



SATYA MicroCapital Ltd.

सर्वे भवन्तु सुखिनः

(RBI Registered NBFC MFI)

CREATING LIVELIHOOD THROUGH ENTREPRENEURSHIP



ANNUAL REPORT
2019-20



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Surekha Marandi	Independent Director
Mr. C. P. Mohan	Independent Director
Mr. Naveen Surya	Independent Director
Mr. Mukul Jaiswal	Independent Director
Mr. Rahul Gupta	Independent Director
Mr. Vivek Tiwari	Managing Director, CEO & CIO
Mr. Saneesh Singh	Nominee Director
Mr. Sanjay Gandhi	Nominee Director
Dr. Ratnesh Tiwari	Director

KEY MANAGERIAL PERSONS

Mr. Vivek Tiwari	Managing Director, CEO & CIO
Mr. Sudhindra Sharma	Chief Financial Officer
Ms. Rachna Khantwal	Company Secretary & Compliance Officer

REGISTERED OFFICE

SATYA MicroCapital Limited
519, 5th Floor, DLF Prime Tower, Okhla Industrial
Area, Phase-1, New Delhi-110020
E-mail id: investors@satyamicrocapital.com
Tel. No.: +91 11 4972-4000
Website: www.satyamicrocapital.com

STATUTORY AUDITORS

S.R. Batliboi & Associates LLP
Golf View Corporate Tower-B
Sector-42 Sector Road, Gurugram
Haryana-122002

DEBENTURE TRUSTEES DETAILS

Catalyst Trusteeship Limited
(formerly known as GDA)
Office No. 83-87, 8th floor, Mittal Tower',
'B' Wing, Nariman Point, Mumbai-400021
Tel. No.: +91 22 4922 0542
Website: www.catalysttrustee.com

LINK IN TIME INDIA PRIVATE LIMITED

C 101, 247 Park, 1st Floor, LBS Marg,
Vikhroli (W), Mumbai-400 083
Tel. No.: +91 22 2594 6970
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Any query on Annual Report:

Members can write an email on cs@satyamicrocapital.com or send query on annual report on below mentioned address: 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase- 1, New Delhi-110020, India, addressed to Company Secretary and Compliance Officer.

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VISION

“To be a catalyst for the socio-economic upliftment of 5 million households by the year 2025.”

“वर्ष 2025 तक 50 लाख परिवारों के सामाजिक एवं आर्थिक उत्थान के लिए एक उत्प्रेरक होना।”

MISSION

“To be a preferred choice for the people at bottom of pyramid in creation of their enterprise & livelihood through holistic approach.”

“सीमित सुविधा प्राप्त लोगों की आजीविका एवं उद्यम-विकास हेतु बृहद दृष्टिकोण के साथ एक प्राथमिक विकल्प होना।”

MOTTO

“May all be Happy.”

“सर्वे भवन्तु सुखिनः”

SOUL OF SATYA



TRUST

To develop a relationship of Trust & Truthfulness within the ecosystem of SATYA.



TRANSPARENCY

Aiming to develop a transparent culture across the organization.



TEAM

To follow the values of “Team Strength” & promote “coordination & cooperation” in all verticals.



TECHNOLOGY

Nurturing SATYA through cutting edge technology in real-time data, reducing TAT and moving towards paperless.



TRAINING

Capacity Building & social awareness programs for all stakeholders of SATYA.



VIVEK TIWARI

MD, CEO & CIO

Dear Stakeholders,

It is with great optimism, I present to you, the IVth edition of the Annual Report covering SATYA MicroCapital Ltd.'s journey over the Financial Year 2019-2020.

As the year 2019-20 was drawing to a close, the world started to witness the unfolding of a crisis, magnitude of which has been unseen and unprecedented for several generations. COVID-19, at the primary level, is a health crisis but has huge manifestations on the economic activities at a global scale. The impact of this crisis is likely to be particularly adverse for the informal sector of the economy, to which a major portion of our clients belong to.

While all our offices needed to be closed on account of the nation-wide lockdown directions as furnished by the Govt. of India, we continued to work from home. The most important imperative of this situation for us was to keep a constant touch with our clients. To tackle this, we developed a time schedule for the branch staff for making telephone calls to the clients in their respective branch areas so that they are cognizant of the situation in which the clients are persisting in. We offered a moratorium to our clients, so that those who were impacted on account of fall in the economic activities could get some time to repay their loans. Additionally, we put a halt on our collections for a defined period so that there was no add-on burden on our clients during this difficult time.

We are gradually getting back to normal. With relaxation in the lockdown rules, almost our entire workforce has reported back to their respective office premises. We are in constant touch with almost all our clients on a daily basis. By the end of May 2020, we were able to collect around 50% of the total scheduled instalments. We expect our repayments to be back to normal by the end of August 2020. This crisis,

has all the more, strengthened our resolve to provide relevant and pertinent products and support to our clients. Moreover, this is an opportunity for us to demonstrate our institutional resilience not only in the BFSI sector but also to the world at large!

Continuing in our commitment to become a fully digital service provider, we are extremely proud to report that during this financial year, we have collected over INR 500+ Crs. via digital transactions which is a landmark achievement in the entire industry! From the first day of our inception, all our disbursements were already through direct bank transfers. We expect that by the end of the financial year 2020-21, we will also have over 80% of our total collections coming to us through digital means. We are already in the process of developing technological solutions for this and have been actively educating our clients regarding the same.

Digital transformation is a business imperative across all industries, and the BFSI sector is no exception. The Microfinance industry is on the cusp of a digital transformation right now and SATYA is moving towards the same in a vigorous manner and is well on its way to quickly emerge as a 'Figitech company'. With this idea in mind, we shall soon be launching our very own online/digital payment platform, "SATYA Pay" which shall hit the floors soon.

Additionally, as we remain dedicated to offering products other than standard group loans to our clients, we have started a business vertical for individual business loans. This product is being offered through all the existing branches of SATYA. To amplify the impact of this, we have also opened five dedicated branches for offering individual business loans.

With a diversified portfolio, spread out across 22 states of India, we are delighted to share that during this year, we



MESSAGE FROM THE MD, CEO & CIO

accomplished the incredible milestone of achieving INR 1000 Cr. Assets under Management. Moreover, we are pleased to share that we closed the financial year with net profitable operations of INR 75.29 million!

Our annual event 'Vihangam' saw an enthusiastic participation of over 1,500 staff members and provided an opportunity for all the employees to come on a single platform. A Staff Satisfaction Survey, conducted by us, provided useful insights about what our employees feel and the issues which are crucial for them. Taking this into account, we re-initiated our Employee's Grievance Redressal Mechanism (EGRM) platform to address any and all concerns that the employees may have. We also launched a Toll-free Women's Helpline to specifically redress the issues faced by our female staff. Both these platforms were launched on the occasion of International Women's Day, making these mechanisms even more special and pertinent for our employees.

It is our pleasure to report that SATYA received an uplift in the MFI Grading by ICRA as M2+ as well as an uplift in the Credit Rating by ACUITE of ACUITE BBB+. We raised INR 105 crore in equity funding by Gojo & Company, Inc. This is one of the first investments in the Microfinance sector after the nationwide lockdown. The extent of confidence Mr. Sanjay Gandhi and Mr. Taejun Shin have fostered in our organization holds paramount significance for us and serves as a clear indication of our substantial strength, intrinsic values, and reliability. Yielding capital infusions like this during the hazardous outbreak of such a pandemic is rare. We are certain that the capital infusion will serve as a driving force to SATYA for reinforcing its vision which will enable us to empower more and more entrepreneurs from the underserved sections of society".

On another exciting note, we also launched a 6-month Internship Programme in collaboration with Shri Vishwakarma Skill University, Haryana. A batch of twenty-seven students was selected & currently, they are being offered comprehensive training in the field of microfinance. The objective is to facilitate and promote entrepreneurship development, skill-based education and research in the burgeoning industry of microfinance. Taking this collaboration, a step forward, we also supported SVSU in providing food to 10,000 daily workers under the University's 2 lakh meals mission.

In the light of the current Covid crisis, as millions of migrant labourers and their family members stand displaced, we organised a food distribution programme, SATYA रसोई, wherein we have been able to feed over 3.8 Lac struggling


and needy people with the help of our "Rasois" set-up across 35+ locations all over India. With the timely and able support of our contributors who donated not only through fund transfers but also through donations of multiple quintals of ration by our esteemed clients, team members and friends, which helped sustain our rasois every day for two weeks and counting and has further aided in making this initiative a sustainable one!

During the course of this financial year, we had the good fortune of having Mrs. Surekha Marandi, former Executive Director of RBI, accept our request for joining our Board as an Independent Director. We expect that her experience in the financial sector will surely help SATYA emerge as one of the most well governed institutions in the country.

We are thankful to our 50+ lenders for exhibiting a continued confidence in the company and bolstering our spirit. Over INR 100 Cr. funding received by us (a relatively young organisation in the sector) from the investors, even as the full impact of the COVID-19 still remains to be seen, is a testament to this.

As I conclude, I would like to pay my tribute to Mrs. Vijayalakshmi Das, or Madam Viji as I used to fondly call her, who left for her heavenly abode on February 8, 2020. She was a towering personality who had committed herself to the cause of women empowerment and financial inclusion. It is my strong belief that the commitment of the Indian financial inclusion sector towards women empowerment and other social issues is the result of the influence that Viji Ma'am had on all the institutions working in the financial inclusion space. Her death is indeed a great loss for the financial inclusion movement in the country. It is a personal loss for me. She had agreed to handhold SATYA and become a Board member when SATYA had just started. It will indeed be impossible for us to fill the vacuum left by her.

I am optimistic that the current crisis will bring out the best in us at SATYA and we will continue in our endeavour to fulfil our mission in the years to come.


Vivek Tiwari
Managing Director CEO & CIO

MESSAGE FROM THE BOARD



SUREKHA MARANDI

During the FY 2019-20, SATYA MicroCapital Ltd. achieved several important milestones pertaining to business growth and expansion of operations, thus not only achieving a Rs.1,000 Cr. loan portfolio but also acquiring a diverse spread to 22 states. It is heartening to note that the company is also gearing itself up to operate in these challenging times through greater digitalisation, which will enable it to empower more and more entrepreneurs from the underserved sections of society post lockdown, keeping into account the new normal for operating in these times.”



SANEESH SINGH

I am happy to note that SATYA has crossed a major milestone during the FY 2020 by having a portfolio outstanding of more than Rs.1,000 Cr. It is now serving more than 4.46 Lacs poor households with diversified financial products across 22 states of India. SATYA has been recognized as a pioneering MFI by the financial services sector which is evident from the various industry recognitions received by it during this year. Of particular mention, is its digital finance interventions at the grassroots. I wish SATYA all the best and hope that it will continue its work giving more families an opportunity to come out of poverty. I would also like to congratulate SATYA's leadership & staff on the fabulous teamwork and commitment to helping families free themselves from poverty.



CHANDANATHIL PAPPACHAN MOHAN

From the ringside view of an independent director, I have witnessed the meteoric, yet sustainable rise of SATYA MicroCapital Ltd., with great satisfaction and admiration. The key to its success includes an astute leadership which leverages frontline technology to significant advantage keeping itself ahead of the curve in operational efficiency. The company is well set on a growth path with its ability to attract both capital and talent. My special compliments to Team SATYA for its yeoman's social work in mitigating the sufferings of fellow beings in distress and hardship at times of need. I look forward to SATYA impacting large numbers of rural lives through its proactive operations.



SANJAY GANDHI

With the 3rd year of full operations, I am delighted to acknowledge that SATYA has fruitfully navigated the journey so far. Being awarded as the New Age Fast Moving MFI, SATYA, has grown & emerged as a young & fast-paced assiduous organization. SATYA has diligently moved closer towards injecting capital infusion to those nested at the bottom of the pyramid. Encompassing credible performance with technological advancements and the optimum use of digital infrastructure, it is no surprise that SATYA was honored as the MFI of the Year 2019. India is one of the fastest-growing economies in the world and SATYA, in the capable hands of Vivek Ji and his expert team, is determined to benefit from this growth momentum in best of its efficiency. Kudos to every member of SATYA for their dedication & working earnestly round the clock to ensure all the robust protocols are followed. Gojo wishes all members of SATYA the very best for their future endeavours.



NAVEEN SURYA

It is heartening to see the progress made by SATYA in the last fiscal year, full of accolades & achievements one after another. My heartiest congratulations to all for their contributions under the aspiring leadership of Vivek Ji. This creates more expectations from all stakeholders because we know how capable & smart you are to deliver and take SATYA to newer heights. F.Y. 2020-21 is completely unprecedented & never been dealt with before, so no past wisdom can be relied upon. Therefore, this is the time to show our collective talent, resolve and come out of this current situation with flying colours. This would need all of us to work very closely with most innovative and adaptable strategies, being extremely nimble to keep re-calibrating with the dynamic external environment. I personally have full faith and confidence in SATYA & know that even in this challenging year, we would come out successful!



RAHUL GUPTA

SATYA MicroCapital, during the financial year 2019-20, has shown steady growth, increased profitability, and strong risk control. I believe that SATYA's core strength lies in its usage of advance technology and human touch. Many of SATYA's customers who started with tiny businesses with the support of our group financing schemes have now become 'AtamNirbhar' and aiming to become entrepreneurs. During the last year SATYA, has earned many awards including MicroFinance Institution of the Year 2019. I wish Team SATYA, its Customers and shareholders the very best.



MUKUL JAISWAL

I feel pleased to be a part of this prestigious Microfinance Institution. SATYA received the award for Best Micro Lending (NBFC) at ASSOCHAM's MSMEs Summit twice-in-a-row now. This is indicative of adaptability, innovation, and resilience via which SATYA created a transparent, ethical, and compliant framework. By imbibing the advancements made via digitalization, SATYA's working results for the F.Y. gone by is spectacular, coming at a time when the entire industry is facing unprecedented challenges on multiple fronts. Extending my heartfelt congratulations to the committed SATYA Team, who under the visionary CEO and MD, Mr. Tiwari and his experienced Senior Mgt. Team rose & faced all the challenges brilliantly. I have no second thoughts that SATYA shall surely emerge as 'a one-stop' MFI in the nation as there are enough opportunities at the BoP for SATYA to surmount henceforth.



RATNESH TIWARI

SATYA witnessed impressive growth on both industrial & institutional front in FY 2019-20 by creating new norms in the financial inclusion terrain. SATYA's digital strategy, especially the cashless model, has served as a catalyst towards successful loan disbursement worth INR 1800 Cr.+ to over 4.5 Lac entrepreneurs. This benchmark has paved the way for a new age of microfinance operations, inculcating the crucial sense of digitalization & savings among the clients. Considering the synergistic teamwork, holistic business approach, and improved sentiments in the capital markets, SATYA successfully structured a more efficient operational structure. Our achievement of INR 1,000Cr. AUM served as a brave testament for the entire sector. At present, SATYA is at the leading edge of the microfinance services industry across the nation. It is precisely here that SATYA will play a pivotal role in the upliftment of the unreached section of the society with good foothold further.

MESSAGE FROM THE BOARD

TRIBUTE TO OUR BOARD MEMBER – LATE SMT. VIJAYALAKSHMI DAS (1951-2020)



Remembering the noble and gentle soul with profound grief; may Mrs. Vijayalakshmi Das rest in peace! Forever in our hearts you will stay, loved, and memorialized every day.

Our hearts fill with sorrow as we remember our esteemed Board of Director, Mrs. Vijayalakshmi Das, who left for her heavenly abode on February 08, 2020. It has been an absolute honour to have known such a great and humble person whose absence has left a void that can certainly never be filled.

Considered as the "mother of Indian microfinance", Mrs. Vijayalakshmi Das or "Madam Viji" to us, had been with SATYA right from its early days in 2017. She encompassed a vast ocean of knowledge and expertise and had dedicated her entire life for the upliftment of women through the model of microfinance and financial inclusion. She came forward and handheld not only SATYA, but also some of the biggest names in the Indian microfinance sector today, right from their antecedent periods.

We recall the huge impact she has had in incubating and facilitating SATYA at every phase of its institutional journey. It is like losing a kind-hearted mentor, who invested her concentrated and unwavering belief in people rather than the balance sheet. She stood out for several things as a human being but as a professional, it was largely for her clear-sighted, resourceful, and determined approach to risk-taking and the ability to nurture players in the micro-lending space.

Mrs. Das, a postgraduate in economics followed by advanced courses in economics from the Economic Institute, Harvard Institute for International Development and the Women's World Banking, USA, was featured in Business Today's list of the "Most Powerful Women" and shall always be remembered for her pivotal & commendable contributions for to the Indian microfinance industry.

She was passionate about building entrepreneurship among women thereby uplifting them not only monetarily but also helping them dream big and become self-reliant and self-sufficient. She was the founder CEO of the Friends of Women's World Banking (FWWB), India. FWWB, India, under her regime, thrived and became the first lender to provide credit supports to over 200 micro-lending institutions across the states of Ahmedabad, Andhra Pradesh, Tamil Nadu, and Karnataka.

SATYA has always considered Mrs. Das as a treasured Board of Director, and she shall forever hold this place in our hearts. SATYA family extends warm thoughts, prayers, and deepest condolences for the saddened demise and immeasurable loss of Madam Viji. She has left us with many good memories and we know that she continues to live on through her services and benefactions in the Indian Microfinance landscape.



TRIBUTE TO VIJI MA'AM – FROM THE DAS FAMILY

I write this on behalf of the entire Das family and would like to start by admitting that I cannot talk about my mother Vijayalakshmi Das in the past tense. Ever.

While our entire family continues to live in disbelief, including my seven year old son Kabir, I would like to take this opportunity to attempt keeping my grief aside and say that me and my younger sister Swati Das could not have asked for anything more in life.

Amma has been our foundation, our support, our banker, partner in crime, punching bag and our closest pal.

I remember when I was 12 years old and Amma was in Nairobi for a 15- day trip. I just wanted her to come back after 5 days and I put up a fit and lied whenever she made the ISD calls. And on day 7 she was back home, and I remember curling up to her and sleeping. She cut down her trip maybe because she felt deeply that I really wanted her back. And I wish that could happen all over again now. I still think this is a bad dream and I will have my mother with me advising me and playing with her grandson.

Our Amma was soft yet assertive and made sure me and my sister dealt with our own battles while keeping a close check and making sure she got our back when needed.

Our Amma the stunning woman from a small town called Cuddalore always believed that if women stood up for each other the world would be a better place to live in.

Our Amma whose naughty eyes and wicked sense of humour ensured that we would laugh a lot. Our Amma whose passport is a testimony of her love for travel and her passion for work.

Our Amma whose contribution to the world is so much that we sisters cannot achieve even half of it together.

A caring wife, a fantastic financial planner, a strong mother and an adorable grandmother who ensured that her grandson travelled with her and got her flair for numbers and Maths.

Not a single day goes by without thinking of her and that strange feeling in the gut kicks in as a reminder about not having her around. Our entire family was overwhelmed when people came from all over the country to offer prayers for her. We heard stories about her which were new to us. We met people from all walks of life who told us how she has changed their lives. People sent us fruits, rice, vegetables, oil and tea with notes saying that today they are in a better place because of her.

Despite her busy schedules she was always there for us. And she and Appa together have ensured that both of us had the best life ever and grew up to become strong individuals.

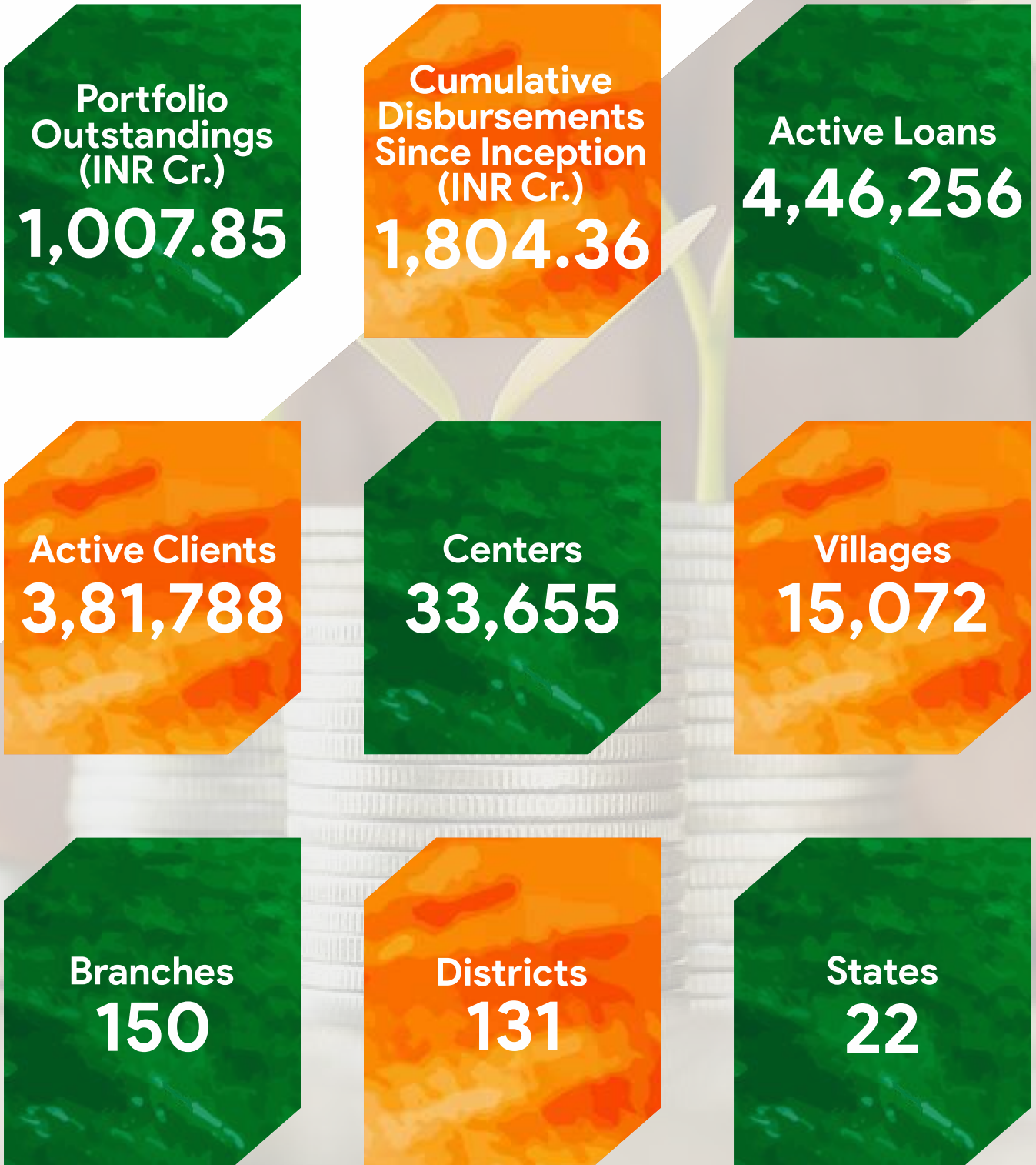
I would like to thank SATYA MicroCapital Ltd. for letting me pen down a few emotions. I could actually write an entire book about her daring attitude, her passion for women's rights and equality and love for her family.

Thank you all for being such an integral part of Amma's life.

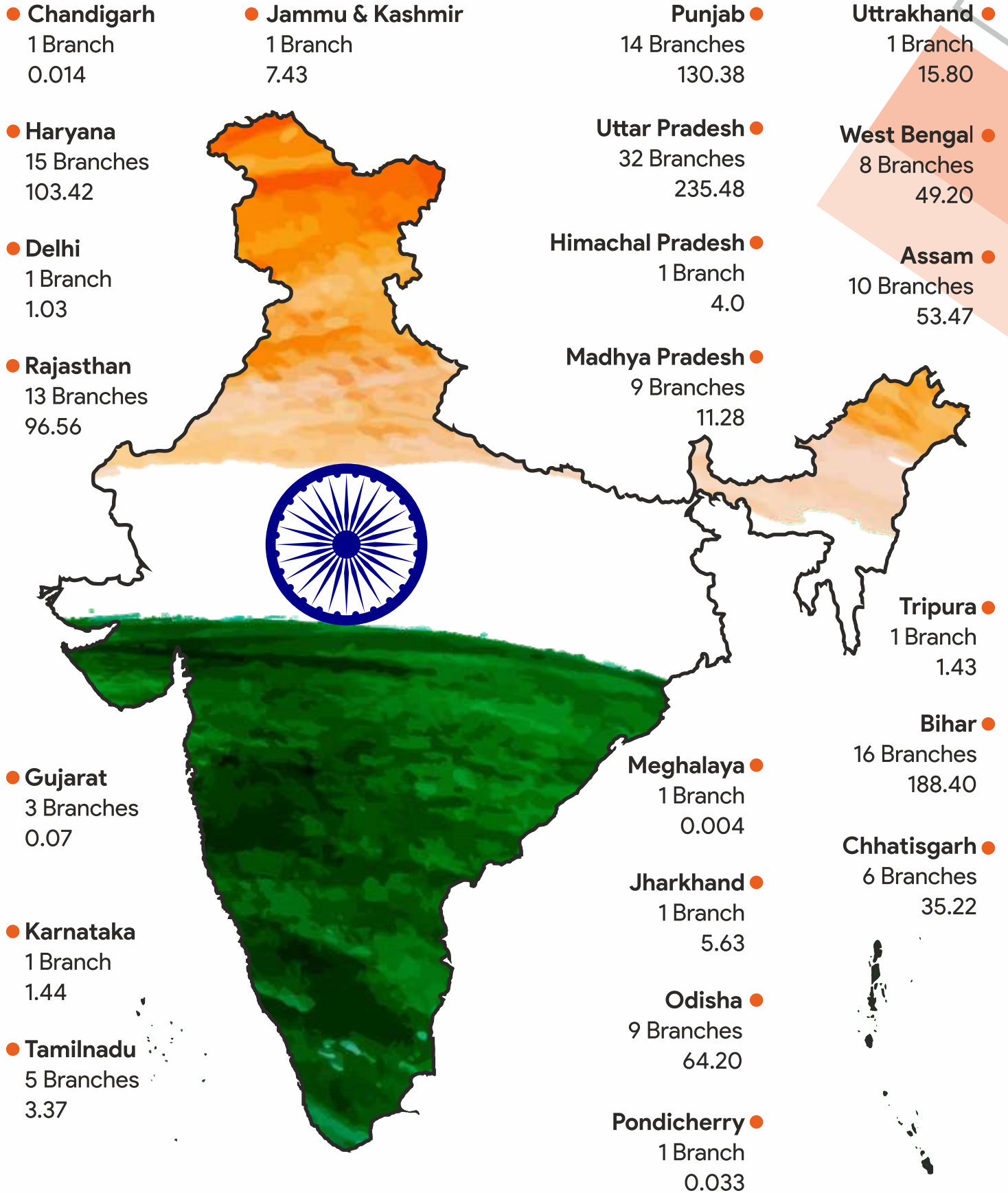
- Preeti Das on behalf of the entire Das family which includes Dr. Biswaroop Das, Swati Das and Kabir Das-Thakkar.

KEY HIGHLIGHTS

During the financial year 2019-2020, SATYA grew in leaps and bounds as it expanded into 8 more states, including union territories taking the total count of its Branch operations to a whopping 150 in 131 districts!! We are now present locally all across the country, proudly serving our 3,81,788 active clients through our committed workforce of 1,879 employees.



OUR PRESENCE (AS ON MARCH 31, 2020) (ALL FIGURES IN INR CR.)



CASTE-WISE HIGHLIGHTS

(AS ON MARCH 31, 2020)

(ALL FIGURES IN INR CR.)



AREA-WISE HIGHLIGHTS

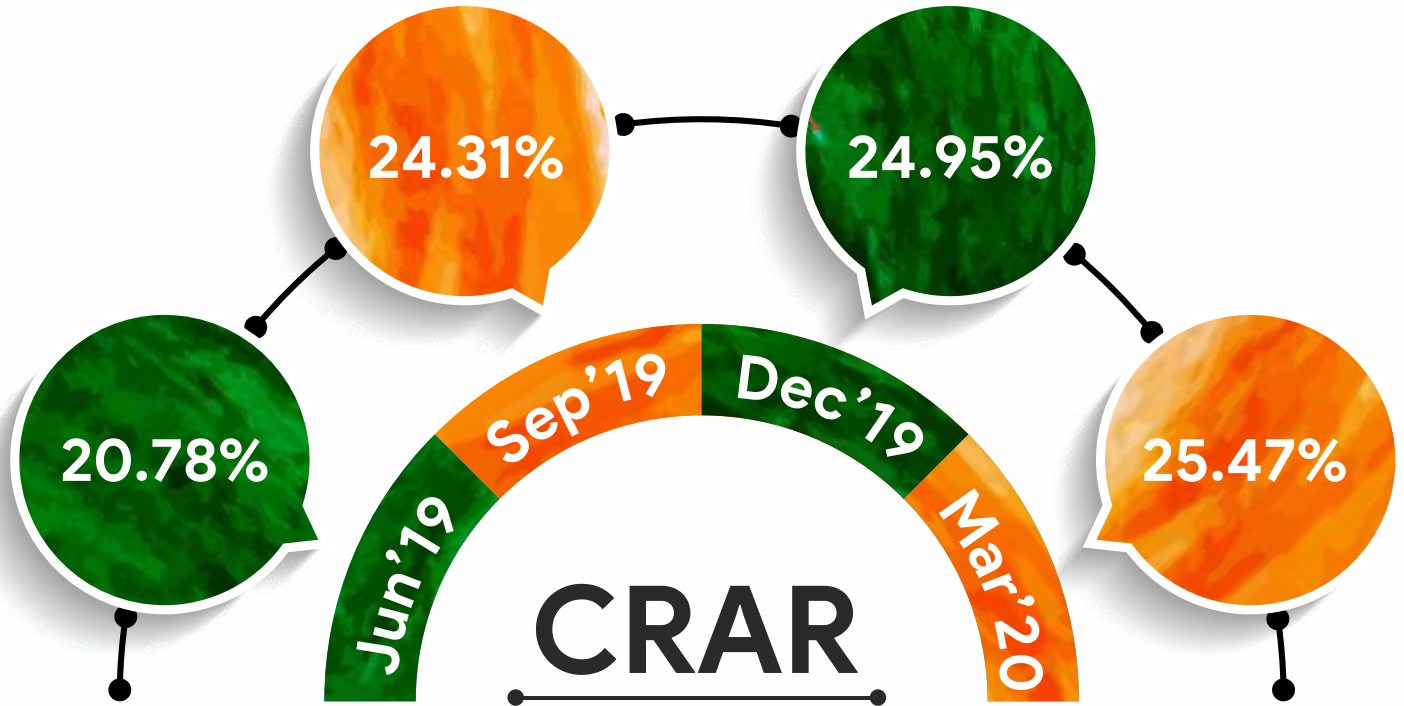
(AS ON MARCH 31, 2020)

(ALL FIGURES IN INR CR.)

