown were to be lifted on May 17.

"Going forward, as more zones turn green and orange, you will see business improve over there. If the economy rebounds in a strong way as many expect it

would, we may take care of the whole year in six or seven months (in terms of financial performance)," he added.

Prasad declined to comment on any growth forecasts for the business stating that the company was in the process of scenario planning after deliberations with stakeholders amid the huge uncertainty.

Covid provisioning

Prasad said that SBI Card had taken a prudent approach in making a Covid-19 provision of ₹489 crore (higher than what RBI mandated) for the fourth quarter and the year ended March 31, 2020.

Despite this provision, SBI Card has reported a 44 per cent jump in net profit for the financial year ended March 31, 2020 at ₹1,245 crore, he said. SBI Card on



Hardayal Prasad, MD and CEO, SBI Cards and Payment Services

the people who took moratorium repaid in April, he said.

E-commerce

Prasad pointed out that e-commerce firms are currently not allowed to deliver non-essential items in Red Zones. "The moment this gets opened up – and the government is looking into this – there will be a pick-up in activity," he added.

Even during the current pandemic, there is a lot of digital transaction, including groceries, online education and health and fitness.

There has been a change in spending patterns and an opportunity lies in converting some amount of cash into digital during Covid-19, when most salaried employees – a significant proportion of overall card base – are working from home, he said.

Friday had announced its financial performance for Q4 and FY20, its first results announcement since the company went public in mid-March through a ₹10,340-crore initial public offering.

Prasad said that about 9 per cent of its customer base had opted for the moratorium extended by the company post the Covid-19-induced lockdown. A significant 25-30 per cent of