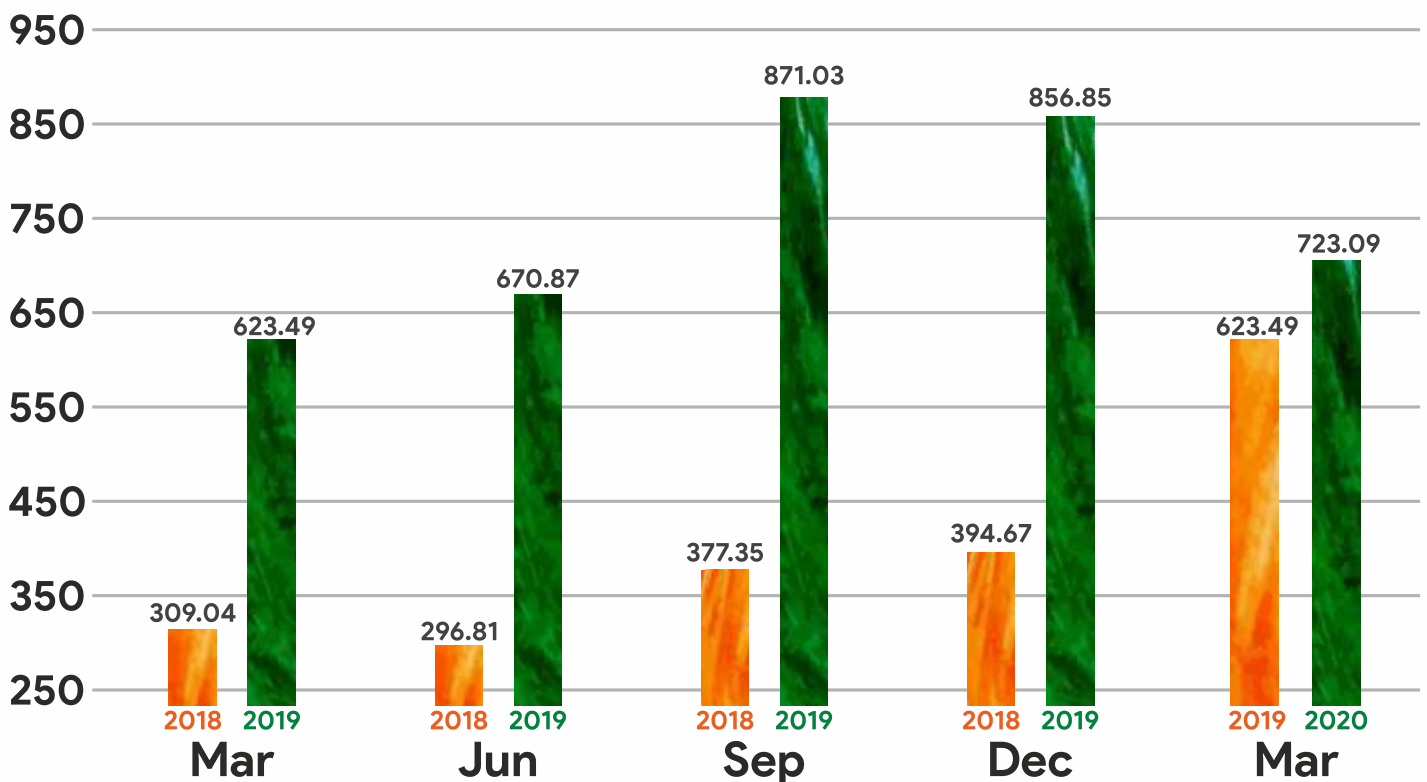


FINANCIAL HIGHLIGHTS

CRAR

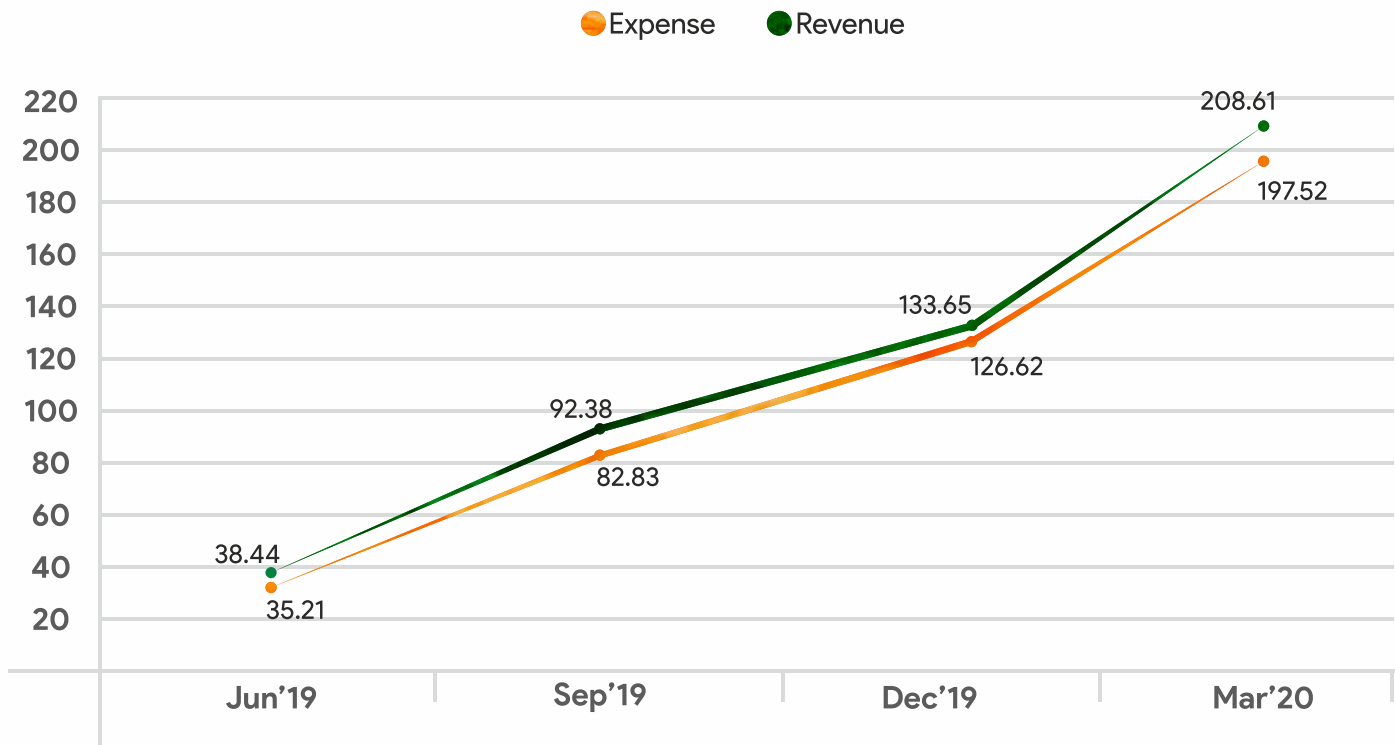


FUND RAISED - QUARTER ON QUARTER (INR CR.)

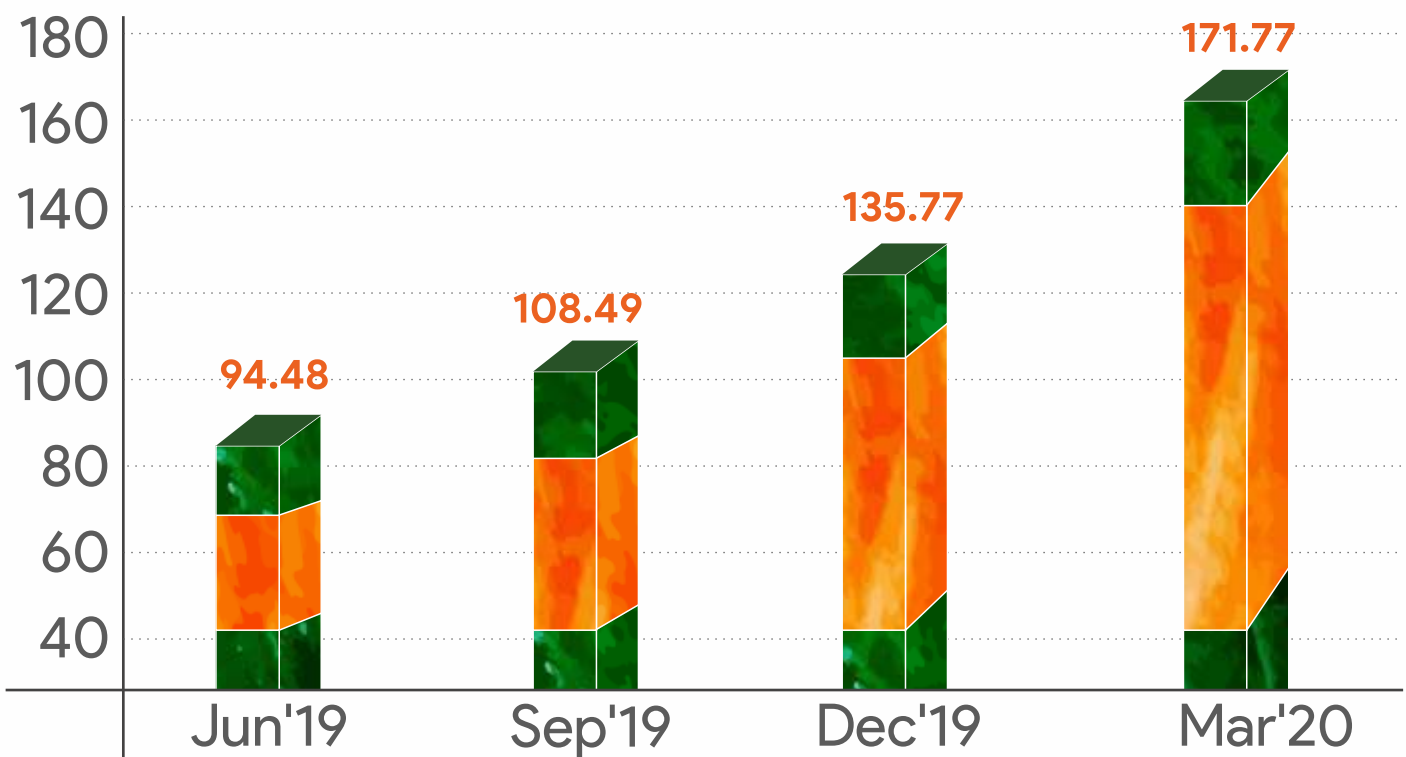


FINANCIAL HIGHLIGHTS

REVENUE VS EXPENSE (INR CR.)



NET WORTH (INR CR.)



PRODUCTS OF SATYA

- LIMITED LIABILITY GROUP LOANS
- CONSUMER DURABLE LOANS
- INDIVIDUAL MICRO LOANS
- EMERGENCY LOANS
- MICRO BUSINESS LOANS
- WATER & SANITATION LOANS
- BUSINESS LOANS



PRODUCTS OF SATYA

At SATYA, we constantly strive to provide the best of products to our customers. These products are designed with continuous innovations coupled with appropriate delivery mechanisms so as to cater to the varying needs of our valued customers. The following product information is as on March 31, 2020.



LIMITED LIABILITY GROUP LOAN

Loan Amount : Rs. 25,000 – Rs. 50,000
Loan Term : 2 years
Interest Rate (p.a.) : 22.99% - 23.99%

Processing Fee : 1.18% (Including GST)
Repayment Frequency : Bi-weekly/
Monthly

Processing Fee : 1.18% (Including GST)
Repayment Frequency : Bi-weekly &
Monthly

CONSUMER DURABLE LOAN

Loan Amount : Rs. 1,225 – Rs. 15,500
Loan Term : 1 - 2 Years
Interest Rate (p.a.) : 21.99%



INDIVIDUAL MICRO LOAN

Loan Amount : Rs. 45,000 – Rs. 80,000
Loan Term : 2 years
Interest Rate (p.a.) : 22.99%

Processing Fee : 1.18% (Including GST)
Repayment Frequency : Monthly

Processing Fee : 1.18% (Including GST)
Repayment Frequency : Bi-weekly &
Monthly

EMERGENCY LOAN

Loan Amount : Rs. 5,000 – Rs. 10,000
Loan Term : 1 Years
Interest Rate (p.a.) : 21.75%



MICRO BUSINESS LOAN

Loan Amount : Rs. 25,000 - Rs.2,00,000
Loan Term : 2 years
Interest Rate (p.a.) : 28%

Processing Fee : 2.36% (Including GST)
Repayment Frequency : Monthly

BUSINESS LOAN

Loan Amount : Rs. 5 lakhs - Rs. 25 lakhs
Loan Term : 2 - 5 years
Interest Rate (p.a.) : 21% - 23%

Processing Fee : 2.36% (Including GST)
Repayment Frequency : Monthly



WATER & SANITATION LOAN

Loan Amount : Rs. 25,000 – Rs. 50,000
Loan Term : 2 years
Interest Rate (p.a.) : 22.99% - 23.99%

Processing Fee : 1.18% (Including GST)
Repayment Frequency : Bi-Weekly/
Monthly

Note: Revised product information has been updated on our website: www.satyamicrocapital.com

LATEST PRODUCT ADDITION

HOSPICASH (DAILY HOSPITAL CASH BENEFIT INSURANCE)



SATYA launched its one-of-a-kind HospiCash Policy with the idea of safeguarding its clients and her co-applicant in times of unfortunate and exigent situations. HospiCash is a Health Insurance policy that provides the members a lump-sum amount in case of hospitalization due to any disease or accidental injury and the entire policy amount in case of the unfortunate death of the member or her co-applicant within the stipulated period of the insurance. Under this policy, the insured member can avail the benefit of hospitalization at any type of

hospital – Government or Private. The idea behind this Policy is to protect the daily earnings of our woman entrepreneurs from **potential high indebtedness** due to sudden hospitalization. Moreover, there should be no lacking in terms of their treatment at any hospital, therefore, SATYA has provided this facility so that better and timely support can be received. It also provides maternity benefit to our woman clients to further facilitate her during this period.

Through this unique policy, SATYA aims to be a 'one-stop solution' for its members during such exigent situations.

- If the Insured Person is Hospitalized in India or Hospitalized in an Intensive Care Unit (ICU) during the Policy Period for **“Medically Necessary Treatment of an Illness or Injury due to an Accident”** that occurred during the Policy Period, Insurance company will pay the **Daily Cash Benefit** specified in the Policy Schedule or Certificate of Insurance for each continuous and completed period of 24 hours of Hospitalization.
- **Accidental Death:** If the Insured Person suffers an Injury due to an Accident that results in the death of the Insured Person, Insurance company will pay 100% of the Sum Insured.

The HospiCash Policy by SATYA is offered in two ways, i.e., Group Hospital Cash and Group Personal Accident, the coverage details of which are enclosed below:

Group Hospital Cash & Group Personal Accident	
Particulars	Benefits
Sum Insured	INR 1000 per day
Benefit Days	30 days in 2 years
ICU Hospitalization	INR 2000 per day, 30 days in 2 years
Pre-existing Disease Coverage	All covered, Maternity is also covered
30 Days waiting period removal	No waiting period
1 Year waiting period removal	No waiting period
Accidental Death	INR 1 Lac per insured
Tenure	2 Years

SATYA's HospiCash Policy offers a wide range of daily hospital cash benefits for our clients and co-applicant at a nominal cost. The policy is comprehensive and robust and aimed to provide financial security.

LATEST PRODUCT ADDITION

MICRO BUSINESS LOAN



During the financial year 2019-2020, SATYA introduced Micro Business Loans (MBL) which is an Individual Loan Product for the growing Rural and Urban Entrepreneurs. Under the aegis of this product, we provide mature micro finance loans to entrepreneurs for scaling up their own businesses (new or existing).

The MBL product was launched with a huge unmatched demand existing from our rural and semi-urban markets. SATYA started

piloting the MBL product through few existing branches in January 2019. Encouraged by the market feedback, SATYA partnered with IDFC First Bank Ltd in a Business Correspondent (BC) relationship and started disbursing the micro business loan at a wider platform.

This product is targeted to fund entrepreneurs in Micro and Small business segments (Retailers, traders, small manufacturing units & service providers) for aiding them in their daily working capital needs and for new asset acquisition. The loan is offered only to individuals or sole proprietorship firms with the objective that funds would be deployed only for business requirements.

Key Benefits:

- No security/collateral required (only a post-dated cheque required)
- Low processing fees.
- Low Rate of Interest.
- Minimal paperwork
- Comprehensive Insurance coverage of loan available
- Door-step pick-up of documents

Key Product Features:

Loan Amount : INR 50,000 to INR 2,00,000

Rate of Interest : 21% - 28% Interest Rate Reducing

Processing Fee : 2% of loan amount + GST

Loan Tenure : 24 Months payable in equated Monthly Instalment

Prepayment Charges : 5% of outstanding Principal Amount + GST

Insurance Cover : 2% of Loan amount for covering family against unforeseen circumstances during loan period

Processing of Loan : Every MBL loan is processed within defined bureau checks, credit appraisal processes, cash flow recognition, residence/business ownership & reference checks

Despite its short stint, MBL team has accomplished the milestone of achieving 100% Repayments through NACH and has successfully accomplished a portfolio of INR 6.04 Crores by the fiscal year 2019-2020 end.

With the extremely positive response received by this product, SATYA plans to scale up the Micro Business Loan in the upcoming financial year.

TECHNOLOGY INFRASTRUCTURE

Technology, being one of the elements of the Soul of SATYA, is a strength and as well as an inspiration to innovate ease of financial support to our responsible clients and equipping correct reporting for improving internal and industrial standards of the sector.

At SATYA, we have always believed in augmenting productivity using technology. The use of the same enables us to continuously improve upon our processes through utilization of real time data for decision making, reduction in turnaround time of various processes and enabling us to move towards cashless and less paper operations. During the year, we have incorporated technology into most of our processes such as client application, credit appraisal, loan sanction, disbursement, loan collection & utilization for all our new loans, and HR MIS. In the client application and appraisal process, we are capturing the client details by fetching their data using QR Code from their Aadhaar Card / Election Card enabling us to conduct de-dupe check and integrated online Credit Bureau check. Location mapping is being done through **Geo-tagging** (capturing Latitude & Longitude). This aids in easy tracking of the center meetings, customer's house, and their business which results in efficacy and route mapping with an increase in operational efficiency.

A brief snapshot of the technical applications being used for our multiple processes:



JOURNEY TOWARDS LESS PAPER AND LESS CASH:



With the advent of latest and more sophisticated technology, SATYA has been able to facilitate and smoothen the repayment process for our clients. After having tested the waters for various options feasible to collect repayment collections digitally through Debit Cards (**HDFC-Ezetap**); **Aadhaar Enabled Payment System (AEPS)/ Aadhaar Pay**, after piloting several options in the market for cashless digital collections post biometric Authentication, finally we successfully implemented the **Online Integrated Digital Cashless Collection process through Aadhaar Pay** in our Business IT Application.



We are delighted to report that since inception we have collected **INR 500+ Cr. via Digital Transactions**. This is a landmark achievement in the entire micro finance industry and many MFIs have started following our path. This has further encouraged us to develop more robust systems to serve our clients in the most efficient manner.

We are amongst the first few MFIs to have implemented **National Automated Clearing House (NACH)-Mandate Management Process** to collect monthly instalments from IML/MBL clients wherein we have overcome the challenge of managing Post-dated-cheques for the entire tenure of the loan product. This is a faster and more accurate collection system where in each step is designed to provide ease in the user interface for our clients and adding to that, the corresponding and subsequent steps provide for a complete and a thorough process at the field level itself.

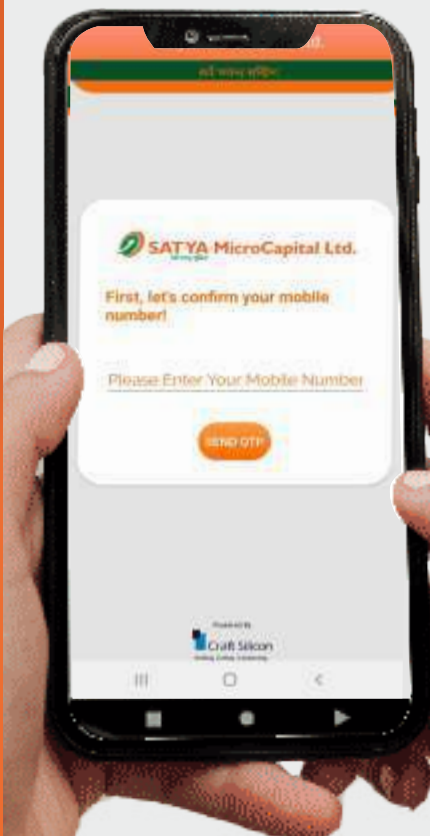
LATEST INNOVATIONS :

1) Customer-friendly Android based Client App – SATYA Client Connect

SATYA has launched the SATYA Client Connect Application (on an Android platform for now) for its esteemed clients to facilitate and additionally support them through an online medium. The Client Connect App, as the name suggests, is a way to “connect” with the client so that they can get all the important information & updates about their loans on a single platform in real time. This App can be accessed anywhere & anytime making the dissemination of vital information much easier.

With this idea in mind, SATYA's wide client base across the country will have access to the following information:

- Current Outstanding of the Loan: Balance Principal Amount
- Next Centre Meeting due: Date & Time
- Last Payment Details (Cash/ Cashless): Amount with date of payment
- Total Overdue: Amount overdue and the due date
- Direct Connect on Customer Toll Free No. with Auto dialing facility
 - Request for Next Cycle Loan or additional loan specially for Emergency Loan.
 - Pre-Closure Amount details.





2) Intra-Company Official Communication Platform - Workplace by Facebook

During our third Annual Day Celebration, an intra-office communication platform, i.e., Workplace by Facebook was launched. This was spearheaded with the idea of on-boarding the entire 1,800+ strong workforce of SATYA onto the application to ease out the process of official communication within various teams.

SATYA's Workplace Application and the Workplace Chat aids the users to:

- **Group chat & Facebook Office:** with unlimited users and complete control mechanism for limited user access along with validity of usage being linked to company domain.
- **Improvising the Work Culture:** Workplace combines next-generation technology and easy-to-use features to transform communications, culture and workflows inside organization/ department/ committees.
- **Two-way Communication within the entire Organisation:** thus, bringing everyone on the same page by seamless top-down communication and knowledge sharing through
 - ✓ News Feed to break down organisational silos
 - ✓ Get real-time feedback via likes, comments and reactions
 - ✓ Use live video for more immediate, direct and authentic sharing
- **Employee Engagement to drive culture:** SATYA gives more focus on its employees and not only technology. Workplace promotes openness, feedback and diversity to engage employees and drive the cultural change by:
 - ✓ Running Opinion Polls in Groups to get a quick pulse on people's buy-in across the country on specific company issues
 - ✓ Share live videos, webinars and articles for more efficient training; Connect new hires to the team (and each other) within specific departments or task force.
- **Software that gets better with higher usage:** Workplace combines the real-time urgency of instant messaging with more deliberate discussions in groups:
 - ✓ Get real-time responses in Workplace Chat
 - ✓ Use project groups for more considered conversations for limited period with automatic group getting dissolved
- **Increase adoption of existing work tools:** as Workplace connects to all of your current apps and its usage can actually boost the adoption of existing tools:
 - ✓ Easy deployment with one-click provisioning and single sign-on
 - ✓ Build custom integrations with Workplace service partners.

Over the course of 7-odd months since its launch, Workplace has proven to be a huge success for the entire team SATYA, with everyone engaging in it proactively & frequently; with effective and efficient results.





3) Mobile Data Management (MDM):

SATYA has deployed a combination of on-device applications, configurations and backend infrastructure, for the purpose of simplifying and enhancing the IT management of end user devices. The overall role of MDM is to increase device supportability, security, and corporate functionality while maintaining user flexibility. SATYA has implemented the MDM from Scalefusion (formerly Mobilock Pro) which has enabled us with the following control-mechanisms:

- **Simplify Kiosk Management:** Manage, control and secure company owned Android devices and securely distribute Applications and content across a wide range of mobile devices from the cloud by using Scalefusion Enterprise Store.
- **Remote Control Software for Android Devices with Voice Calling:** Solve Android device issues faster and reduce equipment downtime & travel costs with screen sharing, remote control and inbuilt voice calling features.
- **Unified Communication & Call Management for Enterprise:** Enable seamless but highly controlled communication with a single application across your organization.
- **Get Quick and Deep Insights into the complete Device Inventory:** is helping IT admins and decision-makers to take quick and effective actions as they stay updated and get a 360-degree overview of the entire device inventory.
- **Mobile Content Management (MCM):** remotely distribute and manage content on company-owned devices by using Scalefusion FileDock.
- **Workflows:** assists IT admins in automating & scheduling tasks and setting compliance alerts on managed devices, without complex coding & scripting by selecting a time and frequency for its execution.
- **Location tracking:** We can locate the device movement which can come handy in case of any theft incidence being reported in field.
- **Lockdown the Devices in Kiosk Mode** in case of device being lost
- **Lock Android Devices to Business Apps, Prevent Unauthorized Access & Limit Excess Data Costs:** Restricting users to specific websites and prevent access to android device setting and non-essential apps.

EMPLOYEE VOICES



Poonam Devi, Branch Head - Jammu

SATYA is not my first company but is definitely the best among all the organisations I have worked for so far. The work culture over here is not like other companies. Here, everyone is allowed to work freely to produce the best output. Our hard work and dedication is always appreciated & we get recognised for the efforts we put in through various awards and certificates. These compliments inspire us to do better. My seniors always guide me properly & encourage me. I am extremely happy to be working for a company like SATYA MicroCapital Ltd.



Mahatab Ali, Sr. EDO - Modinagar

When I had joined SATYA, I was still a fresher & a complete novice in the field of Microfinance as my educational background had been in Agriculture. Despite initial apprehensions, I joined SATYA after completing my training. SATYA disburses loans to families who live below the poverty line in addition to providing employment opportunities to individuals who are unemployed. It is a highly appreciated social work that reduces unemployment. Unlike other companies, SATYA does not consider its staff as just an employee but as a part of its family. We are encouraged to share our happiness and sorrows with our seniors & sometimes even directly to our beloved MD Sir (Vivek Tiwari sir). This further motivates me to work diligently and provided a career direction to me to continue to do my service in social work. I am proud of myself that I am contributing to the society by working at SATYA.



Anupam Kumari, EDO - Bihta

Before joining SATYA, I was working in a school & additionally taking home tuitions to supplement my income. I used to earn around Rs. 7,000 per month which was causing me great distress as I was not able to properly run the expenses of my household. Joining SATYA has changed my life completely. Not only in the monetary aspect, where today I am able to earn much more and even save for my future but also in learning new skills and exploring my own potential. I feel great joy in working for a company like SATYA.



Sanjay Sharma, Sr. EDO - Karnal

I have been associated with SATYA for three years now. I have learnt many things here - A new society, noble people, new experiences have all helped shape the person I am today. SATYA is an organization that is dedicated to bringing a new hope in the economic life of the people at the lower sections of the society, it promotes employment and entrepreneurship. Through the organisation's efforts we can reduce the increasing unemployment in the society and help the domestic women engage in micro businesses like embroidery - weaving, sewing etc. to make them self-sufficient. SATYA is an organization that takes special care of its customers as well as its employees. Therefore, I can say that SATYA is a social, safe, all-encompassing institution. I am very happy and safe working here. It is the best institution to make our country a successful economy.

SATYA'S RESPONSE TO COVID-19

(FOR THE PEOPLE AND FOR THE COUNTRY)

Outbreak of COVID-19 in Wuhan, China has engulfed the whole World. Declared a pandemic by the World Health Organisation, it has been an alarming situation where aftermath of this pandemic is growing exponentially, and various attempts are being made to develop a vaccine for the same.

Currently, more than 10.8 million cases are recorded in over 204 countries leading to death of more than 5.19 lac people. The message from the World Health Organization is unequivocal – humanity's success in combating corona virus is heavily dependent on the forthcoming actions that organisations take to downturn the outbreak and overloading of health care systems.

One crucial challenge is how to execute measures like isolation, quarantine, social distancing and lock-down amidst these troubling times. To dispel the myths and provide a basic understanding of public health measures regarding the pandemic, SATYA is stalwartly working towards the safety of their nationwide clients and employees. It is an ardent symbol of commitment of an organisation towards their people to ensure that all service commitments are met conscientiously despite all detriments.

Being a socially responsible MFI, SATYA is integrally committed to provide necessary support for combating COVID-19. Mr. Vivek Tiwari, MD, CEO & CIO - SATYA, along with the Board of Directors, Sr. Management, and the entire Team, has taken a set of initiatives, best practices, measures & guidelines for the underserved clients, employees, and their families.

Such initiatives and practices are integral to minimise the risk of COVID-19. SATYA's approach encircles abundant caution, with highly appreciated response rate and collective sense of responsibility.

1.) SATYA'S EMPLOYEES' CONTRIBUTION TO PMRF

Team SATYA is pleased to contribute one day's salary to the PM's fund as well as the CM's relief fund across various states. The total contributed amount was INR 21 lacs apart from INR 5 lacs donated to District Magistrate, Sultanpur, Lucknow.

2.) FOOD & HEALTH KIT DISTRIBUTION PROGRAMMES



A food distribution programme was organised at Varanasi – Allahabad Highway wherein 1,500 food items were distributed to students, labours and other coming from different locations viz. Delhi, Punjab, Rajasthan etc amidst the ongoing lockdown. These people were travelling to their native places in UP East, Bihar, and Jharkhand.

Another food distribution programme was organised wherein 900 underprivileged residents of Mirzapur village were supported with food items. Additionally, 150 people were provided with health kits containing hand wash, soap, and hand sanitizer.



3.) DIGITAL OPD (FREE MEDICAL SUPPORT) FOR SATYA EMPLOYEES, CLIENTS AND THEIR FAMILY MEMBERS

SATYA
 SATYA, in collaboration with HealthAssure, is offering a free-of-cost Medical Consultation for its esteemed Clients, Employees and their Families. This service can be availed by simply calling on a Medical Care Number : **022-61676670**, as per the convenience of the caller, to seek medical consultation for their day-to-day health needs as and when required.

सत्या माइक्रोफिनटेक, हेल्थ एश्यर के सहयोग से, अपने प्रिय ग्राहकों, कर्मचारियों और उनके परिवारों के लिए मुफ्त चिकित्सा परामर्श की सुविधा लेकर आया है। इस मेडिकल केयर नंबर पर कॉल कर अपनी सुविधानुसार कॉल करके, प्रतिदिन की स्वास्थ्य आवश्यकताओं हेतु चिकित्सा परामर्श ले सकते हैं।

022-61676670

How can I Book an Appointment? | अपॉइंटमेंट कैसे बुक करें ?

- Call on Medical Care Number: **022-61676670** from your Registered Mobile Number.
- अपने पंजीकृत मोबाइल नंबर से मेडिकल केयर नंबर पर कॉल करें: **022-61676670**
- Share your desired Date & Time with the executive on call for the Free Medical Consultation Appointment with the Doctor.
- डॉक्टर के साथ नि:शुल्क चिकित्सा परामर्श हेतु, कॉल पर कार्यकारी के साथ अपनी सुविधानुसार एक उपयुक्त दिन व समय तय करें।

Note: If the desired date & time is unavailable, the executive will suggest a date & time as per the doctor's availability.

आप 24 घंटे सतत चिकित्सा सेवा प्राप्त कर सकते हैं, जो अपनी डॉक्टर की उपलब्धता के अनुसार एक दिन और समय सुझाएगा।

- BINDO!** Your Appointment has been Booked!
- सत्यावादा! आपका अपॉइंटमेंट बुक हो गया है।

*You will receive a Reminder Call/SMS on your Registered Mobile Number 4-24 hrs prior your confirmed appointment timeslot. Once, the call is over the Prescription shall be shared by the Doctor via SMS containing the URL link on the registered mobile number along- with the Login credentials for downloading the prescription.

*आपको अपने पंजीकृत मोबाइल नंबर पर, बुकिंग किए गए नियुक्ति समय के 4 से 24 घंटे पहले, एक अनुमतिपत्र कॉल / एसएमएस प्राप्त होगा। जैसे ही नियुक्ति समय पर आपकी कॉल टाइमर से हो जाती है, उसके बाद एक्सप्रेस के माध्यम से आपके पंजीकृत मोबाइल नंबर पर एक URL लिंक भेज दिया जाएगा, जिसमें डॉक्टर की URL के साथ ही लॉग-आउट करने के लिए अभिनव की जानकारी भी होगी।

Important Information | महत्वपूर्ण जानकारी:

- Rescheduling/Canceling Your Appointment:** You can reschedule/cancel your appointment at any point of time as per your convenience by calling on Medical Care Number: **022-61676670** from your Registered Mobile Number.
- अपॉइंटमेंट का पुनर्विचार / रद्द करना: आप अपने पंजीकृत मोबाइल नंबर से मेडिकल केयर नंबर: **022-61676670** पर कॉल करके अपॉइंटमेंट को अपनी सुविधा के अनुसार किसी अन्य समय पर रखा या रद्द कर सकते हैं।
- Appointments can be booked via call from **09:30am - 07:00am** on all days except national holidays & Sundays.
- अपॉइंटमेंट: राष्ट्रीय अवकाश और रविवार को छोड़कर, हर दिन सुबह **9:30 के बाद 7 बजे** के बीच कॉल के माध्यम से बुक किया जा सकता है।
- The desired date & time of appointment can be anytime during 24 hrs of the day during the entire week.
- अपॉइंटमेंट की तारीख और समय पूरे सप्ताह में दिन के 24 घंटे के दौरान कहीं भी हो सकता है।

For further queries, please write to: support@healthassure.in
 अन्य जानकारी के लिए, हमें ईमेल ID पर e-mail करें: support@healthassure.in

Disclaimer: Any medicine prescribed by the Doctor will be based on the health issue shared by the caller & given responsibly at the discretion of the Doctor.

अतिरिक्त, डॉक्टर द्वारा कहीं भी भेजे गए दवाइयों का उपयोग केवल तब तक करना चाहिए जब तक कि डॉक्टर को भेजे गए कॉल के आधार पर ही दवाइयों की आवश्यकता हो।

Apart from endangering human lives, the outbreak of the Corona virus has also induced widespread panic and rumours regarding the epidemic. It has drastically affected the marginalised section across the globe. With national economy countering a slowdown, underserved communities living below the poverty line are struggling for basic essentials services - food, shelter, sanitation, and health services. Government has made significant efforts to ensure access to preventive and curative medical assistance to the large population of the county. However, those nesting in the countrywide terrains often confronted with respect to awareness, accessibility, and affordability to avail timely medical assistance.

SATYA launched this digital platform, a free-of-cost telephonic medical consultation initiative in collaboration with HEALTH ASSURE, to provide free telephonic medical consultation to its 4 Lacs+ underserved clients, 1700+ employees and their family members bestowing the backing to approximately 25 Lacs+ people in the country. All clients and concerned people are informed via text messages to avail services through medical counselling platform. This was initiated to facilitate easy consultation from a doctor over calls about any symptoms they might be experiencing or to gain insight pertaining to virus and the much-needed precautions. This has fostered awareness within the large clientele of SATYA and has also reduced the burden on the domestic medical infrastructure by these families.

To seek medical consultation via this service, the caller has had to dial a toll-free Medical Care Number: 022-61676670,



SATYA employees have played a pivotal role in extending this service to grassroots, where efficient demonstrations were given to each client on how to access SATYA Free Digital OPD support along with collecting their feedback on the services.

Voices from the grassroots:

1. Post her delivery, Ms. Fuljahan, a client of SATYA from Bihar was experiencing acute abdominal pain and due to lockdown, she was unable to visit the district hospital. Due to the absence of a good gynaecologist in Siwan, she shared her problem with SATYA's EDO. She was informed about SATYA's Free Digital OPD support. This information served as an immediate relief to her. She immediately accessed the service and received the telephonic consultation from the gynaecologist with medical prescription. All the prescribed medicines were available in nearby medical stores and indeed worked well for her.

“My experience with SATYA’s Free Digital OPD support was really good. I would like to thank SATYA for providing help when I needed it the most.” – Ms. Fuljahan, Siwan - Bihar.

2. Ms. Puja Rani, a client of SATYA lives in Gorchhi village of Hisar, Haryana with family. She was quite worried about her younger daughter Riddhi who was then suffering from intestine infection and because of lockdown initiated due to COVID, she was unable to visit the doctor. She also tried to contact the doctor via phone, but was denied telephonic conversation. Upon receiving SATYA's message regarding its Free Digital OPD support, she was relieved and instantly accessed the service wherein she could consult the doctor. With the medicines administered, her daughter received timely support and relief.

“I really liked SATYA's free digital OPD support , where the doctor consulted me very nicely over the phone about my daughter illness. Thank you SATYA for helping my daughter get better even in these turbulent times.” – Ms. Puja Rani, Hisar - Haryana.

3. Ms. Jyotshna Rui Das, 35 years old SATYA's client from Taltor Village, Asansol, West Bengal and her son were suffering from fever. To ease the fever, they opted for self-medication which did not yield any relief. During the same time, she got to know about SATYA's Free Digital OPD support. She availed the service to receive medical consultation. With timely prescribed medicines, she and her son were able to recover quickly.

“SATYA Free Digital OPD Support is undeniably a good step by the company in the current crisis because we have limited health services in our village, and we can't go to cities for the treatment. This platform not only addressed my health problem but also made me aware about the risks associated with COVID-19.” – Ms. Jyotshna Rui Das, Asansol - West Bengal.

4.) REPAYMENT MORATORIUM FOR SATYA'S CLIENTS

The COVID-19 pandemic has distressed the regular flow of life and day to day chores. People at the Bottom of the Pyramid have their own share of amplified struggles. For an organisation working with the underserved & underprivileged population, SATYA is conscious of the magnitude of obstacles our clients are facing due to COVID-19. SATYA is committed to helping our clients and employees at this unprecedented time of uncertainty.

Fathoming the limited cashflow available with our clients, and the shock associated with temporary closing of businesses due to the pandemic, complying with the directions as given by the RBI, SATYA made a decision to place a moratorium on the loan instalments from March 01, 2020 – August 31, 2020,

encouraging the clients to use their savings for meeting their household expenses. Going a step ahead, SATYA also halted the collections for an intermediate period of 20 days to further show its support for the clients and their establishments.

Furthermore, financial aid has also been announced for the clients and their families during COVID-19 lockdown.

5.) PREVENTIVE KITS FOR EMPLOYEES

Well before the declaration of country-imposed lockdown, SATYA started delivering the prevention kits for all employees in 151 branches of various states to curb the transmission of COVID-19 within our workspaces. The Kit includes Hand Sanitizers, Hand Washes and Face masks. A total of 1,500 plus employees have been equipped with preventive kits by SATYA. In line with the same, **Homeopathic Medicines** were also distributed to all employees for immunity boosting.



6.) PERSONAL PROTECTION AND FACILITIES CLEANING, SANITIZING FOR EMPLOYEES



Work-From-Home has been allotted to employees at the high-risk geographical locations as directed by the Govt. For the locations, wherein normal duties have been resumed, installation of contactless hand sanitizers has been done. Proper cleaning & sanitization of the office premises is being done multiple times a day as well as precautionary measures like usage of face masks & gloves are being taken to ensure cleanliness & health safety across the company. Few of the other precautionary measures undertaken by SATYA are enumerated below:

- Mr. Vivek Tiwari, MD, CEO & CIO - SATYA, maintained a constant touch with the entire team through his regular **SATYA Samwad**. He continued to encourage the staff and provided crucial inputs on the prevention of the disease and ensured that the operational channels remained active.
- From early March'2020 - Employees were instructed to not travel either internationally or domestically.
- **Practicing social distancing** (including non-physical greetings), hand hygiene (especially after handling cash) during client meeting & communication, in office and field premises; promoting cashless transactions and engaging in less cash transactions became mandatory.
- Use of proper **masks and hand sanitizers** after every meeting.
- Maintenance of proper hygiene in branches and dormitory premises. Instructions to clean various places of dormitory and branches such as kitchen, bathrooms, under the beds etc. clean beds, wash bed sheets along with other items regularly.
- Paid leaves granted to any staff feeling unwell. Self-Isolation was promoted among employees if someone suffered from cold or flu-like symptoms.
- Abstinance from meetings, conferences, or events of more than 20 people.
- Application of alcohol-based hand sanitizers or proper hand washing while entering Branches or Dormitory
- Field employees were directed to connect with customers via phone during their meeting schedule or as per convenience of clients.
- **Online training programs** were launched on official communication portals for field officers.
- SATYA announced to provide **financial support** for any employee diagnosed with COVID-19.
- Team SATYA donated their **one-day's salary to the Prime Minister Relief Fund**.
- Office information and regular updates were timely given by HO through digital platforms. Disseminated awareness materials through various media channels.



7.) CAPACITY BUILDING

Following the lockdown rigorously and using this period to develop the potentials and skills of the entire workforce, SATYA focused on capacity building of its staff members across the country. Frequent training programs are conducted periodically, concerning relevant products, processes, and policies through video conference applications. Also, through SATYA's training application, training teams are conducting regular tests of diverse subjects related to organizational operations.

Through these periodical online trainings, interesting activities, videos, quizzes through our intra-communication platform, a thorough skill building is being initiated so that the staff can use this period to enhance their knowledge and other professional & personal capacities.

8.) CLIENT TOUCH POINTS

With the onslaught of this pandemic, the poor remain most affected and hence, the rumours and fake news pertaining the epidemic spikes fear and confusion. At this time, SATYA is maintaining regular contact with clients, hearing their woes, increasing awareness about the situation, clarifying their doubts, comforting and ensuring them that SATYA as a family and as an organisation is standing with them and together we will overcome this predicament. This was done by keeping a constant follow-up with our clients over telephone (during the lockdown period) and through regular centre visits (post lockdown), to assure them that SATYA stands with them during these troubled times and they can contact the staff for any queries and questions they might have regarding their loans and/or COVID-19.

8.) MARKETING & COMMUNICATION

The Marketing and Communication Team has been actively involved in the dissemination of important updates, crucial information & preventive tips regarding the COVID-19. Since early March 2020, with onset of Coronavirus, SATYA ensured that all the employees as well as the general public with an access to company's social media, is informed about the various aspects of the COVID-19 through creative illustrations, mailers, news articles (both digital & print), videos (both English & Hindi languages) and the like.

1.) Creatives shared on Social Media on Initiatives taken for COVID-19 Awareness:





Friday, 3 April 2020 ISSUE - 07

SATYA सर्वे भवन्तु सुखिनः

As a socially responsible MFI, SATYA is integrally committed to provide necessary support towards various relief measures announced by the Government to combat the fallout of COVID-19 crisis. For the same, Team SATYA has pledged to donate one-day's salary (and for some even more) for this philanthropic cause. The company has added a quantum sum to match the donation amount & we are contributing & sending it to the PM Cares Fund as well as the CM's relief funds across various states thereby playing a small role towards safeguarding the health and safety of the humankind dwelling within the country borders.

I believe that in the face of this unprecedented crisis, we should stand together & do the best of everything in our individual or civilized capabilities to support the needy people at the bottom of the pyramid. This is not only in terms of monetary support but in every aspect concerning to food, clothing, shelter, medicines & even psychological support – in whatever capacity we can render!

Having said that, in doing so, we shouldn't forget about our own safety as we need to comply with what the nation demands from us right now, i.e., to stay at home, be well-versed with the preventive measures, practice social distancing and keep ourselves & others safe & healthy!

Let's stand together to #StopCoronaVirus.

#CEOSpeaks

For any information regarding SATYA news
Mail us at marketing@satyamicrocapital.com

SATYA MicroCapital Ltd.

COVID-19 (Coronavirus Disease 2019)

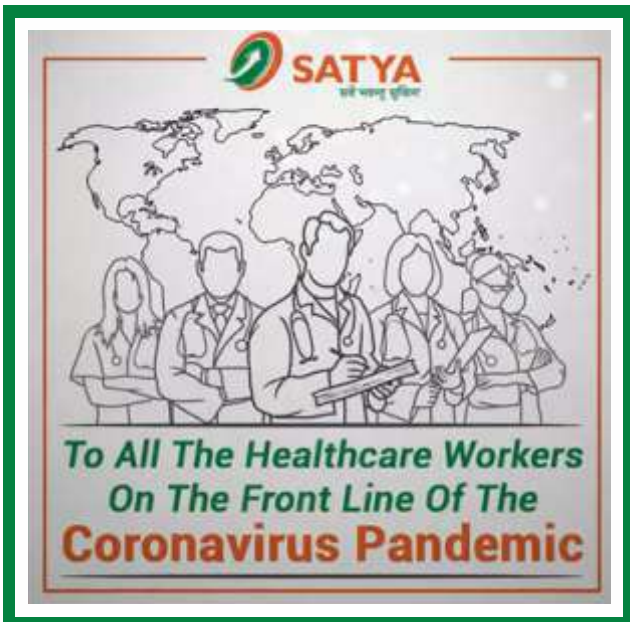
PRACTISE GOOD PERSONAL HYGIENE

WASH your hands regularly with soap and water.

AVOID touching your face with your hands.

8 STEPS TO CLEAN YOUR HANDS

1. Palm to palm
2. Between fingers
3. Back of hand
4. Base of thumb
5. Back of fingers
6. Fingertips
7. Wrist
8. Rub and rub dry



SATYA
सर्वे भवन्तु सुखिनः

Let's break the chain & prevent the Spread!
Stay Safe from COVID-19 & **Work From Home.**

Be Safe! Keep Others Safe!

SATYA
सर्वे भवन्तु सुखिनः

LOCK
But Not
KNOCKED DOWN

SATYA MicroCapital Ltd.
सर्वे भवन्तु सुखिनः

Novel Corona Virus (COVID-19)
Brief Introduction, Symptoms, Suggestions & Important Information

Source: World Health Organisation (WHO)

Team SATYA Pledges to Stay at Home

Use Hand Sanitizer Use Face Mask Stay At Home

Your Safety is in your Own Hands. Keep your Family, Society & Nation Safe.

SATYA
सर्वे भवन्तु सुखिनः

Request You All to Switch Off all the Lights in your House & Light Up Diyas, Candles or Mobile Phone Torches **AT 9 PM FOR 9 MINUTES TONIGHT.**

Let's Stand Together & End the Darkness of the COVID-19!

#TeamSATYAAgainstCorona #IndiaFightsCorona

SATYA
सर्वे भवन्तु सुखिनः

JANTA CURFEW
For the People. By the People. In the Interest of the People.

Let's Pledge to Follow the #JantaCurfew & Practice #SocialDistancing
Stay at Home From 7:00am to 9:00pm on 22nd March 2020.

Please Stay At Home
#SocialDistancing #SATYAAgainstCorona #StaySafeWithSATYA

NOTE :
Please spare 5 minutes at 5 pm tomorrow (22/03/2020) to appreciate and encourage the people working in essential services by standing in your balconies and clapping/ ringing bells/ banging utensils.



OVERCOMING COVID



Bhagmeti Devi
– Roses in the battlefield

Bhagmeti Devi never thought that a situation would come in the nation where the entire economy would come to a halt. She is an 8th standard pass, rural entrepreneur who lives in a small village of Chuhari in Bettiah, Bihar. She lives in a joint family with her husband and four children. Because of poor economic conditions, she could not study further and got married at a very young age. But, being the fighter she is, she never stopped dreaming and decided to fulfil the aspirations of her children.

She learnt tailoring and post course completion; ran a small business, taking up local work. She had taken a loan of INR 35,000 from SATYA for further expanding her tailoring business. With the passage of time, her business

started running well and she started training other women and girls in the village. This enabled her to help her husband provide for a better education for their children. Life was going smooth and she could earn up to INR 10,000 per month.

But the sudden nation-wide lockdown devastated her and somewhere, she could see that her dreams were going to diminish.

After few days, an opportunity knocked at her door where her group members proposed an idea of stitching face masks and selling it to government bodies or nearby medical shops. So, along with her group members, she moved forward with this business idea.

Today, Bhagmeti Devi is making 100 masks a day and can earn more than INR 600 per day specifically from making and selling masks. She is quite happy and satisfied with her new business because she says that she is not only fulfilling the dreams of her children but also contributing towards a noble cause. She also distributes masks free-of-cost to any needy people in her village and guides them about its usage.

Bhagmeti is planning to continue her business even after the lockdown is lifted. Talking about the significance of masks, Bhagmeti says, “face masks are really important to ensure the safety of people. I'm glad that in my own little way, I can help people in my village. I'm very thankful to SATYA for all the support they are providing to us amidst COVID 19.”

In a small rural village of Kamrup district of Assam called Mirzapur, **Babita Das**, a 35-year-old young woman entrepreneur, lives with her husband, Mother in Law and two daughters.

Although she stands unaware about the current economic situation in the country, she is still running a cost-effective livelihood to conquer the fight of COVID 19.

Six months back, Babita Das took a loan of INR 29,000 from SATYA for the expansion of her beauty parlour business. Everything was going well wherein she was single-handedly running a full-fledged beauty parlour along with a small-scale garment business. She was able to earn an income of INR 20,000– 25,000 per month and was easily supporting the educational aspirations and dreams of her two daughters.



Babita Das
- Every cloud has a silver lining

Due to a sudden nation-wide lockdown, she was compelled to closed her businesses and her husband also became jobless. Their daily cash flow of approx. INR 1,000- 1,200 came to a sudden halt, which forced them to survive upon their savings. She became extremely worried about the repayment of loan EMIs due to the lockdown scenario.

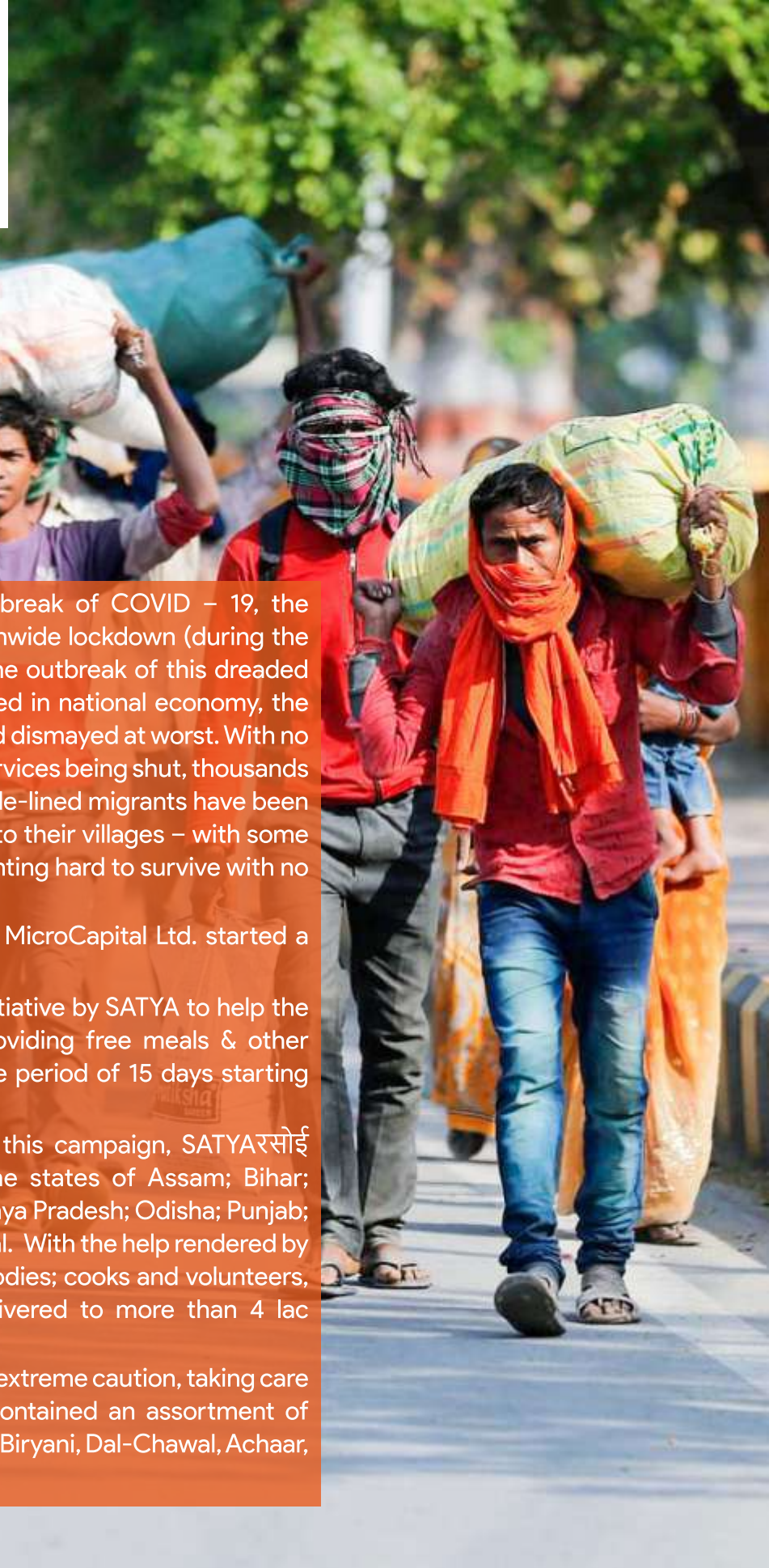
A ray of hope entered her life when she got to know about SATYA's moratorium relief for its clients. Once she was assured by SATYA's staff that she need not pay any EMIs for a period of 3 months, she invested her energy on finding safe income opportunities within the village. With her resilience and ingenuity overpowering all odds, she turned the most simple yet essential resources into a business opportunity!

Babita and her husband procured vegetables from a big vendor in the nearby market and started supplying vegetables in their village. They have started collecting some of the seasonal vegetables from their farmland and through a safe & secure distribution mechanism, they are meeting the demand of their local village folk. In this way, Babita has increased her family's income along with ensuring that fellow villagers need not visit the local town which may increase the risk of infection.

This small intervention has brought happiness in her life again. She is able to earn INR 500-600 per day and is able to save money for her household needs in these challenging times. She is also thankful to SATYA for the timely assistance during the current crisis to her and other clients. Babita is inspiring many other rural women to grab the untapped opportunities in her village to create a secure financial backing for themselves.

SATYA रसोई

Meal For Migrants

As the whole nation is hit by the outbreak of COVID – 19, the government of India announced a nationwide lockdown (during the latter part of March 2020) to combat the outbreak of this dreaded virus. Owing to the constant jolts created in national economy, the migrant population stands dislocated and dismayed at worst. With no jobs and money, public transportation services being shut, thousands of homeless, daily wage laborers, and side-lined migrants have been forced to travel hundreds of miles back to their villages – with some dying during the journey, while some fighting hard to survive with no accessibility to food and shelter.

Amidst these challenging times, SATYA MicroCapital Ltd. started a campaign to feed those in need.

SATYA रसोई - #MealForMigrants is an initiative by SATYA to help the struggling & displaced migrants by providing free meals & other required sustenance for an intermediate period of 15 days starting from May 17, 2020 to May 31, 2020.

Throughout the course of 2 weeks of this campaign, SATYA रसोई spread out across 35+ locations in the states of Assam; Bihar; Chhattisgarh; Haryana; Jharkhand; Madhya Pradesh; Odisha; Punjab; Rajasthan; Uttar Pradesh and West Bengal. With the help rendered by a vast network of local administrative bodies; cooks and volunteers, fresh meals & relief packets were delivered to more than 4 lac migrants.

All the relief packets were prepared with extreme caution, taking care of hygiene and nutrition value which contained an assortment of items like Water bottles, Poori-Sabzi, Veg Biryani, Dal-Chawal, Achaar, Biscuits, Toffees & Frootis.

Right from Day-1, i.e., May 17, 2020, we organised a social media campaign through our Facebook portal and kept everyone apprised about the day-to-day activities of the 'Rasois'. Daily updates were shared regarding the locations covered; relief packets distributed and experiences and stories of the migrant labourers.

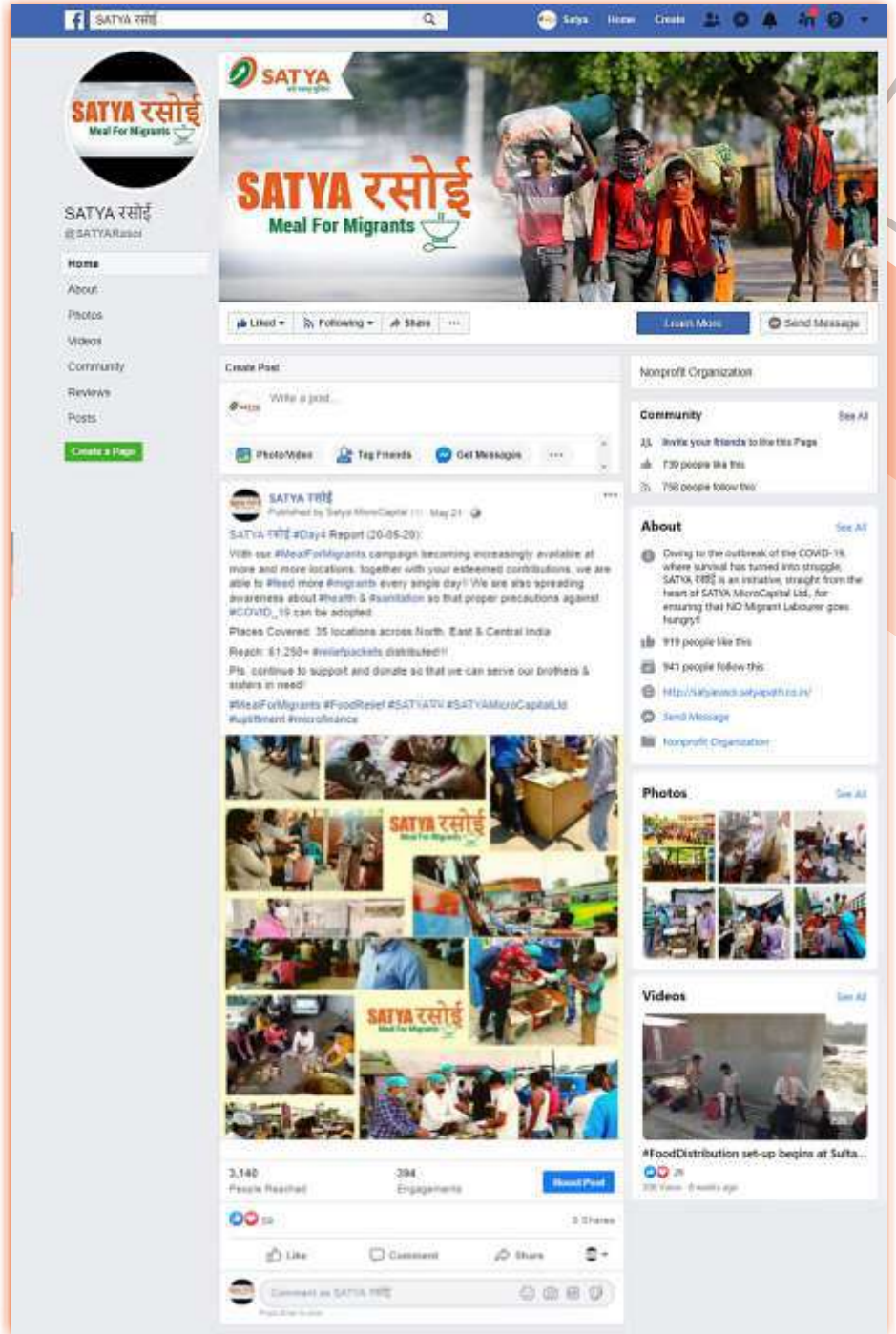
Our robust teams, throughout the country, worked tirelessly day & night to ensure that NO Migrant goes hungry under their careful watch!!

As Team SATYA collectively came forward, so came the many volunteers, peer groups, neighbours, friends and specially our clients. Feeling the pain and struggle of these poor travellers, SATYA clients opened their kitchens for us as they supplied multiple quintals of ration almost daily which consisted of rice, wheat (gehu), flour (aata), pulses (daal) and other vegetables (potatoes etc.)

There was an overwhelming response of people in coming forward to help us out with our initiative. With the timely and able support of our contributors who donated not only through fund transfers but also through donations of ration (vegetables & other grocery items) by our esteemed clients, team members and friends, we were able to sustain our rasois every day.

Through the SATYA रसोई, the team also spread awareness regarding hygiene, safe sanitation habits, wearing face-masks, handwashing and/or using hand sanitizers and practicing social distancing, thereby, educating the migrants and the public about the importance of keeping oneself sanitised and protected, specially during the times of the current COVID-19 pandemic.

A world-wide calamity like Coronavirus has underlying repercussions on multiple facets of country and food security has not been an exception. Through our small initiative, SATYA is aspiring to overcome this crisis in a sustainable and community-based manner – for the community, by the community.



GLIMPSES OF THE SATYA रसोई



#MEALFORMIGRANTS



SOCIAL PERFORMANCE MANAGEMENT

SATYA is committed to bringing a positive change in the life of people at the bottom of the pyramid by creation & promotion of entrepreneurship through provision of most preferred microcredit solutions. Financial inclusion not only brings this positive change but also helps in improving their living standard in a holistic manner.

SATYA has adopted SPM as an approach to put clients at the centre of all strategic and operational decisions which has led to a transformation in the lives of the underserved. It is a measure of how effectively SATYA's mission statement translates into practice with the accepted social values.

NOTABLE ACHIEVEMENTS & INITIATIVES DURING THE YEAR

Client Protection Principles (CPPs):

SATYA has endorsed SMART Certification and is also committed to the seven Client Protection Principles. CPPs are being adopted, implemented, and monitored through SATYA's social dashboard. They are also included in our training process in a comprehensive manner so that fair and respectful practices can be implemented in the organisation. As of now, a total of 1800+ employees are already imparted with training on CPPs.

Ratings & Grading:

SATYA believes in scalability, sustainability and reliability of internal processes, controls, and governance structure. Thus, SATYA has conducted the financial and social assessment for the company which was executed by ICRA & ACUITE most recently. We are delighted to report that SATYA received the **COCA Grading by ICRA of C2 (pronounced as C two)** and an uplift in the **MFI Grading by ICRA as M2+ (pronounced as M two plus)** as well as an uplift in the **Credit Rating by ACUITE of ACUITE BBB+ (pronounced as ACUITE triple B plus)**.

SPI4 Audit:

SATYA's prime focus is to cater its client's needs in the best possible manner and put clients at the centre of all strategic and operational decisions which lead to transformation in their lives. SPI4 tool is a pragmatic way to strengthen the client – focused management practices. Considering this, recently SATYA's SPI4 Audit was conducted wherein SATYA received the **Audit scoring of 83%**.

FEEDBACK LOOPS IN ACTION

Client feedback and satisfaction is one of the important indicators for any business. MFI industry being competitive; it is important to ensure minimum client drop out, effective client service and safeguarding client loyalty. SATYA ensures that employee and client friendly policies are followed up during designing and disbursement of loan products to the clients. During the year, **95%** of the SATYA clients rated staff behaviour satisfactory and **90%** of the clients were satisfied with loan products pricing mechanism. **98%** of the clients rated their engagement with SATYA as satisfactory based on the USPs offered by SATYA. This was also evident as client loyalty where **95%** of the clients reported that they would like to get additional loans from SATYA in coming future. SATYA also focuses upon providing accessible platforms to the clients to report their grievances and create awareness within them. It was noted that **95%** of the grievances received during the year were solved within TAT period along with **98%** satisfaction rate of clients. Multiple platforms are being

promoted for grievance registration for which **70%** of the clients were aware about multiple channels for GRM.

DESIGNING PRODUCTS TO ENHANCE QUALITY OF LIFE OF BOP

SATYA's Water and Sanitation loan for the women clients:

Water & Sanitation loans are introduced by SATYA to provide sustainable solutions for the people at the bottom of the pyramid (BoP) to access affordable financing to access safe drinking and sanitation facilities. It helps to empower the people to solve their immediate need and continues to enrich their life. It also brings a substantial change specially in the life of women and children in terms of their dignity & safety. SATYA has designed the Water & Sanitation Loans in such a way that it provides a one stop solution for its clients. Under the W&S Loans or the WASH Programme as it is preferably known, SATYA has defined five pillars as a Strategy which are Awareness Programmes, Product Dissemination, Compulsory Group Training, Loan Utilization Check and Impact Evaluation to see the change in the life of the people.

SOCIAL INITIATIVES

Every revolution begins with a small step. Every small action or thought carries the seed of future's success. It is by one small action, by one small thought what can put the world upside down, it is the small details what creates a huge difference and impact on the way human beings live and experience life. SATYA has put a step forward and taken some social initiatives for the noble cause which are as follows:

PLASTIC FREE CELEBRATION

SATYA has joined the recently launched national campaign to eliminate single use plastic from our daily working environment. SATYA took a conscious decision of not to use plastic water bottles for our two days' annual event (Vihangam). The event was attended by more than 1,700 SATYA employees in addition to around 300+ external attendees which ensured non usage of at least 15,000 plastic bottles.



Showing further commitment towards this cause, SATYA provided insulated steel bottles to its entire workforce (Head Office staff plus the field staff) to ensure the ban of plastic bottles in all the official premises. SATYA is devoted to this cause and shall continue to take steps in future to reduce our plastic footprints.

IMMEDIATE RELIEF CAMP FOR CYCLONE FANI AFFECTED FAMILIES IN ODISHA



Post the cyclone Fani occurrence, SATYA as a socially committed organization moved into instant action, designing and initiating a relief operation plan to stand with the aggrieved people of Odisha in their time of crisis, devastation and loss. Apart from instantly sending the local team to affected areas, the company also sent a senior level team from the HO to implement and monitor the relief plan with telling effect at the ground level. In their bid to provide relief to the affected people, SATYA distributed relief packets with 15-days food provision to the client families across four districts, namely, Puri, Khordha, Jagatsinghpur and Cuttack. This was enough to sustain them even in absence of any immediate support coming to them, thereby, supporting the scale up of the relief operation for Odisha, for 2,500 Client's families who are affected by Cyclone Fani. Apart from the instant relief provisions given to the affected clients at their doorsteps, SATYA team was actively involved in the restoration work like shifting the house-ravaged families to safe places like Aanganwadis, schools and temporarily prepared shelter homes in coordination with government and also facilitating various provisions on ration card provided by government, as well as ensuring delivery of water tankers to villages in our intervention area. The restoration work was started by the staff of SATYA in different place of Odisha in an immediate and prompt manner.

DIGITAL FINANCIAL LITERACY AWARENESS CUM TRAINING 2.0



SATYA developed an advanced structure of content and innovative methodology of communication as part of its educational strategy to teach its clients about digital financing in an easy-to-understand manner. This awareness cum digital training included explaining the concepts using pictures and making the content more engaging and the teaching process more immersive by including the relevant information in the script of street plays.



Digital financial literacy training & customer awareness have been merged into the teaching program to enhance the impact of the mission after receiving encouraging response on the use of digital presentation.

In addition, the program also sought to train them in the use of various mechanisms of digital financial services such as Debit Cards, IMPS, Paytm Wallets and transfers, UPI, Bank PoS machines, and so on. The goal behind the program was to enable the rural stakeholders and clients to access and use electronic payment systems, to make them understand the concepts of mobile banking, BHIM App, Paytm App, ATM Cards, Micro ATM (Aadhar Based

Payment System). SATYA has also worked upon the grassroots with the clients in inculcating saving habits within them as the first step of their relationship with SATYA.

The digital financial literacy programme was hosted in this financial year where multiple workshops were held across Shiv Sagar, Tezpur, Golaghat, & Jorhat region of Assam. The aim is to impart digital financial literacy to more than 1,200 women clients across 50 villages in Assam..

SPREADING WARMTH WITH BLANKET DISTRIBUTION DRIVE



A blanket distribution programme was organised in the month of December with an aim to safeguard the lives of the most vulnerable people during the extreme winter season in our operational areas. A total of more than 1,150 blankets were distributed in various operational areas of Bihar, Uttar Pradesh, Punjab and Delhi.

SUPPORT TO PRIMARY SCHOOL, KADIPUR, SULTANPUR, UP

SATYA has adopted a primary school Vijuthua (First), Kadipur in Sultanpur district (Uttar Pradesh) to develop as model school in the month of December 2019. It had been inaugurated for the first step of development by Ms.C. Indumati, District magistrate, Sultanpur (U.P.). DM Sultanpur Madam honoured the Grandfather of Mr.

श्री राधेश्याम तिवारी जी
आशीर्वाद एवं प्रेरणा से, (पूर्व प्रधानाध्यापक) के
सत्या माइक्रोकैपिटल लिमिटेड के सौजन्य से
प्राथमिक विद्यालय विजेथुआ (प्रथम)
विकास क्षेत्र - कावीपुर, जनपद - सुलतानपुर (उ.प्र.) को
गोद लेकर आदर्श विद्यालय के
रूप में विकसित किया जा रहा है।



Vivek Tiwari, MD, CEO & CIO -SATYA, for his contribution towards society and also handed over the renovated school with modern facilities to the children and teachers.

DIGITAL OPD FOR SATYA'S CLIENTS, EMPLOYEES AND THEIR FAMILY MEMBERS

For the Employees of SATYA & their Family members

"Tension is more dangerous than Covid 19"

Get your queries answered by our Doctors.

Avail Free Telephonic Consultation

Contact: 022-61676670

Timings: Monday to Saturday (9:30am - 7:00pm)

E-mail: support@healthassure.in

Note: The service can be availed only through the Registered Mobile Numbers/ CUG Numbers provided by SATYA.

COVID 19 outbreak, apart from endangering human lives, has also caused widespread panic and an onslaught of rumours regarding the nature and treatment of the disease. To aid its clients and staff, SATYA launched a free telephonic medical consultation initiative that would help its clients and staff to easily consult a doctor over calls about any symptoms they might be having or just to gain general knowledge of the virus and the precautions they can take. This not only helped create awareness within the large client base of SATYA but also aimed at facilitating the government by reducing the burden on local medical centres and hospitals by these families.

More than 70,000+ clients and their family members accessed the SATYA Digital Medical helpline and received consultations and prescriptions through this platform.

CREATING EMPLOYMENT OPPORTUNITIES – PUNJAB & ASSAM



Employment Exchange at Punjab



Rozgaar Mela – Recruitment Drive at Assam

SATYA, in association with the Govt. of Punjab and the Govt. of Assam, ran a state level recruitment drive where eligible and qualified youths were selected to work with SATYA for state-wide expansion of SATYA's operations in these two states. Transparent and equal employment opportunities were promoted for all.

PROVISION OF KITS FOR BLIND SCHOOL AND ORPHANAGE



SATYA conducted an in depth need assessment of few blind school and orphanages. Based on the need assessment results, the children within these schools and orphanages were given basic hygiene kits (including toothbrush, paste, etc.) and stationary kits (including pen, pencils etc.) Some children who were good in extracurricular activities and sports were also recognized and provided sports kits. Through these initiatives, SATYA aims at empowering and improving the quality of services to children who are homeless, blind and/or visually impaired.

Initiatives taken to combat the fallout of the COVID-19 are discussed in detail in the “SATAYA's Response to Covid-19 Section.”

In conclusion, SPM at SATYA, is always envisaging to have a balanced performance on the financial and social fronts which promote the core components of client and staff well-being while simultaneously achieving financial sustainability.



CLIENT SUCCESS STORIES



Dukheshwari Narzary
Success Follows those who Persevere

Dukheshwari Narzary is a 26-year-old lady residing in a village named Mainashree Gaon in Bishwanath Chariali with her husband, Ajit and two sons, Bikram & Paresh. As per the village norm, farming had been the usual occupation for majority of the people living in the village and Dukheshwari's parents were no exception.

Following in their footsteps, Dukheshwari was also involved in the same line of work. With Ajit working far away in Bangalore, she had gathered up all her savings and together, with the help of her parents, opened a small vegetable shop. Since she had to take care of both the children alone, she couldn't give enough time to her shop which didn't have enough footfall, ultimately suffered and resulted in incurring losses which further deteriorated their family income.

The situation became so difficult that Ajit had to return home to help out Dukheshwari with the shop and the household chores.

This was when Dukheshwari heard about SATYA MicroCapital from her neighbor and then, with her friend's push, attended one of the projection meetings held by the company at their village. With the field officer explaining about microloans and how they helped uplift the women & provide entrepreneurial opportunities thereby benefitting the society, she got excited at the prospect and after discussion with her family, agreed to join a group at her village along-with her neighborhood women.

Dukheshwari received the loan amount of Rs. 30,000 in March 2019 and her life started moving towards a positive direction. With the loan amount in her bank and her husband's support, she carefully thought out her new business plan and purchased a shop at a marketplace called 120 Bigha Center. She purchased a bicycle for her daily travels and started buying steel roof, bamboos & fencing for her shop.

When the shop was ready, she purchased grocery items, gas stove, utensils, chairs, tables, fan etc. to cook food and sell the same. With this idea in mind, she started a dual business of a Grocery Shop Cum Hotel and moved beyond simple vegetable selling.

With her husband helping her out with her business, she was free to look after her shop as well as give more time to her children. The money woes gradually started fading as her income increased from a meagre Rs. 3,000- Rs. 5000 a month to Rs. 10,000 and sometimes Rs. 15,000 per month.

With the money she earned, after setting some apart for her savings & future investments, she was able to transfer her children to a better vernacular medium school and now the children are happily studying in class 6th & 3rd respectively.

Her standard of living has greatly improved, and she constantly tries to innovate with her menu and grocery items. Showing her gratitude towards SATYA, Dukheshwari says, "I'm truly thankful to SATYA for transforming mine & my family's life. The loan officer is always polite and treats us well. If I'm able to return home happily after a day's work, it's only coz of the efforts of the SATYA family".



Rita Devi

It is often perceived that entrepreneurship is for the young crowd, however, age shouldn't be a factor that stops one from pursuing their dreams. Success cannot be determined by age. Often, older entrepreneurs are most adept at building resilient businesses which is especially crucial during times of modest economic growth.

This story is about 55-yr old Rita Devi, a resident of Gonpura village in Patna, Bihar. Rita and her husband, Sohan Prasad, have been married

together for more than 30 years. They have seen & successfully overcome many things in life – the struggles, the hardships, the good times and the bad ones, all because they had the constant love and support of each other.

Rita and Sohan Prasad are parents to two sons. With the lifesavings that the elderly couple had earned, they spent all of it in building up & establishing their son's business start-ups and recently for their weddings as well. Having fulfilled their parental duties, the couple focused on their small general store. Due to lack of funds, they could not do much to increase business or keep items at the store which were more popular among the village folk. Often, they had to depend on their sons for their daily needs which they highly disliked. One day, on a visit to their friend's place, they shared about their plight. After carefully listening to the entire story, the lady (Rita's friend and a SATYA client) told Rita about SATYA MicroCapital Ltd. and how with the help of the microloans offered by the company, she had been able to set up her dairy business. She recommended that since Rita and her husband had always dreamed of having a successful business, SATYA would be the right ladder for her to achieve that dream. She informed her that there was another group forming up at the moment, and how Rita could too be a part of it which would help her, and her husband occupy themselves while becoming self-reliant too.

With much encouragement and thorough planning about their business idea, Rita Devi applied for a loan of Rs. 35,000 in 2017 and with the same, expanded their small general store. The enterprising couple bought more shop space and began keeping more items at the store. Apart from the usual products, Rita Devi also started keeping home-made biscuits which quickly became highly popular among the village people. Already having had experience in running a store, the couple was able to run the shop much smoothly now. As months passed, the number of people coming to their store for everyday things also increased. This not only ensured the inflow of a steady income every month but also kept them involved and busy which brought a new sense of achievement and rejuvenation in their lives. Since the business performed so well, Rita Devi and Sohan Prasad decided to preclose the group loan and in order to further expand the business, applied for an Individual Micro Loan of Rs. 50,000.

It's been three years now that Rita Devi has been a loyal client of SATYA. In these 3 immensely successful years, her business has achieved great milestones, the latest one being that she had had to expand and split her shop in two stores as it was getting difficult to manage one huge store on its own. For the same purpose, she had recently applied for a Micro Business Loan of Rs. 1,50,000.

During a current interaction with Rita Devi, the young-heart said, "At this age when everyone expects older people to just sit at home, we are glad that we didn't give up. We had a dream and started working towards achieving the same. Now me and my husband are living an independent life that we had always wanted. We don't have to keep on relying on our sons for our needs. It was what we had always wished for.."

SATYA not only helps provide entrepreneurship opportunities to people at the lower segments of the country but also educates the clients about digital & financial literacy. Keeping the same thought in mind, Rita Devi plans to open a mobile shop in the coming year. She says, "SATYA has played such an important part in helping us reach where we are today. I want to heartily thank the entire team of SATYA for helping poor people like us reach places, even at this age, which would otherwise have been impossible to even dream of."

OUR MILESTONES

1,800 Cr.+



March 31, 2020 – SATYA successfully disburses loans worth INR 1,800 Cr.+ to over 4.5 Lac microentrepreneurs.

March 07, 2020 – SATYA celebrates the Landmark Achievement of INR 1,000 Cr. Assets Under Management.



January 30, 2020 – SATYA inaugurates its 135th Branch at Chandkheda, Ahmedabad and opens its doors to its 21st state – Gujarat

1,100 Cr



August 12, 2019 – SATYA cumulatively disburses loans worth of INR 1,100 Cr.

August 15, 2019 – SATYA opens its Circle Office in Chennai and 110th Branch in Kanchipuram, Tamil Nadu.

3,00,000

September 19, 2019 – SATYA accomplishes the empowerment of its 3,00,000 microentrepreneurs



July 30, 2019 – SATYA becomes 1st MFI to collect INR 100 Cr. through Cashless Transactions.



June 30, 2019 – SATYA opens its 100th Branch in Deogarh, Rajasthan.



January 30, 2020 – SATYA received the award for the **Best Micro Lending (NBFC)** at ASSOCHAM's 7th MSMEs National Excellence Summit & Awards



December 19, 2019 – SATYA honoured as the **MicroFinance Institution of the Year 2019** at the Iconic Business Summit & Awards



December 18, 2019 – SATYA awarded as the **New Age Fast Moving MFI** at the 5th Eastern India Microfinance Summit hosted by AMFI-WB



September 28, 2019 – SATYA successfully completes “**1,000 Days of its Operational Journey**”



October 12, 2019 – SATYA officially introduces “**WORKPLACE by Facebook**” as a universal medium for intra-office communication



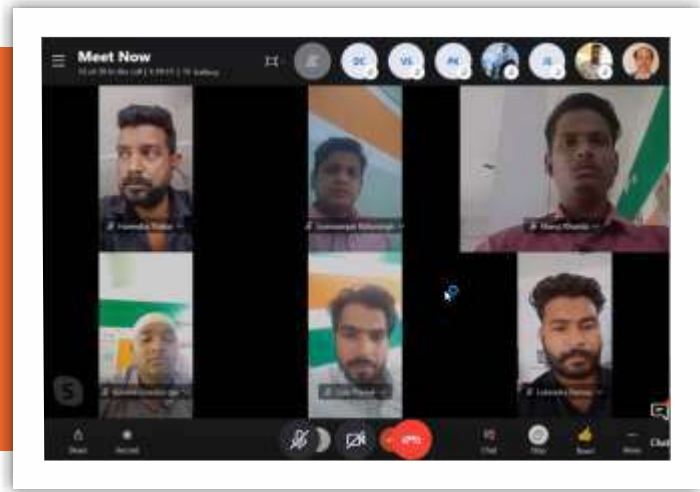
November 13, 2019 – SATYA inaugurates its **125th Branch at Bhopal** & steps into its **20th State- Madhya Pradesh**



April 11, 2019 – SATYA received the Award for “**Best in Class Credit Underwriting Solution**” at the Treasury, Risk and Compliance Summit 2019



TRAINING METHODOLOGY



Digital training at SATYA

OVERVIEW

SATYA attaches great importance to training as an integral part of its ecosystem involving both its staff as well as clients. The significance of training at SATYA can be understood from the fact that Training constitutes one of 5 Ts that form the pillars of SATYA. SATYA, from the very beginning, has maintained a full-fledged team of expert trainers with high competence level and now in each of the state offices, there is a training resource person to take care of training requirements in their respective states. The emphasis on Training in SATYA is further reflected in the fact that it is mandatory for every new entrant into SATYA to undergo a 5-day induction training and successfully pass it before he/she is pronounced fit for final deployment.

The Induction training program aims to impart the trainees with an intimate understanding of SATYA as a Company, its culture and values, also about the various service models, loan products and processes associated with it apart from the first hand understanding of microfinance as an industry. The staff through training are also capacitated to create awareness among the clients on matters of financial literacy, financial discipline and maintaining a good credit history. Working on the model of PIE (Practical, Interactive and Entertaining) we have tried to make training more collaborative and conducive to learning through introduction of games, group tasks and group presentations. On the training assessment part, we have adopted a composite methodology that provides weightage to group tasks and presentations apart from the written quiz that is conducted at the end of the training. To make training open to improvements, every training is followed by a feedback on the part of participants based on which necessary modifications are made wherever deemed fit.

Apart from the induction training, the serving staff are also imparted refresher trainings from time to time to keep updating their knowledge and help them fully realise their potential, performing to the best of their capacity. In the last one year we have imparted refresher training to Branch Head and ACM level staff who are more than six -month-old into the system. To constantly keep upgrading the training skills of trainers, a Training of trainers (TOT) for state office-based training staff is also organised at Head Office (HO) from time to time. Apart from this, the department in collaboration with M2i keeps posting online quiz periodically to assess the knowledge level of trained staff.

INITIATIVES TAKEN DURING LOCKDOWN

During the lockdown, the training team also organised online trainings to new staff through SKYPE, Work chat and Workplace, which proved to be very useful in providing a hands-on training facility to the entire staff. In addition to the induction trainings, we have provided training to the leaders of various states through Work Chat groups on a variety of issues ranging from operational topics to motivational stories and anecdotes to boost & motivate them in addition to preparing them to brave the challenges during the lockdown period. Also, there's been a continuous flurry of uploads on workplace from the training department that includes contents related to finance and Microfinance sector. Motivational videos and stories have also been shared to aid the staff to cope with stress induced by the Corona bred lockdown as well as contribute to their knowledge about the sector.

To make the most of time during lockdown, there has also been regular uploading of learning materials on SATYA's training app through which large number of staff stuck indoors were able to defuse monotony and also utilise their time in upgrading their knowledge level.

105

Trainees/Participants in Online Refresher Training during Lockdown

366

Trainees/Participants in Online Induction Training during Lockdown

1996

Trainees/Participants trained through Mobile-based Training Application

154

Induction Trainings held

1,404

Trainees/Participants in the Induction Trainings

13

Refresher Trainings held

176

Trainees/Participants in the Refresher Trainings [Class-Room Refresher Training (CRT)]

785

Trainees/Participants trained through Mobile-based Training Application

NEW INITIATIVES

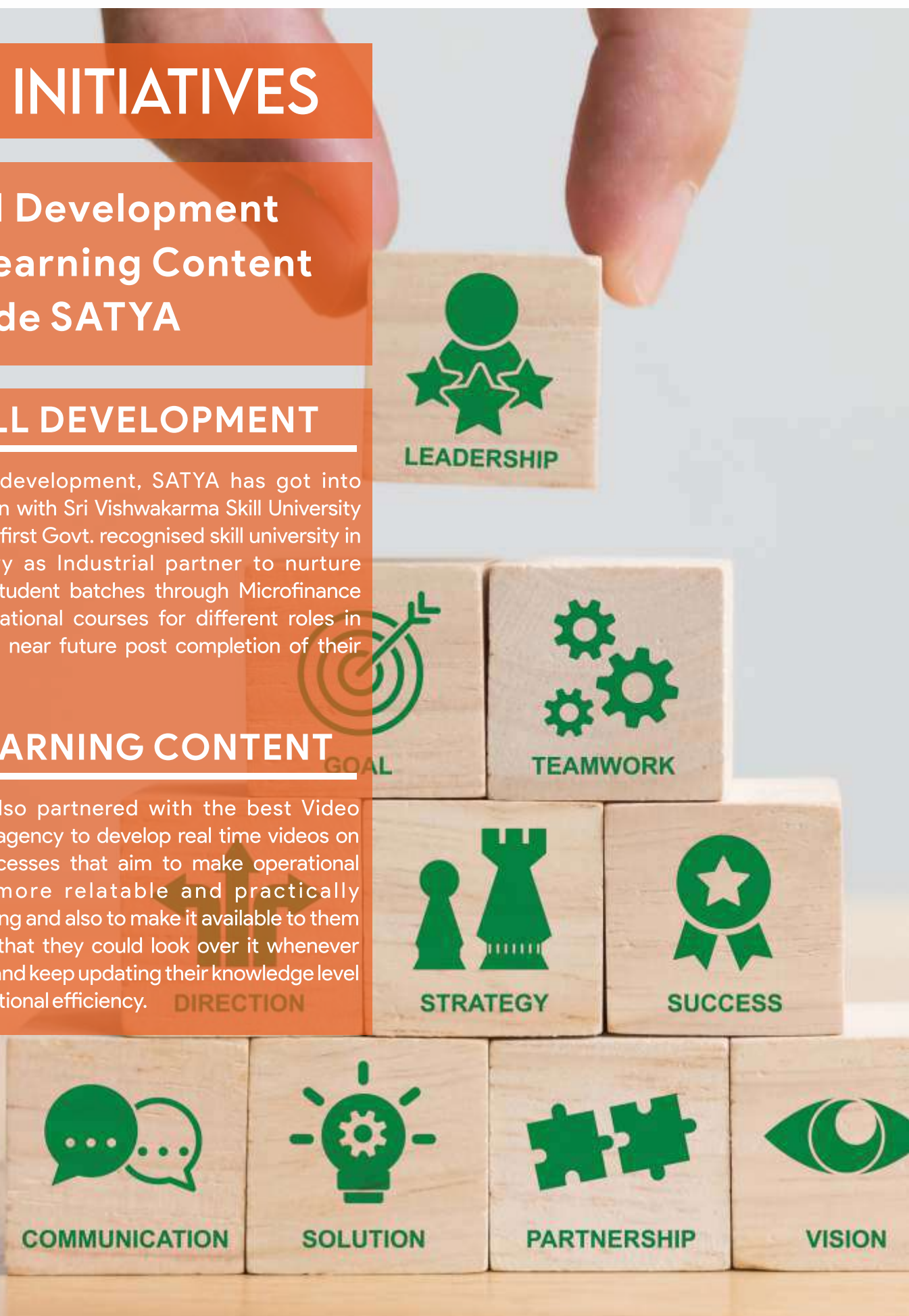
- Skill Development
- E-Learning Content
- Inside SATYA

SKILL DEVELOPMENT

As a new development, SATYA has got into collaboration with Sri Vishwakarma Skill University (SVSU), the first Govt. recognised skill university in the country as Industrial partner to nurture university student batches through Microfinance centric vocational courses for different roles in company in near future post completion of their degrees.

E-LEARNING CONTENT

We have also partnered with the best Video production agency to develop real time videos on various processes that aim to make operational learning more relatable and practically understanding and also to make it available to them virtually so that they could look over it whenever they desire and keep updating their knowledge level about operational efficiency.



INSIDE SATYA

With a view to create an internal employee engagement platform to capture the creative skills of the staff, to enhance their knowledge and for their entertainment, quarterly magazine 'Inside SATYA' was launched on February 03, 2020 in the presence of Mr. Vivek Tiwari, MD, CEO & CIO-SATYA and Board of Directors.



Launch of Inside SATYA magazine

Training department with support from Communication team was instrumental in turning the brainchild of our revered MD about the magazine into a reality. The magazine is designed in such a way as to encapsulate the essence of SATYA through kaleidoscopic presentation of company and its culture and achievements marked by different events (like Vihangam, Pragati Path, etc) and awards that

come its way. It also contains snapshots of company's star performers, microfinance industry and different motivational articles and current topics apart from interesting bits of news from across the globe. Creative contributions (such as poetry, drawing, etc) from staff of all levels who intend to showcase their talent to their colleagues, find a prime place in the magazine.

Upcoming Initiatives

SATYA Gurukul :

SATYA is also working towards developing training centres to be based in its different operational areas to train young professionals who are aspiring to build a career in the Microfinance industry.

Digital Learning Platform :



SATYA, since its inception, is a technology driven organization, whose business model, innovation strategy and processes aims to add a social touch to lending by integrating modern technology into the Micro Finance industry. To further lend credence to a tech-centric approach, training is planning to move towards technology in a big way. The department is going to install a digital panel display through which training sessions (both classrooms and digital) can be made more interactive and meaningful with the help of 2D-3D images, videos, PPTs and more multimedia based content. This

virtual classroom solutions are technology - leveraged learning system wherein the trainers are empowered to teach interactively, and trainees are inspired to learn with a quest for excellence. The digital panel will be integrated with an advanced learning management system, through which we can track progress of skill development goals by maintaining employee dashboards and training records. This will also maintain uniformity in training across organization.

EMPLOYEE ENGAGEMENT ACTIVITIES

WOMEN'S DAY



Celebrating the women of SATYA, event was also featured live through the Workplace App. Special Women's Helpline (for the female staff of SATYA) was also launched.

HEALTH CAMP

Free health camp organised on May 03, 2019. 100+ employees signed up for the service. A free medical consultation post the check-up was also provided.



EARTH DAY



Team SATYA bringing in the spirit of Earth Day to make a green impact. Everyone dressed in the earthy colours of white, blue and green to celebrate the beautiful Mother Nature. The team from HO took a step forward and planted Ashoka saplings in the office gardens, making their small contribution on Earth Day.

1,000 CR. CELEBRATIONS



Months of sincere hard work and determination paid off as SATYA accomplished the incredible milestone of achieving INR 1,000 Cr. Assets under Management. The day served as a joyous trifecta as we celebrated this landmark event with the International Women's Day and Holi.



JANMASHTAMI



HOLI

This year, Holi was celebrated in a very unique way. Team SATYA sprinkled flower petals on each other. This festival was also made doubly special due to the INR 1,000 Cr. AUM achievement.



GANESH CHATURTHI

Ganpati Bappa Moriyaaa!!!

Ganesh Chaturthi is celebrated as the birthday of Lord Ganesha, the symbol of wisdom and remover of obstacles throughout the nation. This pious day turned out to be truly special at SATYA when everyone clad in traditional attire offered their prayers to Lord Ganesha.

The bright lights and befitting decoration added to the spirit of the occasion. Special prayers were offered for the good health, joy and prosperity of our clients as well as our employees across the country.



DIWALI



CHRISTMAS



Christmas is always a season of joy and merriment and this year proved to be no less. A SATYA team member, dressed up as Santa Claus, brought with him the Christmas spirit and cheer as he came around dancing to the Christmas tunes and distributing gifts to each staff member. It was a time of jubilation as everyone joined in on the enjoyment and fun of the festival.



Vihangam 2019

CELEBRATING
1000 DAYS
OF OPERATIONAL JOURNEY



12th & 13th OCTOBER 2019
HYATT REGENCY, MANESAR



With much pomp and enthusiasm, SATYA MicroCapital Ltd. celebrated its third Annual Day Function – Vihangam on 12th and 13th October 2019. Vihangam, which represents 'a panoramic bird's eye-view', is an annual event hosted by SATYA which gives an opportunity to all SATYA team members to come together at one platform and revisit the vision and mission of SATYA. The third edition of the Annual function was more special also because SATYA had recently completed “1,000 Days of its Operational Journey”!

The grand 2-day celebration was held at Hyatt Regency, Manesar and was attended by thousands of people from across the country. Encompassing the audience were many eminent and distinguished stalwarts from the BFSI and the Microfinance sector whose captivating speeches motivated and inspired the 1500+ strong workforce of SATYA who came from across the regions of North, South, East, West and Central India. The guests of honour also congratulated SATYA for its accomplishments of the year.

Commencing the programme with the ceremonial lighting of the lamp, **Shri Sahibji Satguru Madhu Paramhans ji** additionally enchanted the audience with his illuminating speech, retelling the stories from his childhood and further encouraging everyone to give their best, be it in their personal or professional capacities.

The key highlights of the event consisted the launch of the new SATYA Brand logo by Guruji, release of the **SATYA Geet** – “आओ बहनों, दिया जलाएँ...” – in eight vernacular languages (i.e., English, Punjabi, Bengali, Assamese, Oriya, Kannad, Tamil and Malayalam), the **SATYA Client Connect App** (an Android-based Application to facilitate the clients around their loan processes – details of which are discussed more in the technology section of the Annual Report) and **Workplace** – an intra-office communication platform for all official communication. It also included the state-wise cultural performances prepared by the respective team members.



(Shri Sahibji Satguru Madhu Paramhans ji)



Release of the **SATYA Geet** – “आओ बहनों, दिया जलाएँ...” – in eight vernacular languages (i.e., English, Punjabi, Bengali, Assamese, Oriya, Kannad, Tamil and Malayalam).

With SATYA, being a socially committed and responsible organisation, the theme of this year's Vihangam was to promote a **“Plastic-free environment and Go-Green”**. To further honour this commitment, all the guests and speakers were felicitated with a Terrarium. Additionally, it was ensured that there were no single use plastic bottles in the entire event. Everyone was provided a 'steel drinking water bottle' and glasses so that the use of plastic bottles and/or cups could be avoided.





Weeks of diligent practice and perfection in the acts was evident through the magical and entertaining activities. Be it the cultural dance routines (individual and group), plays, tableau, mime acts or singing – every single presentation stole the show and made the spectators spell bound. Furthermore, special programmes in the form of “Haasya Kavi Sammellan” and Motivational Presentations also took place wherein the special guests uplifted everyone's spirits through their performances as they brought humour to key learning aspects and motivated the audience.





To add value & acknowledge the employee's efforts, rewards and recognitions were also conducted to appreciate the note-worthy performances and encourage the staff. Continuing with the tradition, this year the Navratna Awards were felicitated to five exceptionally dedicated and passionate Senior Management Team Members:



Ajay Kumar
Head – Human Capital



Sumeet Dhall
Head – Accounts



Vasudha Goel
Head – Internal Audit & Risk



Gambheer Chaudhry
State Head – Punjab



Ashutosh Mishra:
VP – Operations





For SATYA, its people & their teams are the most important resource. This year, not one, but two departments, i.e., Finance & Information technology (IT) shared the prestigious award for the Department of the Year. The awards were received by the department heads, Mr. Sanjay Goel (Head – Finance) & Mr. Ashutosh Srivastava (Chief Technical Officer & Head – IT).

To honour the employees who display exceptional leadership qualities and their zeal to collectively work towards observing the company's vision, SATYA felicitated them with the Future Leaders of SATYA Award.



SATYA has always focused towards providing a work culture and an environment wherein its employees can develop their potential and further expand their personal and professional capacities. Recognizing the individual and team efforts for their brilliant work performance

and loyalty they have exhibited towards the company, SATYA rewarded the staff members for the categories: Best Team Awards, State Head, Zonal Business Head & Branch Head Overall Performance, Assistant Credit Managers, IML Top Performers, MBL Top Performers, Self-Driven Employees, EDO Overall Performance, Cashless Collections, CDL Top Performers, Best Documentation & Filing, Sales Officers – MBL, Sales Officers – IML, Top 101 EDO Performances, MD Special Recognition, Overall Winner, Best Performance, Special Recognition – Audit and Special Recognition – Credit.



To bring these two days of learning, enjoyment and engagement to a close, Mr. Vivek Tiwari, MD, CEO & CIO – SATYA, addressed the audience, underlining the key achievements of the company over the years, reinforcing the holistic values upheld by SATYA and boosted the team morale and esprit de corps.

SATYA MicroCapital raises INR 105 crore equity funding from Japan-based Gojo & Company Inc.

BRAND POST | Updated: May 26, 2020 11:02 IST



Having commenced its operations in January 2017, SATYA is intrinsically focused towards the provision of a consistent and essential passage for making financial services accessible to marginalised sections of the society.

During the increasingly aggravating epidemic of COVID-19, where the national economy is being significantly impacted, SATYA MicroCapital Limited, one of the leading and fastest-growing micro-lending companies in the nation, has raised INR 105 crore in equity funding by Gojo & Company, Inc. This is one of the first investments in the Microfinance sector after the nationwide lockdown.

To inhibit the nationwide turbulence created by a lethal coronavirus, India entered an outright lockdown, on 25th March 2020. The aftermath of the move is likely to adversely affect the upcoming FY 2020 - 21. In times like these, SATYA aspires to successfully regulate the funds for enacting its commitment towards reaching out to mass parting of migrant workers and meagre people who are facing adverse effects of the pandemic. The recent capital infusion will be trajectory in a diversified manner for employment generation and livelihood rehabilitation across terrestrial footprints in the country.

Mr Vivek Tiwari, MD & CEO, SATYA MicroCapital Ltd. stated, "We are grateful to Gojo & Company, Inc. for their continued belief in us. This shows the trust of our investors in the company as well as in the MFI industry which is exceptionally praiseworthy. The extent of confidence Mr Sanjay Gandhi and Mr Tarun Shin have fostered in our organization holds paramount significance for us and serves as a clear indication of our substantial strength, intrinsic values, and reliability. This further validates our business model and the responsible growth we have achieved in the last 3 years.

Yielding capital infusions like this during the hazardous outbreak of such a pandemic is rare. Gojo not only holds a deep understanding of the microfinance sector in Asia but also shares our long-term vision of building a high-quality organisation serving people at the bottom of the economic pyramid. We are certain that the capital infusion will serve as a driving force to SATYA for reinforcing its vision of being a catalyst for the socio-economic upliftment of 5 million households by the year 2025, which will enable us to empower more and more entrepreneurs from the underserved sections of society".

SATYA IN THE NEWS

पीएम कोविड-19 रिलीफ फंड में दान किए 21 लाख
 फरिदाबाद/पुणे/अहमदाबाद। कोरोना महामारी से लड़ने के लिए भारत सरकार/विपिन मोदी ने पीएम कोविड-19 रिलीफ फंड में 21 लाख रुपये दान किए हैं। कंपनी प्रबंधक के अध्यक्ष पर सभी कर्मचारियों ने अपना एक दिन का वेतन पीएम रिलीफ फंड में देने का निर्णय लिया, जिसके फलस्वरूप इन्होंने कुल 21 लाख रुपये दान किए। एनडीए के सदस्यों ने कहा कि विभिन्न जगहों पर वेतन माफ न करने की भी बातें हैं। वहीं, राजकीय कार्य संचालित करने के दौरान 15 के लेबरर जॉई, बिना अनुदान के ही कामकाज संचालन के दौरान रिलीफ फंड में 1 लाख 46 हजार रुपये का योगदान दिया है। वहीं सर्वोत्तम को अलग-अलग संस्थाओं ने 7.31 लाख रुपये के बीच कुलमूल्य 21 लाख रुपये के दान किए हैं। पीएम कोविड-19 रिलीफ फंड में दान करने वाले 21 लाख रुपये के दान में शामिल हैं।

Satya Micro Capital donates 10,000 surgical gloves, 10,000 3-layer masks to Assam Govt
 GUWAHATI, APR 25: Satya Micro Capital Ltd, India's fastest growing NBFC-MFI (licensed by RBI), headquartered in New Delhi and with presence in 10 districts of Assam, has donated 10,000 surgical gloves and 10,000 3-layer COVID-19 masks to help support workers in quarantine facility at Sarusajal and other districts of Assam.
 Babul Hoque, State Operations Head, Assam and Arghya Pratim Nandy, Regional Human Capital Head, handed over the materials to Biswajit Pegu, DC, Kamrup Metro, in presence of Kaustav Talukdar, Project Officer, District Disaster Management Authority, Kamrup (Metro).
 The company has also donated Rs 21 lakh to PM Cares Fund, according to a press release.

PPE kits, masks donated
 GUWAHATI, April 27: Maharashtra-based Bajaj Healthcare Social Foundation donated 100 PPE kits and 200 three-ply masks to Marwan Hospitals here today. General secretary of Marwan Hospitals BS Joshi received the items from the representative of Bajaj Healthcare Social Foundation.
 Satya MicroCapital Limited has donated 10,000 surgical gloves and 10,000 three-layer masks to the workers at the Sarusajal quarantine facility besides other districts of Assam, stated a press note. The organization has already extended Rs 21 lakh to the PM CARES Fund. The masks were handed over to Kamrup (MI) Deputy Commissioner Biswajit Pegu by the entity's State officials Babul Hoque and Arghya Pratim Nandy recently. - City Correspondent



Delhi FinTechs: Lending more, rising higher

Mirza Ghalib, the famous Urdu poet who lived in Delhi in the 19th Century, said, "If the world is my body then Delhi is my life"... Delhi Dilwalon kee, (people with big hearts). That's how Delhiites describe themselves.



How India's fintech platforms are becoming a beacon of hope for global economy?

A recent report by the World Bank has indicated that the cyclical slowdown in India is becoming severe, decreasing its growth outlook by 1.5%. (Photo: Pixabay)

Satya MicroCapital raises ₹50 cr via NCDs

Micro-finance startup Satya MicroCapital Limited on Thursday announced that it has raised Rs 50 crore in debt funding, by issuing non-convertible debentures (NCDs) to Mauritius-based Aviator Global Investment Fund, in a joint venture with Northern Arc Capital, for three years. The start-up will utilise the fresh funds to process lending to MSMEs in India, largely for income-generating activities undertaken by women borrowers. In debt funding, a foreign portfolio investor jointly invests with a domestic lender in tandem with the RBI's requirement of an FPI investment not exceeding 50% in a corporate bond issuance.

by Amol Dethle & Samiksha Jain

Delhi. Dilwalon kee... (People with big hearts)

A middle-aged man wearing an odd and dusty shirt and trouser looks for his passengers climbing down from the escalator outside the metro station. He quickly jumps on him, negotiates the deal, gets him into the bicycle and pedals the cycle. He pours all his energy and pushes the pedal in full force in the middle of the road. In the age of Ola, Uber, Metro, carpool and E-rickshaws, which quickly crosses him, he finds his way.



Satya MicroCapital Announces Chairman of Fintech Convergence Council (FCC)



Satya MicroCapital announced appointment of Navin Surya, Chairman of Fintech Convergence Council (FCC) to its company board

Satya Micro, Light Micro raise funds via NCDs

OUR BUREAU
Mumbai, September 19

Satya MicroCapital has raised \$7 million and Light Microfinance \$5 million by issuing non-convertible debentures to Mauritius-based Aviator Global Investment Fund and Indian debt platform Northern Arc Capital.

The microfinance institutes will use the funds to lend to micro, small and medium enterprises (MSMEs).

"The fund raised will help us scale up our operational base to new territories while continuing to develop further innovative credit offerings and ensuring complete end-to-end digitally-controlled business processes being deployed," Vivek Tiwari, MD and CEO at Satya MicroCapital said. Mumbai-based Vidura Capital, a BFSI-focused investment bank, was the exclusive adviser for both deals.




5 companies that are helping small businesses and MSMEs avail easy credit



The MSME sector is considered as the backbone of Indian economy. The government is also planning to raise the contribution of the sector to the country's GDP to 50 percent from the present 29 percent, and ensure that it creates employment opportunities to at least 15 crore people against the 11.1 crore at present.



Satya MicroCapital raises INR 500 mn via NCDs to Aviator Global Investment Fund, Northern Arc Capital

September 19, 2019

Satya MicroCapital Limited (Satya), a tech-enabled micro-lending NBFC, has raised around INR 500 million of debt fund by issuing Non-Convertible Debentures (NCDs) to Mauritius based Aviator Global Investment Fund and Northern Arc Capital (formerly IPRM Capital) for three years. The company plans to use the funds for lending to Indian micro, small & medium enterprises (MSMEs) that are predominantly run by women.

This is a transaction where a Foreign Portfolio Investor (FPI) invests jointly with a domestic lender (RBI) the RBI's requirement of an FPI investment not exceeding 50% in corporate bond issuance. Satya has also recently raised INR 200 million of foreign debt fund managed by respoAbility.

Vivek Tiwari, MD & CEO, Satya MicroCapital, said, "We have built a strong base of over 3,00,000 clients in over 10,000 villages in 13 states across the country having a portfolio of around INR 7.5 billion in two and half years of our journey. This fresh debt fund will help us scale up our operational base to new territories while continuing to develop further innovative credit offerings and ensuring complete end-to-end digitally controlled business processes being deployed."

The Reserve Bank of India-registered micro-finance institution has recently become the first such institution to cross a whopping INR 1 billion worth of cashless collections in less than two and a half years since its inception. With over 2.85 lakh active clients, about nearly one-third of Satya's total installments of loans were collected digitally.

25 लाख लोगों के लिए शुरू की डिजिटल ओपीडी
मुद्राग्राम। नेवी से बढ़ते कोरोना वायरस के प्रकोप को देखते हुए सत्य माइक्रोकैपिटल लिमिटेड ने 24 घंटे निशुल्क टेलीफोनिक चिकित्सा परामर्श सेवाओं की शुरुआत की है। इसमें हेल्थअस्योर भी कंपनी का सहयोग कर रही है। 4 लाख से ज्यादा डाक्टर, 1800 से ज्यादा कर्मचारी व उनके परिवार सुविधा का लाभ उठा सकेंगे। प्रबंध निदेशक विवेक तिवारी ने बताया कि इस महामारी में देश भर के करीब 25 लाख से ज्यादा लोगों को अचानक से टेलीफोन द्वारा चिकित्सा परामर्श की सुविधा मिलेगी। ब्यूरो



SATYA MicroCapital Ltd. Launches Free Tele-Medical Consultation Services, Covers To 25 Lakh People in Country

SATYA MicroCapital Limited has launched a digital platform to provide free-of-cost 24x7 telephonic medical consultation services

Being the foremost in our industry, SATYA MicroCapital, offers its digital platform powered by AI-based customer support services 24x7 (around the clock) to its customers who have been severely hit, with a combination of free telephonic services, according to supporting the rapid growth of the Indian microfinance sector.

The idea of providing telephonic consultation services was born when the country was hit with a widespread pandemic for the first time. SATYA MicroCapital was the first to launch a 24x7 telephonic medical consultation service, which has been a great success story for the company. The service is available to all customers who are registered with SATYA MicroCapital. The service is available to all customers who are registered with SATYA MicroCapital. The service is available to all customers who are registered with SATYA MicroCapital.



Friday, 20 Apr, 6:28 am
 No. Best India



BizNext

COMPANIES

Ex-RBI ED Surekha Marandi joins SATYA MicroCapital Board as Independent Director



BiznextIndia : Former Reserve Bank of India Executive Director Surekha Marandi has joined Satya Microcapital board as an Independent Director. With a vast multifarious experience of more than three decades in the sectoral BFSI domain, Surekha is an exemplary Financial Inclusion Expert. As the Executive Director at the Reserve Bank of India till July 2019, Surekha was overseeing the functions of RBI pertaining to Financial Inclusion and Development Department (FIDD), Customer Education and Protection Department (CEPD) and Department of Communication (DOC). Also, as the GM of Rural Planning and Credit Department (RPCD) at RBI, she remarkably handled the policy on priority sector, microfinance, financial inclusion and regulation of RRBs.

"Though, this is a time when the company will be facing many challenges, which I am sure will be met most adequately by Mr. Tiwari, who is known in the Indian microfinance sector for his vision, execution and technological proficiency, SATYA MicroCapital's core values of 'Satya' (Truth) and 'Simplicity' are key factors behind its success in facilitating the financial inclusion of a large number of people across urban and rural regions of the country. I look forward to contributing towards a stable and strong growth trajectory of SATYA MicroCapital," Mrs Marandi said.

"Her sagacity, extended support and sectoral expertise shall empower SATYA's ability to enhance credit flow at the bottom of the pyramid for the socio-economic upliftment of 9 million rural households in India by the year 2025 and further deepen the impact of its financial inclusion initiatives in the microfinance industry. It is indeed an honour for us to have the presence of such a dignified identity from the BFSI landscape and she shall surely be an inspiration for our women microentrepreneurs across the nation," said Vivek Tiwari, MD & CEO, SATYA MicroCapital Ltd.



"Despite Slowdown, Growth of Micro Finance Sector To Remain Strong" Vivek Tiwari, Managing Director, SATYA MicroCapital



The Microfinance industry is among the few sectors that have remained unaffected amid the economic slowdown. In the current fiscal also, the industry is expected to grow at 30-35%. One of the reasons of the high growth rate is - the industry caters to the underserved and rural households, where the effects of economic changes take time to reach, opined Mr. Vivek Tiwari, Managing Director of SATYA MicroCapital Limited. In an exclusive interaction with BiznextIndia.com, he said that Satya is looking forward to raise more funds from the market in the forthcoming FY 2020-21 to scale up its operational base to new territories.

The growth of the microfinance industry has been robust in the last few years, despite a slow economic scenario. What are your views on this? What will be the industry growth rate in the current financial year?

The Indian economy is going through a phase of economic slowdown, with the GDP growth registering one of the lowest rates of 5.8% in the last quarter of FY20. Any change in the economy whether positive or negative takes time to reach the underserved sector of the society in the form of a steady regression. Does not immediately affect the poor. Rural households thrive on low FI loan interest income from a larger portion of MFI's customer base, economic slowdown directly impacts the demand when it fails to increase the growth rate of the MFI industry.

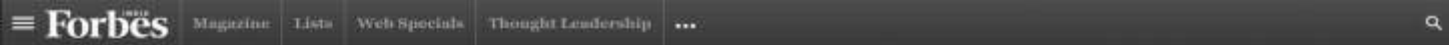
As the nature of the loan terms is short-term and our maximum business partners have provision of 90-day services, targeting individuals and small businesses who rely access to conventional banking and related services on recurring basis, we are expecting 30 - 35% growth in the current FY.

What is the current size of micro-bank market in India? Where does 'SATYA MicroCapital' stand in this market?

India's MFI sector has generated a CAGR of 23% over the past 10 years to reach Rs.263 lakh crore at the end of March 2019, despite disruptions such as demonetisation, NPA's & other natural calamities in various states and districts.



SATYA MicroCapital Limited opens its first branch in Gujarat



With Rs.1000 crore loan outstanding portfolio SATYA MicroCapital adds another win

SATYA initiated the course of its operational journey in January 2017.

BOARD CHIEF'S
 PUBLISHED: Mar 27, 2020 12:57:22 PM IST
 UPDATED: Mar 27, 2020 03:10:21 PM IST



Giving centre stage to its phenomenal growth, one of the fastest growing MFIs in India, SATYA MicroCapital has crossed several milestones since its inception on 28th October 2016. With a total loan disbursement of Rs. 1700+ crores to its name, SATYA has set another benchmark by attaining Rs. 1000 crore worth of Assets under Management.

Headquartered in the capital city of New Delhi, with first loan disbursement at Sikandrabad branch in Bulandshahr district of Uttar Pradesh, SATYA initiated the course of its operational journey in January 2017. Since then, the MFI catalogued a remarkable growth rate, having achieved an Assets under Management (AUM) value of over Rs. 1000 crore.

With the foremost and fundamental goal of empowering rural women, both digitally and financially, SATYA has come a long way since its incorporation. A majority of the MFI's portfolio comprises women entrepreneurs from rural and semi-urban areas whom SATYA MicroCapital has rendered financial support for setting up and developing their businesses. Till date, SATYA has its operational services active in 141 branches in 124 districts across 22 states (Assam, Bihar, Chhattisgarh, Chhatisgarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Meghalaya, Odisha, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand & West Bengal, Gujarat).

Commenting on the company's success, Mr. Vivek Tiwari - MD & CEO, SATYA MicroCapital Limited, said, "Striving to stay committed for serving the people at the bottom of the pyramid, in today's tough market, SATYA is able to attain the best possible debt-to-equity ratio fuelled by remarkable efforts and hard work exhibited by our exemplary employees. Their attention to detail at work made it possible for us. Since its establishment, SATYA has been successfully providing financial services to more than 4,00,000 financially marginalised people for the sky-high development of their social and economic prospects. It is certainly a record in MFI industry wherein an institution has attained such a grand slam within 3 years and 4 months of its origin."

Tossing with the slowdown which national economy is going through, the MFI is integrally concentrated towards providing financial services to people generally excluded from traditional banking channels because of their low, irregular and unpredictable income. It aims to set up and boost the provision of easily accessible, cost effective and sustainable financial services to impoverished to build their financial capacity and ability to grow to financial self-sufficiency. In addition to yielding financial aid to underserved section of the population, SATYA MicroCapital consistently associates with institutions of same wavelength to disseminate the importance of digital and financial literacy in rural areas.



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Money & Banking

Satya MicroCapital raises Rs 28.5 crore through NCDs

Our Bureau | Mumbai | Updated on September 03, 2019 | Published on September 03, 2019



Representative image

Satya MicroCapital is an NBFC-MFI that offers collateral-free credit to micro enterprises

Micro finance company, Satya MicroCapital, has raised Rs 28.50 crore from a private debt fund managed by Swiss Impact



Investor responsibility investments through Non-Convertible Debentures (NCDs). The funding is for four year with a put option at the end of two years.

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India Dealbook: Yelo, Satya MicroCapital, Mobikwik in funding news



Photo: Reuters



New-age digital banking startup Yelo has raised its first round of institutional funding while Satya MicroCapital has raised about 24 million through non-convertible debentures (NCDs). Mobikwik, Mobikwik has secured Indian arm of New York based investment bank Goldman Sachs for financing



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YOUR STORY

[Funding Alert] Satya MicroCapital raises Rs 50 Cr by issuing NCDs to Aviator Global and Northern Arc



Micro-finance startup Satya MicroCapital Limited on Thursday announced that it has raised Rs 50 crore in debt funding, by issuing non-convertible debentures (NCDs) to Mauritius-based Aviator Global Investment Fund, in a joint venture with Northern Arc Capital, for three years.

The startup will utilise the fresh funds to process lending to MSMEs in India, largely for income-generating activities undertaken by women borrowers.

In debt funding, a foreign portfolio investor (FPI) jointly invests with a domestic lender in tandem with the Reserve Bank of India's (RBI) requirement of an FPI investment not exceeding 50 percent in a corporate bond issuance.

Northern Arc Capital, a leading debt platform for non-banking finance companies, co-invested 50 percent in the issuance.

Vivek Tiwari

A Phoenix Called Microfinance

Vivek Tiwari, MD and CEO, Satya MicroCapital said,

"We have built a strong base of over 3 lakh clients in 10,000+ villages of 100+ districts in over 15 states across the country, having a portfolio of around Rs 750 crore in two and half years of our journey. The raised debt fund of Rs 50 crore, will help us scale up our operational base to new territories, while continuing to develop further innovative credit offerings and ensuring complete end-to-end digitally controlled business processes being deployed."

The timing of a foreign investor's participation couldn't be more appropriate especially, when his startup is looking at its next round of growth, Tiwari added.

Recently, the startup raised an additional Rs 30 crore of foreign debt fund, managed by private banker responsibility. The startup is reported to be the first micro-finance institution to have collected Rs 100 crore via digital payment.

Sameer Ahl, Founder of Vidura Capital, a BFSI-focused investment bank added, that seeing the RBI norms has encouraged FPIs like Aviator to access the corporate debt market in India.

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Business News | 100 | Features | News | Satya MicroCapital collects Rs 100 crore through cashless transactions

Satya MicroCapital collects Rs 100 crore through cashless transactions

ET Online | Last Updated: Jul 30, 2019, 02:53 PM IST

Synopsis

18% was collected by the MFI in the first year of its operations, 40% in the second year and 42% during the first half of 2019.



Getty Images

DELHI: Satya MicroCapital Limited (SATYA), an RBI registered NBFC-MFI, has recently crossed Rs 100 Crores worth of cashless collections in less than two and half years since its inception. It claims to be the first MFI in the country to cross this amount. It has also crossed a portfolio of Rs 650 crore with over 2.85 lakh active clients.

Satya MicroCapital carries out its cashless transactions by using biometric-based authentication through Aadhaar Enabled Payment Services (AEPS).

Satya MicroCapital carries out its cashless transactions by using biometric-based authentication through **Aadhaar Enabled Payment Services (AEPS)**. It transfers the amount directly from the savings account of clients to Satya's account. This cashless transaction process fulfils the objective of financial inclusion, prevention of frauds and enabling improved accessibility of efficient credit to micro-entrepreneurs.



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Union Budget 2019 Expectations & Reactions of different tech industries

Mr Vivek Tiwari, MD & CEO, Satya MicroCapital.

Today, as India is leaving no stone unturned in terms of digital adoption, the Government is taking all the right measures to further catalyze this development. It is enhancing the rural infrastructure while also making it easier for Indian MSMEs to increase their digital footprint. The creation of a single-window platform for end-to-end bill payments of MSMEs is one of these steps and will augment digital adoption of Indian MSMEs. The Government has also promised to extend loans of up to Rs. 1 crore to MSMEs, perfectly in line with the vision of financial inclusion. Both of these developments, i.e. digital enablement and financial inclusion, will make it considerably easier to lend to the segment and unlock the true potential of this growth engine.



Budget 2019: SME e-payment, free digital transactions, online credit in fintech push to drive financial inclusion

By Sandeep Soni | Updated: Jul 08, 2019 2:01 PM

Budget 2019 India: The finance minister stressed on the easy credit access to MSMEs for which up to Rs 1 crore loan is introduced within 59 minutes through a dedicated online portal.



How New Age Digital Lenders are strengthening the backbone of economy 'MSMEs'

By: Jan 25, 2019

MSMEs are named as the backbone of India's economy. To empower micro, small and medium businesses their platforms are gaining foothold in the entrepreneurship and contributing towards economic by providing easy capital. MSMEs are now able to get easy access on short term, collateral-free loans that too in lesser time. This helps in avoiding any obstacle in running the businesses. Also, with new age lenders coming into the picture MSMEs have now started staying away from unorganized money lenders and local kamatis. This is not just helping in saving micro-entrepreneurs from whopping interest debt traps but also addressing the goal of financial inclusion in the sector. These are few platforms which help the MSMEs with not just growth and expansion but also introduce digital medium in their sector.



Startup India

Micro women entrepreneurs power Satya MicroCapital turn first MFI to collect this much in cashless transactions

By: FE Online | Published: July 30, 2019 8:30 PM

Satya MicroCapital, which caters to micro women entrepreneurs, saw close to 32 per cent of its total collectable instalments of loans coming through cashless collections in the last three months across all the 14 states where it is operational.



Budget 2019-20: The minister highlighted the payment ecosystem for transport based on National Common Mobility Card standards launched by PM Modi in March this year.

Union Budget 2019 India: Financial technology (fintech) has no more remained as simply an enabler to the financial services ecosystem. Fintech has got embedded in it to the extent that its role has evolved from digital products and services in the financial services and banking segment to a much more strategic one of financial inclusion and digital payments. And some of the announcements made by finance minister Nirmala Sitharaman in her maiden budget speech on Friday gives further direction to that financial inclusion.

Nirmala Sitharaman, for instance, said that a payment platform for small businesses will be created for filing their bills to tide over their delayed payment issue from the government and eventually solving for their cash flows problem. "The Government is enhancing the rural infrastructure while also making it easier for Indian MSMEs to increase their digital footprint. The creation of a single-window platform for end-to-end bill payments of MSMEs is one of these steps and will augment digital adoption of Indian MSMEs," said Vivek Tiwari, MD & CEO, Satya MicroCapital.



NBFCs facilitate income regulation of MSMEs, help in shaping economy : Vivek Tiwari, CEO, Satya MicroCapital Ltd

The coming years will see more innovation in NBFCs with investments in the digital technologies, which will help MSMEs operate better.



There is a lot of potential in the Micro, Small and Medium enterprises, which are the backbone of the economy and contribute a major chunk to the GDP, almost 60%. Moreover MSMEs are contributing more than 26 per cent of total manufacturing output and more than 40 per cent of total exports of the country, employing 11 crore people and 1 crore new jobs in the next five to five years. But, it is the lack of funds that keeps those MSMEs out of the traditional lending landscape. It is due to this that the enterprises are financially excluded at a majority. However MSMEs flourish when the NBFCs become the stockholders for their credit deficit enterprises.



ZEE BUSINESS हिंदी में पढ़ें

INDIA WORLD COMPANIES PERSONAL FINANCE MUTUAL FUNDS TECHNOLOGY AUTOMOBILE SMALL BUSINESS MORE ...

Expectations 2.0 from Modi 2.0: 'Sustainability, robustness and more efforts in startups'

With I-MADE program and MUDRA Bank's scheme, Modi under his reign contributed to the budding ecosystem of startups.



Written By: ZeeBiz WebTeam

Updated: Fri, May 24, 2019
04:18 pm

Location: ZeeBiz WebDesk



With Modi 2.0 underway, several startup owner and entrepreneurs have raised the bar of expectations. Photo: Reuters

After the marathon seven-phase general elections which concluded yesterday with the ruling party, the Bharatiya Janata Party come roaring in, crossing the 300 seat mark. Prime Minister Narendra Modi is all set for his second tenure, with the citizens of the country placing their hopes in the ruling government. Among the policies and programs that Modi came up with in his last tenure was the Startup India, to fuel the growth of the entrepreneur and startup sector of the country. With I-MADE program and MUDRA Bank's scheme under the Pradhan Mantri Mudra Yojana, Modi under his reign contributed to this budding ecosystem. With Modi 2.0 underway, several startup owner and entrepreneurs have raised the bar of expectations, voicing why the government needs to pour more attention in the startup sector.

Stating his expectation from the BJP government, Sanjay Sharma, Founder & Managing Director, Aye Finance, said, "The Government Policies need to focus on creating a supportive ecosystem which empowers micro enterprises to create globally competitive products rather than granting loan waivers which only leads to dependency and inadequacy in the sector. While a lot of work has been done by SIDBI & RBI, we need more efforts in this direction to develop a more sustainable and robust sector."

"Start-up enterprises are going to play a vital role in the success of the country. To boost the start-up ventures in India, Government should aim at facilitating ease of business to start ups which can be done through easy compliance and tax holidays," commented Vivek Tiwari, MD and CEO, Satya MicroCapital

He further adds, "In addition to this Government should target to arrange easy and low cost funds' access to start ups through specially focused funds as well as relaxed guidelines for FDI for start-ups. Since Start-ups will play an important role in generating employment in the country as well, Government should also frame incentive schemes for start-ups for providing subsidies in various forms."

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Satya MicroCapital becomes the first MFI to collect Rs 100cr through cashless transactions

32% of Satya's total collectable instalments of loans came through cashless collections in the last three months.

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Satya MicroCapital, an RBI registered NBFC-MFI, has recently become the 1st MFI to cross a whopping INR100 crores worth of cashless collections in less than two and half years since its inception. It has also crossed a portfolio of INR650cr with over 2.85 lakh active clients – making its entry into the top 20 micro finance institutions in India.

ZEE BUSINESS हिंदी में पढ़ें

INDIA WORLD COMPANIES PERSONAL FINANCE MUTUAL FUNDS TECHNOLOGY AUTOMOBILE SMALL BUSINESS MORE ...

Here is how technology is boosting the Fintech startups

Technology has made the financial system for the startups faster, more efficient and responsible.



These startups have incorporated and absorbed technology and smart programming. Photo: Pixabay

Technology tends to accelerate even the simplest of things. The same is the case with the emerging fintech startups: These startups have incorporated and absorbed technology and smart programming which ensures that the customer or client gets all the financial aid without any hassles and tedious documentation. In traditional systems, the financial procedures in services such as loans take time. Bad credit history, negative CIBIL score adds to the woes of the applicant. However, when it comes to areas such as loans and, advanced and efficient technological systems scrutinize the profile well and offer the best loan plan. It also helps to minimize the chances of the loan cases falling in the red region and uplift them to get to the green region i.e. the applicant gets the loan easily and hassle-free. Additionally, technology has made the system for these startups faster, efficient and responsible, which in turn helps the startup gain traffic.

STATUTORY REPORT

- BOARD'S REPORT
- MANAGEMENT DISCUSSION ANALYSIS
- REPORT ON CORPORATE GOVERNANCE



BOARD'S REPORT

Dear Shareholders,

Your Board of Directors (the "Board") take pleasure in presenting the 25th Annual Report of SATYA MicroCapital Limited (the "Company") together with the Audited Accounts for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

Particulars	March 31, 2020 (Audited) In Millions	March 31, 2019 (Audited)* In Millions
Total Revenue	2,086.13	1,017.07
Total expenditure	1,975.16	1,020.49
Profit (Loss) Before Tax	110.97	(3.42)
Tax Expense	35.68	(0.79)
Prior Period Adjustment	0.00	0.00
Profit (Loss) after Tax	75.29	(2.63)
Transfer to Statutory Reserve Fund	15.06	6.47
Earnings Per Share (EPS)	2.48	(0.12)
Diluted EPS	2.43	(0.12)

* March'19 IGAAP comparative figures are replaced by INDAS published results in March-20.

OPERATIONAL HIGHLIGHTS

SATYA has undertaken initiatives with an objective to enhance customer reach and improve operating efficiencies by implementing cashless system in all branches of SATYA, therefore, Operational performance for the financial year 2019-20 is summarized below:

During the FY 2019-20:

- the Company's Gross Loan Portfolio as on March 31, 2020 stood Rs. 1,007.85 Crores;
- as on March 31, 2020, Company has distributed loans to 3,81,788 Clients;
- total 150 Branches are operational at the end of March 31, 2020.

RAISING OF FUNDS

A. Change in Capital Structure

During the year under review, the Authorised Share Capital of the Company has increased from Rs. 50 Crores to Rs. 70 Crores vide Shareholders' approval on July 26, 2019.

During the year, the Company received FDI via issuance of 27,22,222 non-cumulative, participating, compulsorily convertible Preference Shares (CCPS) of Rs. 10/- each to "Gojo & Company, Inc." (Gojo), existing equity investor of the Company, in terms of the relevant transaction documents executed in March 2020.

Further, considering the need for business expansion and to meet the capital requirements, during the FY 2019-20, the paid-up share capital of the Company increased from Rs. 26,40,98,300 to Rs. 31,44,67,280 through following means:

- During the first quarter: There was no allotment of shares.
- During the second quarter:
 - on July 26, 2019, the Company has issued 25,00,000 partly paid-up Equity Shares of Rs. 10/- each on private placement basis, out of which Re. 1/- has been paid.
 - on July 26, 2019, the Company has issued 5,33,333 Equity Shares of Rs. 10/- each on private placement basis;
 - on Sep 04, 2019, has issued 13,62,950 Equity Shares of Rs. 10/- each on private placement basis.
 - on Sep 04, 2019, the company has received Rs. 1.5/- each on 25,00,000 partly paid up Equity shares which were issued on July 26, 2020.
- During the third quarter:
 - on October 18, 2019, the Company has issued 25,15,615 Equity Shares of Rs. 10/- each on right issue basis;
- During the fourth quarter:
 - on March 31, 2020, the Company has issued 27,22,222 Compulsorily Convertible Preference Shares of Rs. 10/- each on Preferential basis.

B. Non-Convertible Debentures, Bank Lines & Commercial Papers

Apart from long-term loans, for diversification of the sources of funds and smooth operations-the Company raised a sum of Rs. 302.49 Crores by way of issue of Non-Convertible Debentures, Securitization & Assignments, External Commercial Borrowing and Commercial Papers.

INCREASE IN BORROWING POWERS

During the year under purview, the borrowing powers of the Company increased from INR 1,500 Crore to INR 3,000 Crore on the recommendation of the Board of Directors & duly approved by the members of the Company in its AGM dated July 26, 2019.

DIVIDEND

The Directors of the Company feel that it is prudent to plough back the profits for future growth of the Company, hence, do not recommend any dividend for the year to the equity shareholders.

Interim Dividend

The Company paid semi-annual dividend to the Preference Shareholders holding 20 Lac Non-Convertible, Redeemable, Cumulative, Preference Shares (“NCRCPs”) under NCRCPs 2018 Series – I on August 16, 2019.

REDEMPTION

On August 16, 2019, the Company redeemed 20 Lac Non-Convertible, Redeemable, Cumulative, Preference Shares (“NCRCPs”) under NCRCPs 2018 Series.

On September 23, 2019, the Company redeemed 500 Unsecured, Redeemable, Unlisted, Optionally Convertible Debentures having a face value of Rs. 1,00,000/- each.

CAPITAL ADEQUACY RATIO

The Company continues to fulfill all the norms and standards laid down by the RBI pertaining to non-performing assets, capital adequacy, etc. SATYA has been able to maintain a capital-to-risk weighted assets ratio (CRAR) of 25.47% as on March 31, 2020, which is well above the RBI mandated norm of 15%.

RATINGS

During the year under review, ICRA Limited and CARE Ratings Limited, rated the securities of the Company as follows:

S. No.	Instrument	Rating agency	As per final rating letter	Rating assigned	Valid up to	Borrowing limit
1.	Long-term bank facilities	CARE	3-Feb-20	CARE BBB-; Stable	Refer Note 1	500.00
2.	Long-term bank facilities	ICRA	4-Feb-20	[ICRA]BBB-; Stable	Refer Note 1	3500.00
3.	Securitization	ICRA	13-Mar-20	[ICRA]A-(SO)	17-Dec-21	212.07
4.	Securitization	ICRA	5-Mar-20	[ICRA]A(SO)	13-Nov-21	235.13
5.	Securitization	ICRA	25-Feb-20	[ICRA]A-(SO)	17-Jul-21	358.46
6.	Securitization	ICRA	27-Dec-19	[ICRA]A(SO)	17-Jul-21	224.75
7.	Securitization	ICRA	6-Dec-19	[ICRA]A(SO)	17-Jul-21	224.74
8.	Securitization	ICRA	6-Dec-19	[ICRA]A-(SO)	27-Jun-21	241.65
9.	Securitization	ICRA	30-Aug-19	[ICRA]A(SO)	17-Apr-21	277.09
10.	Securitization	ICRA	5-Aug-19	[ICRA]A+(SO)	27-Feb-21	132.70
11.	Securitization	ICRA	6-Jun-19	[ICRA]A-(SO)	14-Jan-21	102.97
12.	Securitization	ICRA	24-May-19	[ICRA]A(SO)	12-Dec-20	97.74
13.	Securitization	ICRA	6-May-19	[ICRA]A(SO)	17-Nov-20	235.29
14.	Securitization	ICRA	27-Mar-19	[ICRA]A-(SO)	21-Jan-21	344.04
15.	Securitization	ICRA	26-Feb-19	[ICRA]A(SO)	12-Dec-20	412.40
16.	Securitization	ICRA	15-Jan-19	[ICRA]A-(SO)	22-Nov-20	111.29

Note 1: The rating is subject to annual surveillance till final repayment/redemption of rated facilities.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or guarantee to any person or any body corporate under the provisions of section 186 of the Companies Act, 2013 and Rules made thereunder.

RESERVE BANK OF INDIA (RBI) DIRECTIONS

The Company is registered with Reserve Bank of India as a NBFC vide Registration No. 14.01513. The Company continues to comply with the requirements prescribed by the RBI as applicable to it.

LISTING

During the year, the Company has issued Non-Convertible Debentures, and the said Debentures are listed on the Bombay Stock Exchange (BSE).

S. No.	Debenture Holders	Amount (Rs.)	Date of Listing
1.	Unifi AIF	20 Crore	April 26, 2019
2.	Karvy Capital Limited Demeter Portfolio	10 Crore	July 18, 2019
3.	Karvy Capital Limited Demeter Portfolio	15 Crore	August 09, 2019
4.	UTI International Wealth Creator 4	28.5 Crore	September 04, 2019

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has neither any subsidiary, associate Company nor any Joint Venture during the financial year 2019-20.

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 92 of the Companies Act, 2013 read with rule 12 of Companies (Management and Administration) Rules, 2014, the extract of the annual return in form MGT-9 is attached to this report as an Annexure-I.

CORPORATE GOVERNANCE

The report on corporate governance is annexed as Annexure-II and forms part of annual report. The Company is committed to maintain the high standards of corporate governance and is continuously striving to implement several best corporate governance practices.

DIRECTORS AND KEY MANAGEMENT PERSONNEL (KMP)

All the Directors have varied experience and specialized knowledge in various areas of relevance to the Company. The Board consists of directors appointed as per the provisions of the Companies Act, 2013.

i. Change in the composition of Board of Directors:

- Mr. Naveen Surya (DIN: 00094514), was appointed as the Additional Director (Independent Director) on August 29, 2019.
- Mrs. Vijayalakshmi Das (DIN:00624128), Independent Director of the Company, ceased to be the director of the company due to her sad sudden demise. The Board wish to place on record its appreciation for the valuable contribution of Mrs. Vijayalakshmi Das.
- Mrs. Surekha Marandi (DIN: 06952573), was appointed as an Additional Director (Independent Director) on February 28, 2020.

ii. Details of the whole-time key managerial personnel (“KMP”) of the Company as on the date of this report are as under:

- | | |
|---------------------|------------------------------|
| 1. Vivek Tiwari | Managing Director, CEO & CIO |
| 2. Sudhindra Sharma | Chief Financial Officer |
| 3. Rachna Khantwal | Company Secretary |

BOARD MEETINGS

During the financial year 2019-20, the Board of Directors of the Company met 11 (Eleven) times. The details of the Board meetings and the attendance of the directors are provided in the Corporate Governance report.

MEETING OF INDEPENDENT DIRECTORS

During the reporting financial year, the Independent Directors of the Company met on February 28, 2020 wherein the following items as enumerated under Schedule IV to the Companies Act, 2013 were discussed:

- a) Review of performance of Non-Independent Directors and the Board as a whole.
- b) Taking into account the views of Executive Directors and Non-Executive Directors; and
- c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

PARTICULARS OF EMPLOYEES

SATYA gives paramount importance to its employees. Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to achieve new milestones on a continual basis. As of March 31, 2020, SATYA had 1,879 employees on its roll. The Company has fair and transparent

recruitment and other policies which safeguard the interest of its employees.

ESOP

During the year under review, there was no change in SATYA Employee Stock Option Plan, 2018 (SATYA ESOP 2018). The Company granted 9,95,200 options at an exercise price of INR 45 per share to the certain employees of the Company under SATYA ESOP 2018. Details of ESOP disclosure pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the provisions of Section 62 of the Companies Act, 2013 read with rules framed thereunder is as under:

S. No	Particulars	SATYA ESOP 2018
1.	options granted	9,95,200
2.	options vested	1,92,750
3.	options exercised	Nil
4.	the total no. of shares arising as a result of exercise of option	Nil
5.	options lapsed*	2,24,200
6.	the exercise price	INR 45 per share
7.	variation of terms of options	NA
8.	money realized by exercise of options	NA
9.	total number of options in force	7,71,000
10.	employee wise details of options granted to	
	i. key managerial personnel;	86,400
	ii. any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil
	ii. identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

*Note: 2,24,200 options lapsed as eligible employees are no longer part of the company.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No	PARTICULARS	DISCLOSURES
1.	the ratio ¹ of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Managing Director, CEO & CIO : 222.10:1
2.	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Increase in Remuneration: Managing Director, CEO ² & CIO: 232.88% Chief Financial Officer: 18% Company Secretary: 18%
3.	the percentage increase in the median remuneration of employees in the financial year;	8.00%
4.	the number of permanent employees on the rolls of company as on March 31, 2020;	1,879
5.	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in the salaries of employees was 7.76% and the average increase in the managerial remuneration was 123.72%
6.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

Note: 1. Average percentage of employees' remuneration is calculated on incremental salary whereas of managerial remuneration is calculated on base value;
2. The hike in remuneration of MD, CEO & CIO as compared to previous year is without considering 8.5 lacs sweat equity shares issued to him in the FY 2018-19. There were no sweat shares issued in FY 2019-20 and therefore, the increase in remuneration was made considering effective salary of previous financial year after considering the sweat shares.

NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND NAME OF EVERY EMPLOYEE OF THE COMPANY WHO –

- If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.
- If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month- None.
- If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company- None.

Employee Name	Vivek Tiwari	Sudhindra Sharma	Gaurangini Jain	Vasudha Goel	Sanjay Goel	Avishek Sarkar*	Subhash Acharya **	Vipin Kumar Panday	Ajay Kumar	Indra Mani Verma
Designation	Managing Director, CEO & CIO	Chief Financial Office	Deputy CEO	Head - Internal Audit & Risk	Head - Finance	Head - Credit	Head - Operations	Business Head	Head - Human Capital	Head - Business Development
Qualification	PGDRM	CA	MBA	PGDIM	B.Com	MBA	PGDBM	MBA	PGDPM	PGDM
Remuneration Received	1,59,96,499	57,62,136	51,88,886	32,57,169	29,18,500	28,93,500	28,23,400	24,73,900	20,44,000	19,54,150
Nature of employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Date of Commencement of Employment	1-Nov-16	21-Apr-17	1-Aug-18	6-Feb-19	1-Nov-16	1-Nov-16	1-Nov-16	27-Apr-17	1-Nov-16	19-Apr-18
Age	42	44	46	45	51	38	38	41	44	51
Experience (In Years)	18	20	19	20	20	15	15	15	18	23
Last Employment Details	COO - Satin Creditcare Network Ltd	CFO & Vice President Intec Capital Ltd	Regional Head in Rural & Inclusive Banking Group at ICICI Bank	Dy. Vice President - HDFC	Sr. Manager (Finance) - Satin Creditcare Network Ltd	Asst. Vice President (Operations) - Satin Creditcare Network Ltd	Sr. Vice President - SV Creditline Pvt. Ltd	Zonal Manager - Satin Creditcare Network Ltd	Sr. Manager (HR) - Satin Creditcare Network Ltd	Zonal Manager - Satin Creditcare Network Ltd
Whether relative of any director /manager	Brother of Dr. Ratnesh Tiwari, Director of Company	None	None	None	None	None	None	None	None	None
Percentage of equity shares held by the employee in the company	29.38%	0.29%	0.13%	0.01%	0.08%	0.44%	0.36%	0.16%	0.18%	0.02%

* Mr. Avishek Sarkar is not associated with the company w.e.f. March 31, 2020;

** Mr. Subhash Acharya is not associated with the company w.e.f. December 31, 2019



DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company has received necessary declarations of independence from each of its Independent Directors under section 149(7) of the Companies Act, 2013, that he/ she meets the criteria of Independent Director envisaged in section 149 (6) of the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013, the Directors hereby confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors have prepared the annual accounts for the FY March 31, 2020 on a going concern basis;
5. That the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INFORMATION ON MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Material changes after the balance sheet date

During the year, there is no material change in the nature of business of the Company which have occurred subsequent to the close of the financial year of the Company.

RELATED PARTY TRANSACTIONS

All the related party transactions pursuant to Section 188(1) of the Companies Act, 2013 ("the Act") that were entered into by your Company during the year under review were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by your Company with its promoters, directors, key managerial personnel or other designated persons, which might have any conflict with the interest of the Company. Accordingly, there are no transactions that are required to be reported in AOC-2 and as such does not form part of this report. Details of related party transactions may be referred to in Note 31 of the Financial Statements.

INDEPENDENT AUDITORS' REPORTS

Statutory Auditor's Report

M/s S.R. Batliboi & Associates LLP (LLP Identity No. AAB-4295), Chartered Accountants (Firm No. FRN 101049W / E300004) were appointed in the Annual General Meeting held on June 03, 2017 as statutory auditors of the Company to hold office for a term of five years until the conclusion of the AGM to be held in 2022. They have confirmed their eligibility for FY 2019-20 under section 141 of the Companies Act 2013 (includes amendments thereto), and the said appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

Your Directors do not observe any qualification, reservation or adverse remark or disclaimer made by the statutory auditor in his report.

The Board has placed on record its sincere appreciation for the services rendered by M/s S.R. Batliboi & Associates LLP, Chartered Accountants.

Secretarial Auditors & their Report

In terms of section 204 of the Companies Act, 2013 and rules framed thereunder and on the recommendation of the Audit Committee, the Board of Directors of the Company had appointed M/s Bhupesh Kumar & Associates, Company Secretaries (ICSI Registration No. FCS 9688 & CP No. 12004) as the Secretarial Auditor of the Company for the financial year 2019-20. Secretarial audit report as provided by M/s Bhupesh Kumar & Associates is also annexed to this Report, in the prescribed Form MR-3, as Annexure-IV

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. Any member interested in hard copy of the Secretarial Audit Report may inspect the same at the registered office of the Company or write to the Company Secretary for a copy.

POLICIES

During the year, the Board approved and adopted the following Policies vide its board meetings held during the year:

S. No.	Name of Policy	Date of Board Meeting
1.	Social Performance Management	September 11, 2019
2.	Whistle Blower Policy	September 11, 2019
3.	Provisioning and Loan Loss Policy	September 11, 2019
4.	Customer Grievance & Redressal Mechanism Policy	September 11, 2019
5.	Fit & Proper Policy	November 29, 2019
6.	Social Media Policy	November 29, 2019
7.	Anti-Fraud Policy/Fraud Risk Policy	November 29, 2019
8.	Demand & Call on Loan Policy	November 29, 2019
9.	Related Party Transactions Policy	November 29, 2019
10.	Outsourcing Policy	November 29, 2019
11.	Cyber Security Policy	February 28, 2020
12.	Corporate Social Responsibility Policy	February 28, 2020

Sexual Harassment

Your Company has a policy for employees to report sexual harassment cases at workplace. This process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programs against sexual harassment are conducted across the organization. No complaints were received during the financial year 2019-20.

Details of establishment of Vigil Mechanism/Whistle Blower Policy for Directors and Employees

Your Company has an effective Vigil Mechanism system/ Whistle Blower Policy for directors and employees to report their genuine concern or grievance and to adhere to the highest standards of ethical, moral and legal conduct of business operations. No complaint was received during the financial year 2019-20.

Corporate Social Responsibility

As per the requirement of the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company has formed a Corporate Social Responsibility Committee in the FY 2019-20. There was no requirement to incur expenditure on CSR as per applicable guidelines, though company has incurred expenditure on below listed CSR activities-

Education Initiatives:

- adoption of a Govt. Primary school in Sultanpur, U.P. by providing requested funds amounting Rs. 6,00,000.

Initiatives during Disasters:

- immediate relief camps for cyclone "Fani" affected families in Odisha and monetary assistance of Rs. 13,32,850.

Health and Sanitation Initiatives during COVID-19 situation:

- digital OPD for SATYA's clients, employees and family members.
- health Check-up Camp
- sanitizers and Mask distribution

Other CSR Initiatives :

- blanket distribution to the needful people
- donated Rs. 5,00,000 as relief fund during COVID-19.

Company expended Rs. 17,19,756 for above health, sanitation & other CSR initiatives.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed discussion on the Company's operational and financial performance are given in the Management Discussion and Analysis Report which is annexed to this Report as Annexure-I

DEPOSITS

The Reserve Bank of India in exercise of its powers under The Reserve Bank of India Act, 1934, has granted NBFC status to the Company and the Company has no public deposit. The Board of Directors of the Company have passed a resolution that the Company will not accept public deposit during 2019-20.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy & Technology Absorption:

Since the Company does not own any manufacturing facility, hence, the particulars related to conservation of energy & technology absorption are not applicable.

Foreign Exchange Earnings and outgo

Further Information pursuant to Rule 8(3) (c) of the above said rule is mentioned below:

FOREIGN EXCHANGE TRANSACTIONS			
S. No.	Particulars	Current Year(Rs.)	Previous Year(Rs.)
I	Expenditure/Remittances (Outward) in Foreign Exchange	1,66,39,490	-
	Travelling Expenses	-	-
	Fees and Subscription	-	-
	Professional Fee	35,61,751	-

	Interest Payment – External Commercial Borrowing	41,16,261	-
	Sitting Fees	-	-
II	Earning/Remittances (Inward) in Foreign Exchange	-	-
	Share Application Money/Share Capital Received	-	-
	External Commercial Borrowing Received	-	-
	Reimbursement of Expenditure	-	-

DISCLOSURE PURSUANT TO ISSUANCE OF COMPULSORILY CONVERTIBLE PREFERENCE SHARES

S. No.	Particulars	Remarks
1.	Date of Issue Date of Allotment	March 27, 2020 March 31, 2020
2.	Method of Allotment (QIP, FPO, ADRs, GDRs, rights issue, bonus issue, preferential issue, private placement, conversion of securities)	Preferential issue
3.	Issue Price	Rs. 135/- per share
4.	Conversion Price	Not less than Rs. 135/- per share (i.e. Issue Price)
5.	Number of shares allotted or to be allotted in case the right or option is exercised by all the holders of such securities Price	27,22,222
6.	Number of shares or securities allotted to the promoter group (including shares represented by depository receipts);	Nil
7.	Allottee	Gojo & Company, Inc.
8.	Dividend	0.01% (zero point zero one percent) per annum
9.	Conversion period	<ul style="list-style-type: none"> at the option of the holder of the Preference Shares; upon the earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of such Preference Shares; or (ii) in connection with an initial public offering, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Applicable Law.

CHANGE IN THE NATURE OF BUSINESS

There were no such changes occurred in the nature of business during the financial year under review.

SECRETARIAL STANDARDS

During the year, the Ministry of Corporate Affairs vide letter No. 1/3/2014-CL.I dated June 14, 2017 has approved the revised Secretarial Standards – I on Meeting of Board of Directors and Secretarial Standards – 2 on General Meetings. The revised SS-I and SS-2 have been made applicable w.e.f. October 01, 2017 and supersedes the previous version of SS-I and SS-2. Your Company has complied with the Secretarial Standards at all times.

EVALUATION OF THE BOARD

A formal evaluation of the performance of the Board was carried out for the financial year under review led by the Nomination & Remuneration Committee. As part of the evaluation process, the performance evaluation of Board as a whole was done by the Directors of the Board. The performance evaluation of the Promoter

Directors, Nominee Directors and Non-Independent directors was done by every other Director. The performance evaluation of the Independent Directors was done by the Board excluding the Director being evaluated. The Directors expressed satisfaction with the evaluation process.

MAINTENANCE OF COST RECORDS BY THE COMPANY

The Company is not required to maintain cost records as specified by the Central Government as provisions of sub-section (1) of section 148 of the Companies Act, 2013 is not applicable on the Company.

INTERNAL CONTROL SYSTEMS

The Company maintains an adequate and effective internal control system, commensurate with its size and complexity. The Company believes that these internal control systems provide a reasonable assurance that the Company's transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or loss.

CHANGE IN DIRECTOR'S DISCLOSURE

Directors have disclosed their interest of shareholdings and Directorship in other Companies at the beginning of the financial year 2019-20 and interest changed during the year.

EXTRA-ORDINARY GENERAL MEETING

During the financial year 2019-20, 4 (Four) Extra-Ordinary General meetings were held on June 26, 2019, August 29, 2019, November 11, 2019 and March 28, 2020.

CHANGE IN NAME OF THE COMPANY

The Company has not changed the name during the period under review.

FINANCIAL YEAR OF THE COMPANY

The financial year of the Company is kept uniform so as to begin from April 01 and to the end on March 31 every year.

FRAUD REPORTING

No material fraud has been found during the period under review and no reporting of the same has been done by any Auditor and any other Employee of the Company.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the cooperation received from lenders, our valued customers and shareholders. The Board, in specific, wishes to place on record its sincere appreciation of the contribution made by all the employees towards growth of the Company.

For and on behalf of the Board of Directors

Place: Delhi
Date: July 31, 2020

Sd/-
Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Sd/-
Ratnesh Tiwari
Director
DIN: 07131331

ANNEXURE-I

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

SATYA Micro Capital Ltd provides financial services to low income clients through JLG and individual banking methodologies. It has been licensed by the Reserve Bank of India (RBI) to operate as an NBFC-MFI.

Financial Year 2019 - 20 has been a remarkable year for SATYA; as of 31st March 2020, the organization had 4,46,256 active loans spread across 150 branches in 22 states with a gross loan portfolio of Rs. 1007.85 Cr. Total staff strength of the company was 1,879 employees.

During the year, SATYA has achieved a significant landmark of Rs. 1,000+ Cr. in Assets Under Management with total Loan Amounts disbursed of Rs 1,800+ Cr.

COVID-19 PANDEMIC

As the year 2019-20 was drawing to a close, the entire world was struck with the global pandemic of the COVID-19. Lives, livelihoods, and economies all around the world were severely impacted across various sectors. With the Indian economic infrastructure also taking a blow, the microfinance industry faced the brunt as well. Though, at the initial stage, SATYA's operations were impacted by the unfolding impact of COVID-19, we were quick to realize the severity of the situation for our staff and the clients and hence took a proactive approach towards the same. All our staff continued to work from home while keeping a constant touch with the clients through the medium of telephones. To combat the on-going crisis, SATYA undertook several relief measures for the clients, employees, and others in the community. Few of those initiatives are enumerated below:

1. SATYAरसोई - #MealForMigrants, a food relief campaign, was organized for the displaced migrant population who faced issues related to food security. Our team from various branches coordinated the operations from 35+ locations across India and distributed food to the people in need.
2. SATYA Clients are being provided moratorium as per the directions of the RBI.
3. We initiated a Digital OPD, a free of cost medical tele-consultation service, for our clients, staff, and their respective family members. The service aimed at provision of free medical consultation over the telephone from various experienced doctors and medical professionals.

While the things are slowly getting back to normal, major impact of the crisis on the business operations of SATYA shall be visible only in the Financial Year 2020-21.

INDUSTRY SCENARIO

As per MFIN Micrometer, the microfinance industry has a total loan portfolio of Rs. 2,31,788 Cr. as on 31st March 2020. Banks hold the largest share (39.8%) of portfolio in micro-credit with total loan outstanding of Rs. 92,281 Cr. whereas, NBFC-MFIs the second largest provider of micro-credit with a loan amount outstanding of Rs. 73,792 Cr. accounting for 31.8% of the total industry portfolio. Small Finance Banks (SFBs) have a total loan amount outstanding of Rs. 40,556 Cr. with total share of 17.5%. NBFCs account for another 9.8% and the non-profit/other MFIs account for 1.1% of the total industry portfolio.

The NBFC-MFIs work through a network of 599 districts of 36 states and union territories providing doorstep credit to low-income clients. The client base of the industry consists of 3.84 Cr. Loan accounts. During the financial year 2019-20, PAR >30 was reported to be 1.88%.

BUSINESS GROWTH

In Financial Year 2019 - 20, SATYA strengthened its operations by expanding in 8 more states, making us

profitably operational in 22 states now. The number of branches increased from 84 in March 2019 to 150 in March 2020. The organization closed the year with a loan portfolio of Rs. 1,007.85 Cr., registering an impressive growth vis-à-vis last fiscal. The PAR30 stood at 1.85% as on 31st March 2020. Our human capital strength also grew tremendously from 1,026 in March 2019 to 1,879 employees in March 2020 signifying a diversified yet unified strength of the company.

REGULATIONS AND COMPLIANCE

SATYA is registered as an NBFC-MFI with the Reserve Bank of India (RBI). The organization complies with the requirements as prescribed by the Reserve Bank of India as applicable to it. Other major legislations applicable to the company are the Indian Companies Act and taxations related laws. SATYA complies with all the regulations in a proactive manner.

FINANCIALS

The total revenue generated by the organization was Rs. 208.61 Cr. as on March 31, 2020 as compared to Rs. 101.71 Cr. as on March 31, 2019. Despite the unstable economy and considerable sectoral challenges, SATYA performed par-excellence and is proud to report a post tax profit of Rs. 7.53 Cr in the financial year 2019-20.

As per INDAS, shareholders' funds increased from Rs. 86.50 Crore in the financial year 2018-19 to Rs. 171.77 Crores in the financial year 2019-20. The details of the shareholders holding more than 5% of the ordinary shares of the organization are as under:

Name	Number of Shares	% of Shares
Mr. Vivek Tiwari	97,89,700	29.38%
Gojo & Company, Inc.	81,35,537	24.42%
Dia Vikas Capital Pvt. Ltd	67,73,475	20.33%
Ms. Maneesha Gupta	17,55,500	5.27%

During the Financial Year 2019-20, SATYA raised total funds amounting to Rs. 698.02 Cr. which includes Rs. 417.32 Cr. through term loans, sub debts, NCD, ECB and CP and Rs.270.70 Cr. through Securitization and Business Correspondent and Rs. 10 Cr. through Overdraft Limit.

SI No.	Top Five Lenders of SATYA
1	IDFC FIRST Bank Limited
2	Northern Arc Capital Limited
3	ResponsAbility India Business Advisors Pvt. Ltd.
4	MAS Financial Services Limited
5	Bandhan Bank Limited

FUNDING MIX

Source	% of Total Outstanding
Public Sector Banks	0.11%
*Private Sector banks including Small Finance Banks	26.78%
NBFCs and Foreign Lenders	48.07%
Others (Off Balance Sheet)	25.04%
Total	100%

*includes Cash credit, OD against FD & receivables, sub debt and term Loan



RISK MANAGEMENT

SATYA has adopted a proactive approach to Risk Management. During the financial year 2019-21, the Risk Management Framework was formalized under the overall supervision of the Board Risk Management Committee. The Risk Management Committee, consisting of the senior staff members of the SATYA, monitors risks on a monthly basis through a formal reporting mechanism.

The Risk Management department undertakes regular analysis of data to identify risks within the organisation. Identified and approved risk limits are monitored closely by the Risk Management department. It also provides feedback to various functional departments so that the risks are identified early, and requisite action can be taken.

HUMAN RESOURCE MANAGEMENT

As mentioned earlier, total staff strength of the company augmented from 1,026 as of March 2019 to 1,879 as on March 2020. We are committed to provide a positive and beneficial working environment to our staff members. Our Human Capital department is well staffed with able support team available in every state. The online HR MIS enables data to be maintained in a systematic electronic form. We have a dedicated Employee Grievance Redressal Mechanism for the entire SATYA team as well as a special Women's Toll-free Helpline for our female staff members which we launched on International Women's Day 2020.

During this year, we conducted a Staff Satisfaction survey which provided insights about the staff perception about SATYA. We are delighted to report that overall, the staff were found to be highly satisfied with various aspects of their work! Additionally, we have also launched a dedicated web and mobile based platform – “Workplace” for all our intra-office communications and employee engagement. We also offer several training courses to the staff members using the training application of SATYA.

TECHNOLOGY

SATYA is committed to embracing a human touch and technology in all aspects of its operations. We believe that technology enables us to enhance efficiency in our operations, reduce operating expenses and optimize our risks. As more and more processes at SATYA are beginning to get nested under the digitisation canopy, our services are becoming more efficient with our accuracy levels reaching newer heights to satisfy the clients' needs and demands. With all our disbursements already being cashless since Day-1, we aim to achieve cashless and paperless operations at all levels. Giving momentum to this idea, a significant proportion of our collections are also cashless with SATYA achieving a record-breaking **INR 500+ Cr. digital transactions** during this financial year.

We are constantly training our clients and partnering with appropriate technology/banking service providers to further enhance the proportion of digital collections. We are also making appropriate interventions to ensure that all our offices become paperless to a great extent. Delivering able support to our clients, we developed an android based Application. The major technology related initiatives have been discussed in detail in technology infrastructure section of the report.

ANNEXURE-II

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	Corporate Identification Number (CIN)	U74899DL1995PLC068688
2	Registration Date	May 18, 1995
3	Name of the Company	SATYA MicroCapital Limited
4	Category/Sub-category of the Company	Public Limited Company/Limited by Shares
5	Address of the Registered Office & contact details	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi-110020, India, Phone: +91-11-49724000
6	Whether listed company	Unlisted Company
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110028 Phone: +91 11 4141 0592 Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non-Banking Financial activities / Microfinance activities	64990	100%

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
-----NA-----					

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01st April, 2019]				No. of Shares held at the end of the year [As on 31st March, 2020]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	68,07,500	21,47,500	89,55,000	33.91	92,30,200	25,00,000	1,17,30,200	35.20	1.30
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	13,08,333	0	13,08,333	3.93	3.93
e) Banks / FI	0	0	0	0	0	0	0	0	0

f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	68,07,500	21,47,500	89,55,000	33.91	1,05,38,533	25,00,000	1,30,38,533	39.13	5.22
(2) Foreign									
a) NRI-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	68,07,500	21,47,500	89,55,000	33.91	1,05,38,533	25,00,000	1,30,38,533	39.13	5.22
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
l) Others (Foreign Portfolio Investors)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	0	65,08,901	65,08,901	24.65	72,77,202	6,000	72,83,202	21.86	(2.79)
ii) Overseas	0	67,17,949	67,17,949	25.44	81,35,537	0	81,35,537	24.42	(1.02)
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	23,502	4,26,068	4,49,570	1.70	2,71,230	2,28,704	4,99,934	1.50	-0.20
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6,79,550	23,23,110	30,02,660	11.37	23,17,605	9,26,917	32,44,522	9.74	(1.63)
c) Qualified Foreign Investor	0	0	0	0					
d-i) Trust	0	6,55,750	6,55,750	2.48	0	10,00,000	10,00,000	3.00	0.52
d-ii) Non Resident Indian	0	0	0	0					
d-iii) Hindu Undivided Family	0	0	0	0					
d-iv) Directors & their Relatives	0	1,20,000	1,20,000	0.45	0	1,20,000	1,20,000	0.36	(0.09)
Sub Total (B)(2)	7,03,052	1,67,51,778	1,74,54,830	66.09	1,80,01,574	22,81,621	2,02,83,195	60.87	(5.22)
Total Public Shareholding (B)=(B)(1)+(B)(2)	7,03,052	1,67,51,778	1,74,54,830	66.09	1,80,01,574	22,81,621	2,02,83,195	60.87	(5.22)

Total (A)+(B):-	75,10,552	1,88,99,278	2,64,09,830	100.00	2,85,40,107	47,81,621	3,33,21,728	100	0.00
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(ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Vivek Tiwari	70,14,500	26.56	22.81	97,89,700	29.38	16.34	2.82
2.	Maneesha Gupta	17,55,500	6.65	0.00	17,55,500	5.27	0.00	(1.38)
3.	Ratnesh Tiwari	51,500	0.20	0.00	51,500	0.15	0.00	(0.04)
4.	Koshish Marketing Solutions Private Limited	0	0	0.00	13,08,333	3.93	0.00	3.93
5.	Sadhna Tiwari	20,000	0.08	0.00	20,000	0.06	0.00	(0.02)
6.	Vandna Tiwari	1,13,500	0.43	0.00	1,13,500	0.34	0.00	(0.09)
	TOTAL	89,55,000	33.91	0.00	1,30,38,533	39.13	0.00	5.22

Note - Names of Koshish Marketing Solutions Private Limited has been added to promoter category through Board Resolution dated February 05, 2019

(iii) Change in Promoters' Shareholding

Sl No.	Name & Type of Transaction	Shareholding at the beginning of year		Transactions during the year		Cumulative Shareholding at the end of year	
		No of Shares held	% of total Shares of the company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the company
1.	Vivek Tiwari	70,14,500	70,14,500				
	Transfer			21-May-19	12,000	70,26,500	26.61
	Transfer			21-May-19	20,000	70,46,500	26.68
	Transfer			21-May-19	37,000	70,83,500	26.82
	Transfer			03-Jul-19	1,000	70,84,500	26.83
	Transfer			03-Jul-19	2,200	70,86,700	26.83
	Transfer			26-Jul-19	1,85,000	72,71,700	27.53
	Transfer			26-Jul-19	4,000	72,75,700	27.55
	Allotment			26-Jul-19	25,00,000	97,75,700	33.20
	Transfer			06-Feb-20	14,000	97,89,700	29.38
	At the end of Year					97,89,700	29.38
2.	Ratnesh Tiwari	51,500	0.20	-	-	51,500	0.15
	At the end of Year					51,500	0.15
3.	Maneesha Gupta	17,55,500	6.65	-	-	17,55,500	5.27
	At the end of Year					17,55,500	5.27
4.	Sadhna Tiwari	20,000	0.08	-	-	20,000	0.06
	At the end of Year					20,000	0.06
5.	Koshish Marketing Solutions Private Limited	-	-				
	Allotment			26-Jul-19	5,33,333	5,33,333	1.81
	Right Issue			18-Oct-19	7,75,000	13,08,333	3.93



At the end of Year						13,08,333	3.93
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(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors and Promoters)

Name of Shareholder	For each of the Top 10 Shareholders	Shareholding		Transactions during the year		Cumulative shareholding at the end of the year	
		No of Shares	% of total Shares of the company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the company
Gojo & Company, Inc	At the beginning of the year	67,17,949	25.44				
	Increase in Shareholding due to Allotment of Equity Shares on 04.09.2019			04.09.2019	6,42,126	73,60,075	23.89
	Increase in Shareholding due to Allotment of Equity Shares by way of Right Issue on 18.10.2019			18.10.2019	7,75,462	81,35,537	24.42
	At the end of the year					81,35,537	24.42
DIA Vikas Capital Private Limited	At the beginning of the year	63,96,901	25.44				
	Increase in Shareholding due to Allotment of Equity Shares on 04.09.2019			04.09.2019	3,76,574	67,73,475	20.33
	At the end of the year					67,73,475	20.33
SATYA Employee Welfare Trust	At the beginning of the year	6,55,750	2.48				
	Increase in Shareholding due to Allotment of Equity Shares on 04.09.2019			04.09.2019	3,44,250	10,00,000	3.00
	At the end of the year					10,00,000	3.00
Shekhar Mahajan	At the beginning of the year	3,00,000	1.14				
	Increase in Shareholding due allotment of Equity shares by way of Right Issue on 18-10-2019			18.10.2019	39,090	3,39,090	1.02
	At the end of the year					3,39,090	1.02
Koshish Sustainable Solutions Private Limited	At the beginning of the year	-	-				
	Increase in Shareholding due allotment of Equity shares by way of Right Issue on 18-10-2019			18.10.2019	2,72,727	2,72,727	0.82
	At the end of the year					2,72,727	0.82

Neeraj Maheshwari	At the beginning of the year	1,56,000	0.59				
	At the end of the year					1,56,000	0.47
Avishek Sarkar	At the beginning of the year	1,45,000	0.55				
	At the end of the year					1,45,000	0.55
Mahabal Metals Private Limited	At the beginning of the year	-	-				
	Increase in Shareholding due allotment of Equity shares by way of Right Issue on 18-10-2019			18.10.2019	1,25,000	1,25,000	0.38
	At the end of the year					1,25,000	0.38
Subhash Acharya	At the beginning of the year	1,19,000	0.45				
	At the end of the year					1,19,000	0.36
Prime M2i Consulting Private Limited	At the beginning of the year	1,06,000	0.40				
	At the end of the year					1,06,000	0.32

(v) Shareholding of Directors and Key Managerial Personnel:

Name of Directors and Key Managerial Personnel	Shareholding of Each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
Vivek Tiwari Managing Director, CEO & CIO	At the beginning of the year	70,14,500	26.56%		
	21-May-19	12,000		70,26,500	26.61
	21-May-19	20,000		70,46,500	26.68
	21-May-19	37,000		70,83,500	26.82
	03-Jul-19	1,000		70,84,500	26.83
	03-Jul-19	2,200		70,86,700	26.83
	26-Jul-19	185,000		72,71,700	27.53
	26-Jul-19	4,000		72,75,700	27.55
	26-Jul-19	25,00,000		97,75,700	33.20
	06-Feb-20	14,000		97,89,700	29.38
	At the end of the year			97,89,700	29.38
	At the beginning of the year	51,500	0.20		
Ratnesh Tiwari Director	At the end of the year			51,500	0.15

Rahul Gupta Director	At the beginning of the year	1,10,000	0.42		
	At the end of the year			1,10,000	0.33
Rachna Khantwal Company Secretary	At the beginning of the year				
	18-Oct-2019	1,000	0.003		
	At the end of the year			1,000	0.003
Sudhindra Sharma Chief Financial Officer	At the beginning of the year	98,000	0.37		
	At the end of the year			98,000	0.29

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (31 March, 2020)

(In Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2019				
i) Principal Amount	521.02	62.50	-	583.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.96	1.04	-	4.00
Total (i+ii+iii)	523.98	63.54	-	587.52
Change in Indebtedness during the financial year				
Addition	398.32	44.00	-	442.32
Reduction	236.12	31.89	-	268.01
Net Change	162.20	12.11	-	174.31
Indebtedness at the end of the financial year 31.03.2020				
i) Principal Amount	683.21	74.61	-	757.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.55	0.87	-	7.42
Total (i+ii+iii)	689.77	75.48	-	765.24

Note:- Above working is based on I-GAAP Financial as on March 31, 2020 & doesn't include any IND-AS Adjustment & reclassification.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross Salary	Vivek Tiwari (Managing Director, CEO & CIO)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,59,96,499	1,59,96,499
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		

2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Provident Fund	5,04,000	5,04,000
	Total (A)		
	Ceiling as per the Act	Remuneration is being paid as per Schedule V of the Companies Act, 2013	

B. Remuneration to Other Directors

Sl. No	Particulars of Remuneration	Name of Director						Total Amount
1	Independent Directors	Mukul Jaiswal	Rahul Gupta	C.P. Mohan	Vijayalakshmi Das	Naveen Surya appointed w.e.f Aug 29, 2019	Surekha Marandi appointed w.e.f Feb 28, 2020	
	Sitting Fee (Board / Committee meetings)	3,69,000	3,78,000	2,89,333	36,000	1,72,800	0	12,45,133
	Commission							
	Others, please specify							
	Total (1)	3,69,000	3,78,000	2,89,333	36,000	1,72,800	0	12,45,133
2	Other Non-Executive Directors	Ratnesh Tiwari	Saneesh Singh	Sanjay Gandhi				Total Amount
	Fee for attending board committee meetings	2,43,000	4,23,000	4,23,000				10,89,000
	Commission							Nil
	Others, please specify							Nil
	Total (1)	2,43,000	4,23,000	4,23,000				10,89,000
Total (B)=(1+2)	6,12,000	8,01,000	7,12,333	36,000	1,72,800	0	23,34,133	
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	Remuneration is being paid as per Schedule V of the Companies Act, 2013						

C. Remuneration to Key Managerial Personnel Other than Managing Director:

Sl. No	Particulars of Remuneration	Name		Total
		Rachna Khantwal Company Secretary (appointed w.e.f 19.09.2018)	Sudhindra Sharma, Chief Financial Officer	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,52,408	57,62,136	63,14,544
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			



4	Commission - as % of profit - others, specify...			
5	Provident Fund	33,370	3,05,454	3,38,824
	Total (A)	5,85,778	60,67,590	66,53,368

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

No penalties, punishments & Compounding of offence were imposed on the Company during Financial year 2019-20.

ANNEXURE-III

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Mission of SATYA MicroCapital Limited is to be a preferred choice for the people at the bottom of pyramid in creation of their enterprise and livelihood through holistic approach. For achieving this, the organization strives to adopt best practices and policies on corporate governance through transparency in business ethics and accountability to customers and stakeholders.

BOARD OF DIRECTORS ("BOARD")

The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Company has defined guidelines and an established framework for the meetings of the Board and committees. These guidelines seek to systematize the decision-making process at the meetings of the Board and committees in an informed and efficient manner.

a. Board Composition as on March 31, 2020:

Name of the Directors	Designation	DIN	Date of Joining
Executive Director			
Vivek Tiwari	Managing Director, CEO & CIO	02174160	18/02/2016
Non-Executive Director			
Ratnesh Tiwari	Director	07131331	28/10/2016
Non-Executive Director and Independent Director			
Rahul Gupta	Independent Director	07478822	20/10/2016
Mukul Jaiswal	Independent Director	02696656	12/01/2017
C. P. Mohan	Independent Director	02661757	11/08/2017
Naveen Surya	Independent Director	00094514	29/08/2019
Surekha Marandi	Independent Director	06952573	28/02/2020
Non-Executive Director and Nominee Director			
Saneesh Singh	Nominee Director	02254868	26/10/2017
Sanjay Gandhi	Nominee Director	02234298	01/08/2018

During the year, the Board has approved the appointment of Mr. Naveen Surya (DIN: 00094514) as Independent Director with effect from August 29, 2019 and Mrs. Surekha Marandi (DIN: 06952573) as Independent Director with effect from February 28, 2020.

BOARD MEETINGS & ATTENDANCE

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. The Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. It sets strategic goals and seeks accountability for their fulfillment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspiration and societal expectations. In order to meet out the responsibilities, the Company holds a minimum of Four Board Meetings every year complying with the provisions of Companies Act, 2013 and applicable Secretarial Standard for conduct of Board Meetings. Additional Board Meetings are held by the Company to address specific needs, as and when required. In case of urgency or business exigencies, matters are also approved by way of resolution by circulation as per the

provisions of Companies Act, 2013, and subsequently noted in the next Board Meeting. The Company circulates the agenda and related notes/ documents well in advance through its e-mail to the Board and its Committee Members on their registered mail ids.

The functional heads of the Company periodically give presentations to the Board covering their respective operations, performance, plans and strategies and discuss upon the areas of improvement and prospective opportunities.

As a practice, the Company Secretary communicates all important decisions taken by the Board Members/ Committee Members to the functional head of the concerned departments.

b. Number & Dates of board Meeting:

The Board met 11 (Eleven) times on May 21, 2019; July 03, 2019; July 26, 2019; August 29, 2019; September 11, 2019; September 17, 2019; October 18, 2019; November 29, 2019; February 06, 2020; February 28, 2020 & March 27, 2020.

Attendance of directors at board meetings and their directorships in other companies as on March 31, 2020, are given below:

Name of the Directors	Nature of Directorship	Number of Board Meetings		Whether attended last AGM	Directorships in other companies
		Held during the tenure	Attended		
Vivek Tiwari	Managing Director, CEO & CIO	11	11	Yes	- Koshish Sustainable Solutions Private Limited - Association for Social Sustainability through Education Research & Training
Rahul Gupta	Independent Director	11	11	Yes	NA
Ratnesh Tiwari	Director	11	11	Yes	- Koshish Sustainable Solutions Private Limited - Koshish Marketing Solutions Private Limited
Mukul Jaiswal	Independent Director	11	5	Yes	- Cashpor Micro Credit - Cashpor Financial And Technical Services Private Limited - Aayushya Foundation - Jeevanshree Inclusive Finance India Private Limited
Vijayalakshmi Das	Independent Director	11	2	No	- Light Microfinance Private Limited - Ananya Finance For Inclusive Growth Private Limited - Arriba Inclusive Finance Private Limited - Grameen Foundation For Social Impact - Nanayasurabhi Affordable Housing Finance Limited - Nabkisan Finance Limited
C. P. Mohan	Independent Director	11	7	No	- Kamal Fincap Private Limited - Cedar Retail Private Limited - Prachodhan Development Services - JRK Marketing Private Limited
Saneesh Singh	Independent Director	11	11	Yes	- ESAF Small Finance Bank Limited - MI India Capital Consultants Private Limited - Samhita Community Development Services - Growing Opportunity Finance (India) Private Limited - DIA Vikas Capital Private Limited - Cashpor Micro Credit - Margdarshak Financial Services Limited - ESAF Financial Holdings Private Limited - MI India Capital & Investment Private Limited



Sanjay Gandhi	Nominee Director	11	11	Yes	- Ananya Finance for Inclusive Growth Private Limited - LF Financial Services Private Limited
Naveen Surya	Independent Director	11	5	No	- Epilepsy Foundation - Vyoman Tradelink India Private Limited
Surekha Marandi	Independent Director	11	-	No	NA

INDEPENDENT DIRECTORS

The Independent Directors of the Company are individuals of eminence & repute in their respective fields and helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, corporate governance and standards of conduct. In accordance with the criteria set for selection of Independent Directors and for determining their independence, the Nomination and Remuneration Committee ('NRC') of the Board, inter alia, consider the qualifications, positive attributes, area(s) of expertise and Directorships/Committee memberships held by these individuals in other companies. The Board considers the NRC's recommendation and takes appropriate decisions in appointment of the Independent Directors.

PECUNIARY RELATIONSHIP

There is no pecuniary relationship or transaction of Non-Executive Directors vis-à-vis the Company, apart from the sitting fees received by them for attending the Meetings of the Board and Committee(s) thereof.

COMMITTEES OF THE BOARD

As on March 31, 2020, the company has 7 (Seven) statutory committees of the Board, constituted in accordance with the provisions of the Act and RBI Guidelines and Directions issued to companies from time to time viz.,

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Corporate Social Responsibility Committee
5. Asset Liability Management Committee
6. IT Strategy Committee
7. Working Committee

The Board fixes the terms of reference of Committees and also delegates powers from time to time. The Minutes of the Meetings of the Committees are circulated to the Members and placed before the Board for its information.

1. AUDIT COMMITTEE OF THE BOARD

As a measure of good Corporate Governance and also to meet the statutory provisions of the NBFC Regulations and Companies Act, 2013, the audit committee is made with the primary objective to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. Majority of the members of the Committee are Independent Directors. The Company Secretary acts as Secretary to this Committee.

All the Members of the Audit Committee have the required qualification and expertise for appointment on the Committee and possess requisite knowledge of accounting and financial management.

COMPOSITION

The Audit Committee of the Board was constituted on October 26, 2017 comprised of 5 (Five) Directors as on March 31, 2020:

1. Mukul Jaiswal
2. C. P. Mohan
3. Saneesh Singh
4. Sanjay Gandhi
5. Rahul Gupta

MEETINGS AND ATTENDANCE

4 (Four) meetings of Audit Committee held during the year on May 21, 2019; September 11, 2019; November 29, 2019 & February 28, 2020.

Name	Number of Meetings	
	Held	Attended
Mukul Jaiswal	4	4
C. P. Mohan	4	3
Saneesh Singh	4	4
Sanjay Gandhi	4	4
Rahul Gupta	4	4

TERMS OF REFERENCE

The Audit Committee has the following responsibilities:

- To take cognizance of the internal Audit Reports, independence of auditors and effectiveness of the audit report
- To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, scope of audit and frequency of internal audit
- To recommend appointment, remuneration and terms of appointment of auditors
- To ensure adequacy of whistle blower policy
- To look into cases of defaults, frauds done to or done by the organization
- To periodically interact with the statutory auditor and approval of payment to statutory auditors for any other services rendered by the statutory auditors
- To ensure that the financial statements are correct, sufficient and credible
- To review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with reference to:
 - a. Any matter required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - b. Any change in accounting policy
 - c. Any significant transaction or financial irregularity
 - d. Loan write-offs
 - e. Related party transaction
 - f. Capital expenditure
 - g. Any significant accounting adjustment
 - h. Any significant increase in liabilities
 - i. Contingent liabilities
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- The Audit Committee ensures the rotation of partner/Chartered account firm in conducting the audit. The Audit firm need to be replaced after carrying out three consecutive audits and can be eligible for company audit after an interval of three years.

- The Audit Committee mandatorily reviews the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the chief internal auditor is subject to review by the audit committee.

2. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the regulations framed by Reserve Bank of India, the Company being a Non-Deposit taking Non-Banking Finance Company has a Nomination and Remuneration Committee for the appointment of Directors of the Company. The committee shall also carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board and its directors.

COMPOSITION

The Nomination and Remuneration Committee of the Board, which was constituted on October 26, 2017 comprised of Six (6) directors as on March 31, 2020:

1. Vivek Tiwari
2. C. P. Mohan
3. Saneesh Singh
4. Mukul Jaiswal
5. Sanjay Gandhi
6. Rahul Gupta

MEETINGS AND ATTENDANCE

The committee held Four (4) meetings during the year on May 21, 2019; August 29, 2019; November 28, 2019 & February 28, 2020.

Name	Number of Meetings	
	Held	Attended
Vivek Tiwari	4	4
C. P. Mohan	4	3
Saneesh Singh	4	4
Mukul Jaiswal	4	3
Sanjay Gandhi	4	4
Rahul Gupta	4	4

TERMS OF REFERENCE

The Nomination and Remuneration Committee has the following responsibilities:

- This includes qualifications, positive attributes and independence of a Director
- Ensure 'fit and proper' status of proposed/ existing Directors
- To recommend the Board the appointment, extension or removal of Directors/Senior Management in accordance with criteria laid down or on the basis of the report of performance evaluation of Directors / Senior Management.

- To recommend to the Board on
 - a. Policy relating to remuneration for Directors, key Managerial Personnel and Senior Management, and
 - b. Executive Directors remuneration and incentive.
- To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions.
- To also administer the ESOP Scheme/Plan of the Company.

3. RISK MANAGEMENT COMMITTEE

The Risk Management Committee is an independent committee of the Board of Directors that has, as its sole and exclusive function, responsibility for the oversight of the risk management policies and practices of the Corporation's global operations and oversight of the operation of the Corporation's global risk management framework.

The Committee will assist the Board of Directors in fulfilling its oversight responsibilities with regard to the risk appetite of the Corporation, the Corporation's risk management and compliance framework, and the governance structure that supports it.

COMPOSITION

The Risk Management Committee of the Board, which was constituted on May 21, 2019 comprised of Five (5) members as on March 31, 2020:

1. Vivek Tiwari
2. Mukul Jaiswal
3. Saneesh Singh
4. Sanjay Gandhi
5. Sudhindra Sharma

MEETINGS AND ATTENDANCE

The committee held Two (2) meetings during the year on November 28, 2019 & February 28, 2020.

Name	Number of Meetings	
	Held	Attended
Vivek Tiwari	2	2
Mukul Jaiswal	2	2
Saneesh Singh	2	2
Sanjay Gandhi	2	2
Sudhindra Sharma	2	2

TERMS OF REFERENCE

The Risk Management Committee has the following responsibilities:

- To monitor and review the risk management plan.
- To review operational risk (including sub risk for operational risk), credit risk, market risk, interest rate risk and other risks associated with the business of the organization.
- To take Strategic actions to mitigate the risk associated with the nature of the business.
- To appraise the Board of directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy.
- To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws, and

- To lay down procedure to inform Board members about the risk assessment and minimization procedures.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted by the Board of Directors to promote a culture that emphasizes and sets high standards for corporate social responsibility and reviews corporate performance against those standards.

The Committee will consider the impact of the Corporation's businesses, operations and programs from a social responsibility perspective, taking into account the interests of shareholders, clients, employees, communities and regulators.

COMPOSITION

The Corporate Social Responsibility Committee of the Board, which was constituted on May 21, 2019 comprised of Three (3) directors as on March 31, 2020:

1. Mukul Jaiswal
2. Ratnesh Tiwari
3. Rahul Gupta

MEETINGS AND ATTENDANCE

The committee held 1 (One) meeting during the year on February 28, 2020

Name	Number of Meetings	
	Held	Attended
Mukul Jaiswal	1	1
Ratnesh Tiwari	1	1
Rahul Gupta	1	1

TERMS OF REFERENCE

The Corporate Social Responsibility Committee has the following responsibilities:

- To recommend CSR activities to be undertaken by the Company.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To formulate the CSR Budget based on the CSR activities planned for the year.
- To create an effective supervision and monitoring mechanism for implementation of the approved CSR activities.
- To submit reports to the Board of Directors in respect of the CSR activities undertaken by SATYA Micro Capital and
- To decide on the locations for the CSR activities.

5. ASSET LIABILITY MANAGEMENT COMMITTEE

Asset Liability Management Committee is a comprehensive and dynamic framework of assessing various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

It is focused on a long-term perspective rather than mitigating immediate risks and is a process of maximizing assets to meet complex liabilities that may increase profitability.

COMPOSITION

The Asset Liability Management Committee of the Board, which was constituted on May 21, 2019 comprised of Five (5) members as on March 31, 2020:

1. Vivek Tiwari
2. Mukul Jaiswal
3. Saneesh Singh
4. Sanjay Gandhi
5. Sudhindra Sharma

MEETINGS AND ATTENDANCE

The committee held 2 (Two) meetings during the year on November 28, 2019 & February 28, 2020.

Name	Number of Meetings	
	Held	Attended
Vivek Tiwari	2	2
Mukul Jaiswal	2	2
Saneesh Singh	2	2
Sanjay Gandhi	2	2
Sudhindra Sharma	2	2

TERMS OF REFERENCE

The Asset Liability Management Committee has the following responsibilities:

- Addressing concerns regarding asset liability mismatches.
- Achieving optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity.
- Addressing concerns regarding interest rate risk exposure.
- To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.
- To decide on investing the funds of the company.

6. IT STRATEGY COMMITTEE

Pursuant to RBI Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017, ('Master Direction' the Board has constituted an IT Strategy Committee to carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance. The Roles and Responsibilities of IT Strategy Committee are:

Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

- a. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- b. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- c. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- d. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
- e. Ensuring that Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings.

COMPOSITION

The IT Strategy Committee of the Board, which was constituted on February 28, 2020 comprised of 4 (Four) members as on March 31, 2020:

1. Mr. Vivek Tiwari

2. Mr. Naveen Surya
3. Dr. Ratnesh Tiwari
4. Mr. Ashutosh Kumar Srivastava

There was no meeting held in FY 2019-20.

7. Working Committee of Directors

The Working Committee comprises of Mr. Vivek Tiwari, Dr. Ratnesh Tiwari as members and Ms. Rachna Khantwal as its secretary. The Working Committee deals with routine matters of the Company on day to day basis and the matters relating to borrowing, investment of surplus funds, opening and closure of Bank accounts, allotment, transfer, transmission, issue of new/duplicate share certificates, allotment of NCDs, Commercial Papers and all other matters as prescribed and delegated to the Committee by the Board from time to time.

This Committee generally meets as and when required. During the year under review, 34 (thirty four) meetings of the Committee of Directors were held.

GENERAL BODY MEETINGS

ANNUAL GENERAL MEETING

Details of the Annual General Meetings held during the financial year 2019-20 are given below:

Year	Date	Time	Location	No. of special resolutions passed
2019	July 26, 2019	11:30 A.M	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi-110020	7

EXTRA-ORDINARY GENERAL MEETING

Details of the Extra-ordinary General Meetings held during the financial year 2019-20 are given below:

Year	Date	Time	Location	No. of special resolutions passed
2019	July 26, 2019	03:00 P.M	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi-110020	05
2019	August 29, 2019	03:30 P.M	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi-110020	02
2019	November 11, 2019	11:00 A.M	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi-110020	01
2020	March 28, 2020	10:30A.M	Flat No. A-406 Gaur Grandeur, Sector-119, Parthala Khanjarpur, Gautam Buddha Nagar, UP- 201304	01

DEBENTURE HOLDER DETAILS

The details regarding the Debenture Holders as on March 31, 2020 are given as under:

Name of Debenture Holder	Address	Amount (In Cr.)	Particulars
IFMR - (2018)	IIT Madras Research Park, 10th Floor, Phase-1, Kanagam Village, Taramani, Chennai-600113	20	Secured, Rated, Transferable, Redeemable Non-Convertible Debentures
Blue Orchard (2018)	28-32 Place de la Gare, 1616 , Luxembourg	17	Secured, Rated, Listed, Redeemable Non-Convertible Debentures
<ul style="list-style-type: none"> JAPAN Asean Women Empowerment Fund (JAWEF) Microfinance Initiative for Asia (MIFA), Debt Fund 		17	
Microfinance Enhancement Facility, SICAV SA-SIF	5, Rue Jean Monnet, L- 2180 Luxembourg	20	Secured, Rated, Listed, Redeemable, Transferable, Non- Convertible Debentures
UTI International Wealth Creator 4	4th Floor, 19, Bank Street, Cybercity, Ebene 72201, Republic of Muaritiis	20	Secured, Rated, Listed, Redeemable, Transferable, Non- Convertible Debentures
Axis Trustee Services Limited acting in its capacity as the trustee of the IFMR Finance for Freedom Fund IV with IFMR Fimpact Income Builder Fund as its scheme	IIT Madras Research Park, 10th Floor, Phase-1, Kanagam Village, Taramani, Chennai-600113	15	Rated, Subordinated, Unsecured, Transferable, Redeemable, Non-Convertible Debentures
Axis Trustee Services Limited acting in its capacity as the trustee of the IFMR Finance for Freedom Fund III with IFMR Fimpact Long Term Credit Fund as its scheme	IIT Madras Research Park, 10th Floor, Phase-1, Kanagam Village, Taramani, Chennai-600113	20	Rated, Subordinated, Unsecured, Transferable, Redeemable, Non-Convertible Debentures
Unifi AIF	IL & FS Securities Services Ltd., Custodial Services Division, Plot No. 14, Raheja Vihar, Chandivali, Andheri (E), Mumbai-400072	20	Rated, Listed, Senior, Unsecured, Redeemable, Taxable, Non-Convertible Debentures
Karvy Capital Limited Demeter Portfolio	702 Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off. Bandra Kurla Complex, Bandra (East), Mumbai-400051	10	Rated, Listed, Unsecured, Subordinated, Redeemable, Taxable, Non-Convertible Debentures
Karvy Capital Limited Demeter Portfolio	702 Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off. Bandra Kurla Complex, Bandra (East), Mumbai-400051	15	Rated, Listed, Unsecured, Subordinated, Redeemable, Taxable, Non-Convertible Debentures
UTI International Wealth Creator 4	4th Floor, 19, Bank Street, Cybercity, Ebene 72201, Republic of Muaritiis	28.5	Rated, Listed, Secured, Redeemable Transferable Non-Convertible Debentures
Aviator Global Investment Fund	4th Floor, 19 Bank Street Cybercity, Ebene-72201, Mauritiis	24.98	Unlisted, Unsubordinated, Secured, Transferable, Redeemable, Non-Convertible Debentures
Northern Arc Capital Limited	10th Floor, Phase-1, IIT Madras Research Park, Kanagam Village, Taramani, Chennai-600113	24.98	Unlisted, Unsubordinated, Secured, Transferable, Redeemable, Non-Convertible Debentures



REDEMPTION DURING FINANCIAL YEAR 2019-20

- On August 16, 2019, the Company redeemed 20 Lac Non-Convertible, Redeemable, Cumulative, Preference Shares (“NCRCPs”) under NCRCPs 2018 Series.
- On September 23, 2019, the Company redeemed 500 Unsecured, redeemable, unlisted, optionally convertible debentures having a face value of Rs. 1,00,000/- each.

REGISTRAR AND SHARE TRANSFER AGENT

In pursuance of Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all activities related to Share Registry and Non-convertible debentures (NCDs) facility (in electronic form) are maintained by our Registrar & Transfer Agent (RTA) i.e. Link Intime India Private limited having SEBI Registration No. INR000004058. Further, the Company has also availed electronic facility from the RTA with respect to dematerialisation of its equity shares.

- In case, NCDs held in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through their respective Depository Participants.

MEANS OF COMMUNICATION

a. Results

The Company publishes limited reviewed un-audited standalone financial results on a half yearly basis. In respect of the last half year, the Company published the audited financial results for the complete financial year.

b. Website, where displayed

The Company has an operational website www.satyamicrocapital.com wherein inter alia annual financials are placed.

GENERAL SHAREHOLDER INFORMATION

a. Company Registration details:

The Company is registered in New Delhi, India. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs is U74899DL1995PLC068688. Registration number allotted by RBI is 14.01513.

b. Ensuing Annual General Meeting –

Date: August 27, 2020

Time: 02:00 PM

Venue: 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020

c. Financial Year:

1st April to 31st March

d. Listing Fees:

The Debentures of the Company are listed on Bombay Stock Exchange (BSE) and the listing fees payable to the stock exchange for the financial year 2019-20 has been paid in full.

e. Dematerialization of Shares:

As per the notification dated September 10, 2018 issued by Ministry of Corporate Affairs (MCA), the requests for effecting transfer of securities in physical mode shall not be processed by the Company on or after October 02, 2018 unless the securities are held in the dematerialized form with a depository. It is mandatory for every shareholder to get their shares dematerialized before the transfer or subscribes to any securities of an unlisted public company. As on March 31, 2020, 29660107 (89.01%) of the Equity Shares were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

f. Demat ISIN Number of shares in NSDL & CDSL:

For Equity Shares (fully paid-up shares)	INE982X01013
For Non-Convertible, Cumulative Redeemable Preference Shares	INE982X04017
For Equity Shares (partly paid-up shares)	IN9982X01011

Demat ISIN Number for Non- Convertible Debentures (NCDs)

(INR Cr.)

S. No.	ISIN	No. of Debentures	Amount
1.	INE982X07010	200	20
2.	INE982X07028	340	34
3.	INE982X07036	400	40
4.	INE982X07051	1500	15
5.	INE982X08018	200	20
6.	INE982X08026	200	20
7.	INE982X08034	1Cr	10
8.	INE982X08042	1.5Cr	15
9.	INE982X08069	285	28.5
10.	INE982X07077	4,996	49.96

For Commercial papers (CP)

(INR Cr.)

S. No.	Name/Details of IPA	ISIN	Units of CP	Amount
1.	Axis Bank Limited	INE982X14024	120	6,00,00,000/-
2.	Axis Bank Limited	INE982X14032	140	7,00,00,000/-
3.	Axis Bank Limited	INE982X14040	120	6,00,00,000/-

SHAREHOLDING PATTERN

Shareholding of the Company as on March 31, 2020 is as follows:

S. No.	Name of Shareholder	No. of shares	% of Shareholding
1.	Vivek Tiwari*	97,89,700	29.38
2.	Other Promoters	32,48,833	9.75
3.	Dia Vikas Capital Private Limited	67,73,475	20.33
4.	Gojo & Company, Inc.	81,35,537	24.42
5.	Others	43,74,183	13.12
6.	SATYA Employee Welfare Trust	10,00,000	3.00
	Total Shares	3,33,21,728	100

*includes 25,00,000 partly paid-up equity shares.

PREFERENCE SHAREHOLDING PATTERN

S. No.	Name of Shareholder	No. of shares	% of Shareholding
1.	Gojo & Company, Inc.	27,22,222	100
	Total Shares	27,22,222	100

Update your Correspondence address / Email Id:

To ensure all communications, all shareholders holding shares in physical form are requested to notify to the Company, change in their address / email Id instantly by written request under the signatures of sole / first joint holder. Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details / address / email Id directly with their respective DPs.

Quote Folio No. / DP ID No.:

Shareholders/Beneficial Owners are requested to quote their Folio Nos./DP ID Nos. as the case may be, in all correspondence with the Company. Shareholders are also requested to quote their Email IDs, Contact numbers (landline/ Mobile phone) for prompt reply to their correspondence.

CORPORATE INFORMATION

Board of Directors	
Mrs. Surekha Marandi	Independent Director
Mr. C. P. Mohan	Independent Director
Mr. Naveen Surya	Independent Director
Mr. Mukul Jaiswal	Independent Director
Mr. Rahul Gupta	Independent Director
Mr. Vivek Tiwari	Managing Director, CEO & CIO
Mr. Saneesh Singh	Nominee Director
Mr. Sanjay Gandhi	Nominee Director
Dr.Ratnesh Tiwari	Director

Key Managerial Persons	
Mr. Vivek Tiwari	Managing Director, CEO & CIO
Mr. Sudhindra Sharma	Chief Financial Officer
Ms. Rachna Khantwal	Company Secretary & Compliance Officer

Registered Office

SATYA MicroCapital Limited
519,5th Floor, DLF Prime Towers, Okhla Industrial Area,
Phase-1, New Delhi-110020
Email id: investors@satyamicrocapital.com
Phone: +911149724000
Website: www.satyamicrocapital.com

Debenture Trustees Details

Catalyst Trusteeship Limited
(formerly known as GDA)
Office No. 83 – 87, 8th floor, Mittal Tower,
'B' Wing, Nariman Point, Mumbai – 400021
Tel. Nos.: 022-49220542
Website: www.catalysttrustee.com

Statutory Auditors

S.R. Batliboi & Associates LLP
Golf View Corporate Tower-B
Sector-42, Sector Road, Gurugram,
Haryana-HR-122002

Link Intime India Private Limited

C 101, 247 Park, C 101 1st Floor, LBS Marg,
Vikhroli (W), Mumbai – 400 083
Tel. No.: +9122 2594 6970;
Fax No.: +9122 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Any query on Annual Report: Members can write an email on cs@satyamicrocapital.com or send query on annual report on below mentioned address: 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020, India, addressed to Company Secretary and Compliance Officer.

ANNEXURE-IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

SATYA MICROCAPITAL LIMITED

519, 5th Floor, DLF Prime Towers, Okhla Industrial Area,

Phase-1, Delhi-110020, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SATYA MICROCAPITAL LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon. Based on my verification of **SATYA MICROCAPITAL LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ("SATYA MICROCAPITAL LIMITED") for the financial year ended March 31, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Employees' Provident Funds & Misc. Provisions Act, 1952;
- (vii) Employees' State Insurance Act, 1948;
- (viii) Maternity Benefit Act, 1961;
- (ix) Minimum Wages Act, 1948
- (x) Shops and Establishments Act, 1954
- (xi) RBI Act, 1934 relating to NBFC's



(xii) Other laws as may be applicable specifically to the company namely:

I have also examined compliance with the applicable clauses of the following (i) Secretarial Standard Issued by the Institute of Company Secretaries of India. (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes duly recorded by Company, the decisions of the Board were unanimous, and no dissenting view was found therein

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has following specific events/actions having a major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards, etc:

- (i) Issue and allotment of 25,15,615 Equity Shares of face value of Rs. 10/- per share on right issue basis;
- (ii) Issue and allotment of 43,96,283 Equity Shares of face value of Rs. 10/- per share on private placement basis;
- (iii) Issue and allotment of 2,722,222 Compulsory convertible Preference Shares of face value of Rs. 10/- per share on private placement basis;
- (iv) Issue and allotment of 285 Secured Rated Listed Redeemable Non-Convertible Debentures of the face value of Rs. 10,00,000/- each on private placement basis;
- (v) Issue and allotment of 1,00,00,000 Unsecured, Rated, Listed, Redeemable, Subordinated, Non-convertible Debentures of face value of Rs. 10/- each, on private placement basis;
- (vi) Issue and allotment of 1,50,00,000 Unsecured, Rated, Listed, Redeemable, Subordinated, Non-convertible Debentures of face value of Rs. 10/- each, on private placement basis;
- (vii) Issue and allotment of 49,996 Unlisted, Unsubordinated, Secured, Transferable, Redeemable, Non-convertible debenture of face value of Rs. 10,000/- each on private placement basis;

Place: Delhi

Date: July 15, 2020

For **Bhupesh Kumar & Associates**
Company Secretaries

Bhupesh Kumar
Company Secretary in Practice
FCS No. 9688
CP No.12004
UDIN: F009688B000474834



FINANCIAL STATEMENTS

- INDEPENDENT AUDITOR'S REPORT
- BALANCE SHEET
- STATEMENT OF PROFIT & LOSS
- CASH FLOW STATEMENT
- STATEMENT OF CHANGES IN EQUITY
- NOTES TO FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To the Members of SATYA MicroCapital Limited

Report on the Audit of the Ind AS Financial Statements

OPINION

We have audited the accompanying Ind AS financial statements of SATYA MicroCapital Limited (“the Company”), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS Financial Statements' 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

EMPHASIS OF MATTER

We draw attention to Note 46 of the financial statement which describes the extent to which CoVID-19 Pandemic impacts the Company's operations and financial results will depend on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the

procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key Audit Matters	How Our Audit Addressed The Key Audit Matter
a) Impairment of financial instruments (including provision for expected credit losses) (as described in note 3(e) of the Ind AS financial statements)	
<p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial assets) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In this process, a significant degree of judgement has been applied by the management for:</p> <ul style="list-style-type: none"> ⇒ Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. ⇒ Grouping of loan portfolio under homogenous pools to determine probability of default on a collective basis. ⇒ Determining effect of less frequent past events on future probability of default. <p>Additional considerations on account of CoVID-19</p> <p>Pursuant to the Reserve Bank of India circular dated March 27, 2020 ("RBI circular") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and May 31, 2020 read with advisory issued by the Microfinance Institutions Network dated March 30, 2020 ("MFIN advisory"), the Company has extended a moratorium to its borrower in accordance with its Board approved policy as described in Note 7.1.</p> <p>As per the guidance from ICAI, extension of the moratorium to borrowers by itself is not considered to result in a SICR for a borrower, however the entity needs to evaluate whether the borrowers to which moratorium is granted will remain regular once the moratorium period gets over. The Company has recorded a macroeconomic overlay of Rs.25.51Mn</p>	<ul style="list-style-type: none"> • Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance with the policies in terms of Ind AS 109. • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and MFIN advisory and tested the implementation of such policy on a sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.



<p>as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (CoVID-19) pandemic. Given the unique nature and scale of the economic impact of this pandemic, its timing being close to the year-end, and no reliable data being available regarding the impact of various regulatory packages, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.</p> <p>Given the high degree of management's judgement involved in estimation of ECL, accentuated by the considerations for CoVID-19 related developments, it is an area of material uncertainty and a key audit matter.</p>	<ul style="list-style-type: none"> • Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation.
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b) Transition to Ind AS accounting framework
(as described in note 35 of the Ind AS financial statements)

<p>In accordance with the roadmap for implementation of Indian Accounting Standards (Ind AS) for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP"). In order to give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS.</p> <p>The transition has involved significant changes in the Company's financial reporting policies and</p>	<ul style="list-style-type: none"> • Read the Ind AS impact assessment performed by the management and the resultant changes made to the accounting policies considering the requirements of the new framework. • Assessed the judgement exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of assets and liabilities existing as at transition date. • Read changes made to accounting policies in light of the requirements of the new framework. • We understood the financial statement closure process and the additional controls (including IT controls) established by the Company for transition to Ind AS. • Assessed the judgement applied by the Company in determining its business model for classification of financial assets. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported
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<p>processes, including generation of reliable and supportable financial information. Further, the management has exercised significant judgement for giving an appropriate effect of the first-time adoption principles of Ind AS 101, as at transition date and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under Reserve Bank of India (RBI) directions, to the extent applicable.</p> <p>In view of the material impact and complexities and significant judgement involved in implementing Ind AS, we have focused on this area in our audit.</p>	<p>under erstwhile Indian GAAP to Ind AS.</p> <ul style="list-style-type: none"> • Assessed the judgements applied by the Company in respect of areas where the accounting treatment adopted or the disclosures made under the new accounting framework were inconsistent with the extant RBI Directions. • Assessed disclosures prescribed under Ind AS
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c) IT systems and controls

<p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter</p>	<p>We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of IT access controls over the information systems. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Where deficiencies were noted, we tested the design and operating effectiveness compensating controls and, where necessary, extended the scope of our substantive audit procedures.
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OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.



Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.

RESPONSIBILITIES OF MANAGEMENT FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are 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 SAs 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 these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, 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 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 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 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 financial statements 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per **Amit Kabra**

Partner

Membership Number: 094533

UDIN: 20094533AAAACV3303

Gurugram

May 20, 2020

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

Re: SATYA MicroCapital Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.

- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.
Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per **Amit Kabra**

Partner

Membership Number: 094533

UDIN: 20094533AAAACV3303

Gurugram

May 20, 2020

ANNEXURE-2 REFERRED TO IN PARAGRAPH 2 (f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of SATYA MicroCapital Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per **Amit Kabra**

Partner

Membership Number: 094533

UDIN: 20094533AAAACV3303

Gurugram

May 20, 2020

SATYA MICROCAPITAL LIMITED

(Balance Sheet as at March 31, 2020)

(Rupees in millions unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial Assets				
Cash and cash equivalents	4	471.83	362.20	413.40
Bank balances other than cash and cash equivalents	5	981.78	1,830.94	507.19
Trade receivables	6	22.29	13.55	11.94
Loan portfolio	7	9,172.52	6,054.91	2,142.06
Investments	8	-	-	1.88
Other financial assets	9	113.70	107.42	53.51
Total Financial Assets		10,762.12	8,369.02	3,129.98
Non-Financial Assets				
Current tax assets (net)	10	62.92	12.84	7.58
Deferred tax assets (net)	11	45.31	42.02	27.75
Property, plant and equipment	12	43.76	26.02	19.17
Intangible assets	12	0.75	0.61	0.79
Other non-financial assets	13	120.34	22.79	9.37
Total Non-Financial Assets		273.08	104.28	64.66
Total Assets		11,035.20	8,473.30	3,194.64
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Debt securities	14	2,425.84	1,624.32	249.97
Borrowings (other than debt securities)	14	6,678.97	5,674.52	2,571.80
Subordinated liabilities	14	125.72	125.50	100.57
Other financial liabilities	15	60.54	152.02	12.39
Total Financial Liabilities		9,291.07	7,576.36	2,934.73
Non-Financial Liabilities				
Provisions	16	13.40	6.22	3.42
Other non-financial liabilities	17	13.04	25.73	25.78
Total Non-Financial Liabilities		26.44	31.95	29.20
EQUITY				
Equity share capital	18	304.47	257.54	128.08
Other equity	19	1,413.22	607.45	102.63
Total Equity		1,717.69	864.99	230.71
Total Liabilities and Equity		11,035.20	8,473.30	3,194.64
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Sd/-
per Amit Kabra
Partner
Membership No.094533

Place: Gurugram
Date: May 20, 2020

For and on behalf of the Board of Directors of SATYA MicroCapital Limited

Sd/-
Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Sd/-
Rachna Khantwal
Company Secretary
M. No. : A43785

Sd/-
Ratnesh Tiwari
Director
DIN: 07131331

Sd/-
Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

SATYA MICROCAPITAL LIMITED

Statement of Profit and Loss for the year ended March 31, 2020)

(Rupees in millions unless otherwise stated)

Particulars	Notes	For year ended March 31, 2020	For year ended March 31, 2019
Revenue from operations			
Interest income	20	1,973.52	977.93
Fee and commission income	21	14.96	11.29
Net gain on derecognition of financials instruments under amortised cost category	22	96.56	15.60
Total revenue from operations		2,085.04	1,004.82
Other income	23	1.09	12.25
Total income		2,086.13	1,017.07
Expenses			
Finance cost	24	1,159.04	602.47
Impairment on financial instruments	25	99.27	41.87
Employee benefits expense	26	473.16	234.18
Depreciation and amortization expense	12	26.43	16.00
Other expenses	27	217.26	125.97
Total expenses		1,975.16	1,020.49
Profit before tax		110.97	(3.42)
Tax expense:	28		
Current year tax		44.78	13.56
Earlier year tax		0.32	-
Deferred tax		(9.42)	(14.35)
Income-tax expense		35.68	(0.79)
Profit for the year		75.29	(2.63)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(1.26)	0.30
Income tax effect		0.37	(0.08)
Total comprehensive income for the year		74.40	(2.41)
Earnings per share (equity share, face value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic (Rs.) (EPS)	29	2.48	(0.12)
Diluted (Rs.) (DPS)	29	2.43	(0.12)
Nominal value		10.00	10.00
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

Sd/-

per

Amit Kabra

Partner

Membership No.094533

For and on behalf of the Board of Directors of SATYA MicroCapital Limited

Sd/-

Vivek Tiwari

Managing Director, CEO & CIO

DIN: 02174160

Sd/-

Ratnesh Tiwari

Director

DIN: 07131331

Sd/-

Rachna Khantwal

Company Secretary

M. No. : A43785

Sd/-

Sudhindra Sharma

Chief Financial Officer

Place: Gurugram

Date: May 20, 2020

Place: New Delhi

Date: May 20, 2020

SATYA MICROCAPITAL LIMITED

(Cash Flow Statement for the year ended March 31, 2020)

(Rupees in millions unless otherwise stated)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	110.97	(3.42)
Adjustments for:		
Depreciation and amortization	26.43	16.00
Share based payment to employees	11.43	0.22
Provision for gratuity and leave encashment	7.18	2.80
Re-measurement gains/(losses) on defined benefit plans	(1.26)	0.30
Impairment of financial instruments	90.50	40.22
Net gain on derecognition of financials instruments under amortised cost category	(96.56)	(15.60)
Interest income	(1,973.52)	(977.93)
Interest expense	1,139.44	598.14
	(685.39)	(339.27)
Operating cash flows on account of:		
Interest income	1,776.29	882.88
Interest expense	(1,174.65)	(603.20)
Lease rental reversed upon implementaion of Ind AS 116	(5.37)	(4.07)
Operating profit before working capital changes	(89.12)	(63.66)
Movements in working capital:		
Increase/(decrease) in other financial liabilities	(91.48)	139.63
Increase/(decreases) in other non-financial liabilities	(12.69)	(0.05)
(Increase)/decrease in bank balances other than cash and cash equivalents	849.16	(1,323.75)
(Increase)/decrease in trade receivables	(8.74)	(1.61)
(Increase)/decrease in loan portfolio	(2,967.92)	(3,849.85)
(Increase)/decrease in other financial assets	(6.28)	(53.91)
(Increase)/decrease in other non-financial assets	(43.94)	(6.01)
Cash used in operations	(2,371.01)	(5,159.21)
Income-tax paid	(88.67)	(18.82)
Net cash used in operating activities (A)	(2,459.68)	(5,178.03)
Cash flow from investing activities		
Purchase of property, plant and equipment	(40.39)	(21.58)
Purchase of intangible assets	(0.57)	(0.38)
Proceeds from derecognition of property, plant and equipment	-	1.19
Proceeds from sale of investments	-	1.88
Net cash used in investing activities (B)	(40.96)	(18.89)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)*	399.37	636.47
Issue of compulsorily convertible preference shares (including securities premium)	367.50	-
Net proceeds from borrowings#	1,843.40	4,509.25
Net cash from financing activities (C)	2,610.27	5,145.72
Net increase / (decrease) in cash and cash equivalents (A + B + C)	109.63	(51.20)
Cash and cash equivalents at the beginning of the year	362.20	413.40
Cash and cash equivalents at the end of the year (refer note 4)	471.83	362.20
Components of cash and cash equivalents as at the end of period		
Cash on hand	8.81	7.86
Balance with banks - on current account	460.52	351.83
Deposits with original maturity of less than or equal to 3 months	2.50	2.51
Total cash and cash equivalents	471.83	362.20

* Net of amount recoverable from SATYA Employee Welfare Trust.

Represents net proceeds from debt securities, borrowings (other than debt securities) and subordinated liabilities.

For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 42.

Summary of significant accounting policies (Notes no.) : 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants, ICAI Firm registration number : 101049W/E300004

Sd/-

per Amit Kabra

Partner

Membership No.094533

Place: Gurugram, Date: May 20, 2020

For and on behalf of the Board of Directors of SATYA MicroCapital Limited

Sd/-

Vivek Tiwari

Managing Director, CEO & CIO Director

DIN: 02174160

Sd/-

Ratnesh Tiwari

Director

DIN: 07131331

Sd/-

Rachna Khantwal

Company Secretary

M. No. : A43785

Sd/-

Sudhindra Sharma

Chief Financial Officer

Place: New Delhi, Date: May 20, 2020

SATYA MICROCAPITAL LIMITED

Statement of Changes in Equity for year ended on March 31, 2020

A. Equity Shares

(Rupees in millions unless otherwise stated)

Equity Share of Rs. 10 each issued

Particulars	No. of Shares	Amount
As at April 1, 2018	13,658,230	136.58
Equity share capital issued during the year ended March 31, 2019 (refer note 18)	12,751,600	127.52
As at March 31, 2019	26,409,830	264.10
Equity share capital issued during the year ended March 31, 2020 (refer note 18)	6,911,898	69.12
As at March 31, 2020	33,321,728	333.22

Equity Share of Rs. 10 each issued

Particulars	No. of Shares	Amount
As at April 1, 2018	12,808,230	128.08
Equity share capital subscribed during the year ended March 31, 2019 (refer note 18)	13,601,600	136.02
As at March 31, 2019	26,409,830	264.10
Equity share capital subscribed during the year ended March 31, 2020 (refer note 18)	6,911,898	69.12
As at March 31, 2020	33,321,728	333.22

Equity Share of Rs. 10 each issued

Particulars	No. of Shares	Amount
As at April 1, 2018	12,808,230	128.08
Equity share capital raised during the year ended March 31, 2019* (refer note 18)	13,601,600	129.46
As at March 31, 2019	26,409,830	257.54
Equity share capital raised during the year ended March 31, 2020* (refer note 18)	6,911,898	46.93
As at March 31, 2020	33,321,728	304.47

* Net of amount recoverable from SATYA Employee Welfare Trust amounting to Rs.10 mn as at March 31, 2020 and Rs.6.56 mn as at March, 2019.

B. Other equity

Particulars	Notes	Reserves & Surplus						Compulsorily Convertible Preference Shares	Compulsorily Convertible Debentures	Grand Total
		Securities Premium	Retained Earnings	General Reserve	Statutory Reserve (as required by Section 45-IC of the Reserve Bank of India Act, 1934)	Share Options Outstanding Reserve	Total			
Balance as at April 1, 2018	19	130.43	(72.70)	-	0.09	-	57.83	-	44.80	102.63
Profit for the year ended March 31, 2019		-	(2.63)	-	-	-	(2.63)	-	-	(2.63)
Other comprehensive income (net of income-tax effect)		-	0.22	-	-	-	0.22	-	-	0.22
Total comprehensive income		-	(2.41)	-	-	-	(2.41)	-	-	(2.41)
Transfer to Statutory Reserve*		-	(6.47)	-	6.47	-	Nil	-	-	Nil
Fair value of stock option-charge for the year		-	-	-	-	0.22	0.22	-	-	0.22
Premium on issue of equity share capital made during the year ended Mar 31, 2019		585.25	-	-	-	-	585.25	-	-	585.25
Amount recoverable from SATYA Employee Welfare Trust		(33.44)	-	-	-	-	(33.44)	-	-	(33.44)
Conversion of Compulsorily Convertible Debentures into equity		-	-	-	-	-	-	-	(44.80)	(44.80)
Balance as at March 31, 2019	19	682.24	(81.58)	-	6.56	0.22	607.45	-	-	607.45

(Rupees in millions unless otherwise stated)

Particulars	Notes	Reserves & Surplus						Compulsorily Convertible Preference Shares	Compulsorily Convertible Debentures	Grand Total
		Securities Premium	Retained Earnings	General Reserve	Statutory Reserve (as required by Section 45-1C of the Reserve Bank of India Act, 1934)	Share Options Outstanding Reserve	Total			
Profit for the year ended March 31, 2020		-	75.29	-	-	-	75.29	-	-	75.29
Other comprehensive income (net of income-tax effect)		-	(0.89)	-	-	-	(0.89)	-	-	(0.89)
Total comprehensive income		-	74.40	-	-	-	74.40	-	-	74.40
Transfer to Statutory Reserve		-	(15.06)	-	15.06	-	-	-	-	-
Fair value of stock option - charge for the year		-	-	-	-	11.43	11.43	-	-	11.43
Premium on issue of equity share capital made during the year ended Mar 31, 2020		370.00	-	-	-	-	370.00	-	-	370.00
Amount recoverable from SATYA Employee Welfare Trust		(17.56)	-	-	-	-	(17.56)	-	-	(17.56)
Issue of Compulsorily Convertible Preference Shares		340.28	-	-	-	-	340.28	27.22	-	367.50
Balance as at March 31, 2020	19	1,374.97	(22.24)	-	21.62	11.65	1,385.99	27.22	-	1,413.22

* As determined on the basis of profit calculated under previous GAAP.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

For and on behalf of the Board of Directors of SATYA MicroCapital Limited

Sd/-
per Amit Kabra
Partner
Membership No.094533

Sd/-
Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Sd/-
Ratnesh Tiwari
Director
DIN: 07131331

Sd/-
Rachna Khantwal
Company Secretary
M. No. : A43785

Sd/-
Sudhindra Sharma
Chief Financial Officer

Place: Gurugram
Date: May 20, 2020

Place: New Delhi
Date: May 20, 2020

Notes to the Financial Statements for the year ended March 31, 2020

1. Corporate information

SATYA MicroCapital Limited ('SATYA' or the 'Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on May 18, 1995. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND-SI') with the Reserve Bank of India ('RBI') and got classified as Non-Banking Financial Company – Micro Finance Institution (NBFC – MFI) effective February 2, 2018.

The Company is primarily engaged in the business of micro finance providing small value unsecured loans to low-income customers in urban, semi-urban and rural areas. The tenure of these loans is generally spread over one to two years.

2. Basis of preparation

a) Statement of compliance in preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statement has been prepared on a going concern basis.

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP) notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

The financial statements for the year ended March 31, 2020 are the first, the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 - First time adoption of Indian Accounting Standards, for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No.35.

The financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value. Further, the carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The financial statements are presented in Indian Rupees (INR).

b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when Ind AS specifically permits the same or it has an unconditionally legally enforceable right to offset the recognized amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

3. Significant accounting policies

a) Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets

and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ii) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iii) Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. Refer note 46 for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at March 31, 2020.

iv) Provisions other than impairment on loan portfolio

Provisions are held in respect of a range of future obligations such as employee entitlements and litigation provisions. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate which reflects both current interest rates and the risks specific to that provision.

v) Share Based Payment

Estimating fair value for share-based payment transactions requires determining of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

vi) Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.



b) Recognition of income and expense

(i) Interest income

The Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income to the extent recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

(ii) Interest expense

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

(iii) Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

(iv) Other income and expense

All Other income and expense are recognized on an accrual basis in the period they occur.

c) Property, plant and equipment (PPE) and intangible asset

PPE

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Intangible Asset

Intangible assets represent capital expenditure towards software which is stated at cost less accumulated amortization and any accumulated impairment losses.

d) Depreciation and Amortization

Depreciation

- i. Depreciation on property, plant and equipment provided on a written down value method at the rates arrived based on useful life of the assets, prescribed under Schedule II to the Companies Act, 2013, which also represents the estimate of the useful life of the assets by the management.
- ii. Property, plant and equipment costing up to Rs.5,000 individually are fully depreciated in the year of purchase.

The Company has used the following useful lives to provide depreciation on its Property, plant and equipment:

Asset Category	Useful Life (In Years)
(i) Furniture and fittings	10
(ii) Computers and data processing units	
(a) Servers and networks	6
(b) End user devices, such as, desktops, laptops, etc.	3
(iii) Office equipment	5
(iv) Motor vehicles	
(a) Motor cars	8

Amortization

Intangible assets are amortized on the basis of Straight-Line Method over a period of 4 years.

e) Impairment

i) Overview of principles for measuring expected credit loss ('ECL') on financial assets.

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognize credit losses over next 12 months period. The Company has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 days overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

Stage II

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.



Stage III

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Methodology for calculating ECL

The mechanics of the ECL calculation involve the use of following key elements:

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Company. For credit impaired assets, a PD of 100% has been applied.

Exposure at default (EAD) - It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAS by the Company. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

Loss given default (LGD) - It represents an estimate of the loss expected to be incurred when the event of default occurs. The Company uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Definition of default and cure

The Company considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.

Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.



Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. All such write-offs are charged to the statement of profit and loss. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

ii) Non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

ii) Lease Liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short term lease

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those

leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as and when due.

g) Foreign currency transactions

➤ Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which are the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

➤ Transaction and balance

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

h) Retirement and Employee benefits

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company operates following employee benefit plans:

i) Employee Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

ii) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.



iii) Leaves

Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

i) Income taxes

Current Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with The Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognized as income tax benefits or expenses in the income statement except for tax related to the FVOCI instruments. The Company also recognizes the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. A deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

j) Earnings per share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted

for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognized within finance costs.

l) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not have any contingent assets in the financial statements.

m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Measurement and recognition

Financial assets are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- Loan Portfolio at amortized cost
- Loan Portfolio at fair value through other comprehensive income (FVOCI)
- Equity instruments and mutual funds

Loan Portfolio at amortized cost:

Loan Portfolio is subsequently measured at amortized cost where:

- Contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.



After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3(e)).

Loan Portfolio at FVOCI:

Loan Portfolio is subsequently measured at FVOCI where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- the financial asset is held within a business model where objective is achieved by both collecting contractual cash flows and selling financial assets.

Loans included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is recognized as interest income using the EIR method.

Equity instruments and Mutual Funds

Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

De-recognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognized when the rights to receive cash flows from the financial asset have expired. The Company also de-recognizes the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset
or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay



those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

- The Company has transferred substantially all the risks and rewards of the asset
or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Company's continuing involvement, in which case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss account.

Financial Liabilities

Financial liability is de-recognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

n) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 financial instruments - include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

o) Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 41.

The cost of equity-settled transactions is measured using the fair value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for the year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense.

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

SATYA MICROCAPITAL LIMITED

Notes to the Financial Statements for year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
4: Cash and cash equivalents			
Cash on hand	8.81	7.86	11.81
Balances with banks			
On current accounts	460.52	351.83	65.84
Deposits with original maturity of less than three months	2.50	2.51	335.75
	471.83	362.20	413.40

Balances with banks in current accounts do not earn any interest. Short-term deposits are made for varying maturity upto three months, depending upon the funding requirements of the Company, and earn interest at the respective short-term rates.

The Company has not taken any bank overdraft against such deposits, therefore the cash and cash equivalents for cash flow statements are the same as cash and cash equivalents given above.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
5: Bank balance other than cash and cash equivalents			
Deposits with remaining maturity of less than 12 months	610.84	-	220.11
Deposits with remaining maturity of more than 12 months	13.94	1,575.27	150.30
Margin money deposits (refer note below)	357.00	255.67	136.78
	981.78	1,830.94	507.19

Fixed deposits and margin money deposits with banks earn interest at fixed rates or floating rates based on daily bank deposit rates.

Margin money deposits are placed as collateral to avail term loans from banks in connection with securitization transactions.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
6: Trade receivables			
Outstanding for a period less than six months from the date they are due for payment			
Unsecured, considered good	22.29	13.55	11.94
	22.29	13.55	11.94

Trade receivables are non-interest bearing and generally due in short-term. Based on the management's assessment, no impairment allowance is considered necessary for trade receivables.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
7: Loan portfolio	At amortised cost	At amortised cost	At amortised cost
a) Term loans			
Joint Liability Group Loans	8,884.41	5,952.72	2,154.85
Individual Loans	441.19	164.77	9.58
Less: Impairment loss allowance	(153.08)	(62.58)	(22.37)
Total (net)	9,172.52	6,054.91	2,142.06
b) (i) Secured	-	-	-
(ii) Unsecured	9,325.60	6,117.49	2,164.43
Less: Impairment loss allowance	(153.08)	(62.58)	(22.37)
Total (net)	9,172.52	6,054.91	2,142.06

(Rupees in millions unless otherwise stated)

c) (i) Loans in India	9,325.60	6,117.49	2,164.43
Less: Impairment loss allowance	(153.08)	(62.58)	(22.37)
Total (net)	9,172.52	6,054.91	2,142.06

Overview of the loan portfolio of the Company

The Company is primarily in the business of providing micro loans towards income generating activities with its operations spread out in different parts of India. The Company's focus is to reach out to the unbanked section of society and providing financial services to women entrepreneurs.

The table below discloses credit quality of the Company's exposures (net of impairment loss allowance) as at reporting date:

Portfolio classification as at March 31, 2020:

Particulars	Stage I	Stage II	Stage III	Total
Term Loans				
Joint Liability Group Loans	8,668.91	67.49	148.02	8,884.42
Individual Loans	434.74	3.76	2.68	441.18
Less: Impairment loss allowance	(39.25)	(14.16)	(99.67)	(153.08)
Total (net)	9,064.40	57.09	51.03	9,172.52

Portfolio classification as at March 31, 2019:

Particulars	Stage I	Stage II	Stage III	Total
Term Loans				
Joint Liability Group Loans	5,946.53	3.73	2.46	5,952.72
Individual Loans	164.66	0.09	0.02	164.77
Less: Impairment loss allowance	(62.51)	(0.04)	(0.03)	(62.58)
Total (net)	6,048.68	3.78	2.45	6,054.91

Portfolio classification as at April 1, 2018:

Particulars	Stage I	Stage II	Stage III	Total
Term Loans				
Joint Liability Group Loans	2,154.62	0.17	0.06	2,154.85
Individual Loans	9.58	-	-	9.58
Less: Impairment loss allowance	(22.37)	(0.00)	(0.00)	(22.37)
Total (net)	2,141.83	0.17	0.06	2,142.06

Gross portfolio movement for the year ended March 31, 2020:

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2019	6,111.19	3.82	2.48	6,117.49
Total (A)	6,111.19	3.82	2.48	6,117.49
Inter-stage movements				
Stage I	-	-	-	-
Stage II	(33.23)	(33.23)	-	-
Stage III	(69.04)	(2.16)	71.20	-
Total (B)	(102.27)	31.07	71.20	-
Write-offs*	-	-	(8.77)	(8.77)
Total (C)	-	-	(8.77)	(8.77)
New assets originated, netted off for repayment and loans derecognised during the year	3,094.73	36.36	85.79	3,216.88
Total (D)	3,094.73	36.36	85.79	3,216.88
Gross carrying amount as at March 31, 2020	9,103.65	71.25	150.70	9,325.60
Total (A+B+C+D)	9,103.65	71.25	150.70	9,325.60

* The contractual amount of loans written-off during the period are not subject to enforcement activity/legal proceedings.

Gross portfolio movement for the year ended March 31, 2019:

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2018	2,164.20	0.17	0.06	2,164.43
Total (A)	2,164.20	0.17	0.06	2,164.43
Inter-stage movements				
Stage I	-	-	-	-
Stage II	(1.00)	1.00	-	-
Stage III	(3.29)	(0.17)	3.45	(0.01)
Total (B)	(4.29)	0.83	3.45	(0.01)
Write-offs*	-	-	(1.65)	(1.65)
Total (C)	-	-	(1.65)	(1.65)
New assets originated, netted off for repayment and loans derecognised during the year	3,951.28	2.82	0.62	3,954.72
Total (D)	3,951.28	2.82	0.62	3,954.72
Gross carrying amount as at March 31, 2019	6,111.19	3.82	2.48	6,117.49
Total (A+B+C+D)	6,111.19	3.82	2.48	6,117.49

* The contractual amount of loans written-off during the period are not subject to enforcement activity/legal proceedings.

ECL movement during the year ended March 31, 2020:

Particulars	Stage I	Stage II	Stage III	Total
Balance at the beginning of the year	62.51	0.04	0.03	62.58
Provision made/ (reversed) during the year	(23.26)	14.12	108.41	99.28
Write-offs	-	-	(8.77)	(8.77)
Balance at the end of the year	39.25	14.16	99.67	153.08

Note: The increase in ECL of the portfolio was driven by an increase in the amount of loans classified as Stage II and Stage III as a result of deterioration in economic conditions.

ECL movement during the year ended March 31, 2019:

Particulars	Stage I	Stage II	Stage III	Total
Balance at the beginning of the year	22.37	0.00	0.00	22.37
Provision made/ (reversed) during the year	40.15	0.04	1.67	41.86
Write-offs	-	-	(1.65)	(1.65)
Balance at the end of the year	62.51	0.04	0.03	62.58

Note: The increase in ECL of the portfolio was mainly driven by an increase in the gross size of the Company's portfolio.

7.1 The Company, pursuant to RBI circular dated March 27, 2020, has passed a policy in its Board of Directors Meeting dated March 27, 2020 to grant moratorium to all its borrowers which were less than 90 days past due as on March 1, 2020. As per the policy, the day past due status of the borrowers as on the date of the implementation of the moratorium shall continue. The Company has not considered such extension of moratorium to borrowers by itself to have resulted in significant increase in credit risk.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	At fair value through profit or loss	At fair value through profit or loss	At fair value through profit or loss
8: Investments			
Investment in Mutual Fund			
NIL (March 31, 2019: NIL, April 1, 2018: 67,588) in Reliance Reg Savings Fund-Debt	-	-	1.71
NIL (March 31, 2019: NIL, April 1, 2018: 68) in Reliance Money Manager Fund	-	-	0.17
	-	-	1.88
Above amount includes			
Investment in India	-	-	1.88
Investment outside India	-	-	-
Total	-	-	1.88

(Rupees in millions unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	At fair value through profit or loss	At fair value through profit or loss	At fair value through profit or loss
9: Other financial assets (at amortised cost)			
A. Security deposits			
Unsecured, considered good	12.58	11.80	11.71
(A)	12.58	11.80	11.71
B. Other assets			
Loans to employees	57.60	26.43	4.20
Advance to vendors	40.14	68.96	37.55
Other advances	3.38	0.23	0.05
(B)	101.12	95.62	41.80
Total (A+B)	113.70	107.42	53.51

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	At fair value through profit or loss	At fair value through profit or loss	At fair value through profit or loss
10: Current tax assets (net)			
Advance income-tax (net of provision for income-tax)	62.92	12.84	7.58
	62.92	12.84	7.58

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	At fair value through profit or loss	At fair value through profit or loss	At fair value through profit or loss
11: Deferred tax assets (net)			
Deferred tax assets/(liabilities)			
Impairment of financial instruments	44.58	17.41	6.16
Brought forward losses/unabsorbed depreciation	-	-	14.80
Provision for gratuity and leave encashment	3.90	1.73	0.94
Difference of written down value of property, plant and equipment	4.90	1.93	0.74
Others	(8.07)	14.45	5.11
MAT credit entitlement	-	6.50	-
Net deferred tax assets	45.31	42.02	27.75

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

12: Property, plant and equipment

Particulars	Furniture and Fixtures	Office Equipments	Vehicles	Computers and Data Processing Units	Right-of-use Asset (refer note 37)	Total
Gross block (at cost)						
As at April 1, 2018	5.61	1.45	0.50	8.84	7.99	24.39
Additions	8.67	1.81	-	11.10	1.87	23.45
Disposals	(0.64)	(0.31)	-	(0.24)	-	(1.19)
As at March 31, 2019	13.65	2.96	0.50	19.70	9.86	46.65
Additions	8.52	7.85	3.72	20.31	3.38	43.77
Disposals	(0.16)	(0.13)	-	(0.40)	-	(0.69)
As at March 31, 2020	22.01	10.67	4.22	39.61	13.24	89.73 .24
Depreciation						
As at April 1, 2018	1.12	0.32	0.18	3.59	-	5.22
Charge for the period	2.24	0.84	0.10	6.21	6.04	15.43
Write-offs	-	-	-	-	-	-
As at March 31, 2019	3.36	1.17	0.28	9.81	6.04	20.65

(Rupees in millions unless otherwise stated)

Charge for the period	5.87	2.61	1.13	12.04	4.35	26.00
Disposals	(0.15)	(0.11)	-	(0.43)	-	(0.68)
As at March 31, 2020	9.08	3.66	1.41	21.42	10.39	45.97
Net carrying amount						
As at April 1, 2018	4.49	1.12	0.32	5.25	7.99	19.17
As at March 31, 2019	10.29	1.79	0.22	9.90	3.82	26.02
As at March 31, 2020	12.93	7.01	2.81	18.19	2.85	43.76

Intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
As at April 1, 2018	1.50	1.50
Additions	0.38	0.38
As at March 31, 2019	1.88	1.88
Additions	0.57	0.57
As at March 31, 2020	2.45	2.45
Amortization		
As at April 1, 2018	0.71	0.71
Charge for the period	0.56	0.56
As at March 31, 2019	1.27	1.27
Charge for the period	0.43	0.43
As at March 31, 2020	1.70	1.70
Net Carrying Amount		
As at April 1, 2018	0.79	0.79
As at March 31, 2019	0.61	0.61
As at March 31, 2020	0.75	0.75

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
13: Other non-financial assets			
Unsecured, considered good			
Prepaid expenses	10.86	9.32	6.40
Interest only strip receivable	61.62	8.01	0.60
Balance in employee imprest accounts	46.76	4.79	1.63
Others	1.10	0.67	0.74
	120.34	22.79	9.37

14: Debt Securities (at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Debentures			
Secured			
200 (March 31, 2019: 200 and April 1 2018: 200), 14.55% secured, rated, transferable, redeemable, non-convertible debentures of face value of Rs. 10,00,000 each	199.04	99.97	200.00
1,500 (March 31, 2019: 1500 and April 1, 2018: NIL), 14.50%, senior secured, rated, transferable, redeemable, principal protected market linked debentures of Rs.1,00,000 each	171.18	148.65	-
400 (March 31, 2019: 400 and April 1, 2018: NIL), 13.80%, secured, rated, listed transferable NCD of Rs 10,00,000 each	402.97	402.94	-
340 (March 31, 2019: 340 and April 1, 2018: NIL), 12.85% secured, rated, listed, transferable NCD of Rs 10,00,000 each	256.00	343.78	-
24,983 (March 31, 2019: NIL and April 1, 2018: NIL) 13.60%, secured, rated, redeemable, non-convertible debenture of Rs.10,000 each	248.63	-	-
24,983 (March 31, 2019: NIL and April 1, 2018: NIL) 13.60%, unlisted, unsubordinated, secured, transferable, redeemable non-convertible debentures of Rs.10,000 each	244.10	-	-

(Rupees in millions unless otherwise stated)

285 (March 31, 2019: NIL and April 1, 2018: NIL) 12.85%, secured, listed, non-convertible debentures of Rs.10,00,000 each	287.32	-	-
Unsecured			
NIL (March 31, 2019: 500 and April 1, 2018: 500) 16.5% unsecured, redeemable, unlisted Optionally Convertible Debentures of Rs.1,00,000 each	-	58.74	49.97
200 (March 31, 2019: 200 and April 1, 2018: NIL) 15.75% rated, subordinated, unsecured, transferable, redeemable, non-convertible debentures of Rs.10,00,000 each	205.93	200.17	-
200 (March 31, 2019: 200 and April 1, 2018: NIL) 14% rated, listed, senior, unsecured, redeemable, taxable, non-convertible debentures of Rs.10,00,000 each	109.99	200.08	-
2,50,00,000 (March 31, 2019: NIL and April 1, 2018: NIL) 14.27% rated, listed, unsecured, subordinated, redeemable, taxable, non-convertible debentures of Rs. 10 each	241.33	-	-
Commercial papers	59.35	49.99	-
Preference shares other than those that qualify as equity			
NIL (March 31, 2019: 20,00,000 and April 1, 2018: NIL) 11.12% non-convertible, redeemable, cumulative preference shares of Rs. 10 each	-	20.00	-
Total debt securities	2,425.84	1,624.32	249.97
(b) Borrowings (other than debt securities) (at amortised cost)			
Secured term loan			
From banks	2,128.75	1,921.18	735.40
From others	2,524.09	2,162.71	1,389.08
Bank overdraft (secured)*	451.43	117.95	43.56
Cash credit from bank (secured)*	48.57	0.52	-
Borrowing under securitisation arrangement			
From banks	415.88	459.72	
From others	1,104.55	1,005.64	395.72
Lease liability (refer note 37)	5.70	6.80	8.04
Total borrowings (other than debt securities)	6,678.97	5,674.52	2,571.80
*Bank overdraft and cash credit from bank is secured by term deposits with banks.			
(c) Subordinated liabilities (at amortised cost)			
Unsecured term loan			
From banks	95.75	95.67	95.60
From others	29.97	29.83	4.97
Total subordinated liabilities	125.72	125.50	100.57
	9,230.53	7,424.34	2,922.34
Above amount includes			
Secured borrowings*	8,488.21	6,769.86	2,771.79
Unsecured borrowings #	742.32	654.48	150.54
Net amount	9,230.53	7,424.34	2,922.33
Borrowings in India	9,230.53	7,424.34	2,922.32
Borrowings outside India	-	-	-
Total	9,230.53	7,424.34	2,922.32

* The Indian rupee loans are secured by hypothecation of book debts and margin money deposits.

The Unsecured borrowings are in the nature of subordinated liabilities and non-convertible debentures.

SATYA MICROCAPITAL LIMITED

14A. Terms of principal repayment of borrowings as at March 31, 2020

(Rupees in millions unless otherwise stated)

Original maturity	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
(A) Debt Securities										
(i) Non-convertible debentures										
Quarterly										
1-3 years	13.51%-14.00%	4	88.89	1	22.22	0	-	0	-	111.11
Half Yearly										
Above 3 years	14.01%-14.50%	0	-	0	-	0	-	3	250.00	250.00
Yearly										
Above 3 years	13.51%-14.00%	1	85.00	1	170.00	0	-	0	-	255.00
	13.51%-14.00%	1	83.28	1	83.28	1	83.28	0	-	249.83
	13.51%-14.00%	1	83.28	1	83.28	1	83.28	0	-	249.83
Repayable at the end of the tenure										
Above 3 years	13.51%-14.00%	0	-	0	-	1	400.00	0	-	400.00
	14.01%-14.50%	0	-	0	-	1	150.00	0	-	150.00
	14.51%-15.00%	0	-	1	200.00	0	-	0	-	200.00
	15.51%-16.00%	0	-	0	-	0	-	1	200.00	200.00
	13.51%-14.00%	0	-	0	-	0	-	1	285.00	285.00
(ii) Commercial Paper										
Repayable at the end of the tenure										
1-3 years	13.51%-14.00%	1	60.00	0	-	0	-	0	-	60.00
(B) Borrowings (other than debt securities)										
(i) Term loan										
Monthly										
1-3 years	10.51%-11.00%	8	10.91	0	-	0	-	0	-	10.91
		8	12.75	0	-	0	-	0	-	12.75
		11	229.17	0	-	0	-	0	-	229.17
	12.01%-12.50%	12	50.00	3	12.50	0	-	0	-	62.50
		12	25.00	2	4.17	0	-	0	-	29.17
		12	25.00	5	10.42	0	-	0	-	35.42
	12.51%-13.00%	12	75.00	3	18.75	0	-	0	-	93.75
		12	100.00	7	58.33	0	-	0	-	158.33
		12	50.00	7	29.17	0	-	0	-	79.17
		6	25.00	0	-	0	-	0	-	25.00
		6	11.02	0	-	0	-	0	-	11.02
	13.01%-13.50%	6	17.50	0	-	0	-	0	-	17.50
		7	12.80	0	-	0	-	0	-	12.80
		10	62.50	0	-	0	-	0	-	62.50
		12	100.00	6	50.00	0	-	0	-	150.00
		12	70.00	6	35.00	0	-	0	-	105.00
		12	28.95	10	24.44	0	-	0	-	53.39
		12	125.00	9	93.75	0	-	0	-	218.75
		12	25.00	8	16.67	0	-	0	-	41.67
12		48.04	9	40.52	0	-	0	-	88.56	

Original maturity	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount		
1-3 years	13.51%-14.00%	12	50.00	10	41.67	0	-	0	-	91.67	
		8	76.19	13	123.81	0	-	0	-	200.00	
		9	12.50	0	-	0	-	0	-	12.50	
		1	1.25	0	-	0	-	0	-	1.25	
		3	6.25	0	-	0	-	0	-	6.25	
		10	108.70	0	-	0	-	0	-	108.70	
		12	53.52	0	-	0	-	0	-	53.52	
		12	40.00	6	16.67	0	-	0	-	56.67	
		12	34.92	6	19.35	0	-	0	-	54.27	
		12	23.97	5	11.01	0	-	0	-	34.98	
		12	148.38	8	106.84	0	-	0	-	255.22	
		10	19.40	12	26.43	1	2.25	0	-	48.08	
		12	114.99	12	135.01	0	-	0	-	250.00	
		14.01%-14.50%	3	5.88	0	-	0	-	0	-	5.88
	12		35.84	4	14.42	0	-	0	-	50.26	
	12		17.24	7	11.97	0	-	0	-	29.21	
	12		25.41	8	21.11	0	-	0	-	46.52	
	12		10.06	9	9.19	0	-	0	-	19.25	
	12		15.09	9	13.70	0	-	0	-	28.80	
	12		75.00	11	68.75	0	-	0	-	143.75	
	10		17.19	12	23.54	2	4.27	0	-	45.00	
	12		26.16	2	4.76	0	-	0	-	30.92	
	12		26.16	2	4.76	0	-	0	-	30.91	
	12		29.88	12	27.87	1	0.10	0	-	57.85	
	14.51%-15.00%		12	52.34	2	9.49	0	0.10	0	-	61.83
			10	16.61	0	-	0	-	0	-	16.61
			10	69.84	0	-	0	-	0	-	69.84
		10	41.67	0	-	0	-	0	-	41.67	
		12	25.13	11	26.50	0	-	0	-	51.63	
		12	106.01	1	9.56	0	-	0	-	115.57	
	15.01%-15.50%	9	37.50	0	-	0	-	0	-	37.50	
		12	33.90	10	32.46	0	-	0	-	66.36	
		12	16.49	12	19.48	0	-	0	-	35.98	
		12	16.50	12	19.46	0	-	0	-	35.95	
		12	33.11	12	38.32	0	-	0	-	71.42	
		12	16.59	12	18.88	0	-	0	-	35.47	
		12	15.55	12	18.07	5	8.26	0	-	41.88	
	Above 3 years	11.51%-12.00%	12	56.07	0	-	0	-	0	-	56.07
		12.51%-13.00%	0	-	0	-	0	-	24	150.00	150.00
		13.01%-13.50%	12	83.33	12	83.33	1	6.93	0	-	173.60
		13.51%-14.00%	11	9.17	0	-	0	-	0	-	9.17
	Quarterly										
1-3 years	12.51%-13.00%	4	75.00	1	18.75	0	-	0	-	93.75	
	13.51%-14.00%	3	25.00	0	-	0	-	0	-	25.00	
		4	100.00	1	25.00	0	-	0	-	125.00	
	14.51%-15.00%	2	1.67	0	-	0	-	0	-	1.67	

(Rupees in millions unless otherwise stated)

Original maturity	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Above 3 years	13.51%-14.00%	4	33.33	1	8.33	0	-	0	-	41.67
	13.51%-14.00%	4	30.77	0	-	0	-	0	-	30.77
Repayable at the end of the tenure										
Above 3 years	12.01%-12.50%	0	-	0	-	2	106.00	0	-	106.00
(ii) Bank overdraft										
Repayable on Demand										
1-3 years	8.01%-8.50%	1	84.79	0	-	0	-	0	-	84.79
	10.01%-10.50%	1	277.61	0	-	0	-	0	-	277.61
	12.51%-13.00%	1	89.03	0	-	0	-	0	-	89.03
(iii) Cash credit from bank										
Repayable on Demand										
1-3 years	13.51%-14.00%	1	48.57	0	-	0	-	0	-	48.57
(iv) Securitization										
1-3 years	12.01%-12.50%	4	61.48	0	-	0	-	0	-	61.48
		6	25.45	0	-	0	-	0	-	25.45
		6	33.54	0	-	0	-	0	-	33.54
	12.51%-13.00%	4	65.40	0	-	0	-	0	-	65.40
		12	135.67	0	-	0	-	0	-	135.67
	13.01%-13.50%	10	137.00	0	-	0	-	0	-	137.00
	13.51%-14.00%	11	134.40	0	-	0	-	0	-	134.40
	14.01%-14.50%	12	138.00	4	48.81	0	-	0	-	186.81
		12	221.58	5	88.08	0	-	0	-	309.65
	15.01%-15.50%	12	138.20	0	-	0	-	0	-	138.20
		4	17.95	0	-	0	-	0	-	17.95
	15.51%-16.00%	7	35.22	0	-	0	-	0	-	35.22
		4	36.79	0	-	0	-	0	-	36.79
16.01%-16.50%	11	147.25	0	-	0	-	0	-	147.25	
(C) Subordinated liabilities										
(i) Term loan										
Repayable at the end of the tenure										
Above 3 years	14.51%-15.00%	0	-	0	-	0	-	1	50.00	50.00
	15.01%-15.50%	0	-	0	-	0	-	1	5.00	5.00
	15.51%-16.00%	0	-	0	-	0	-	1	25.00	25.00
	16.51%-17.00%	0	-	0	-	0	-	1	45.00	45.00
Total		782	5,201.54	336	2,097.86	16	844.37	33	1,010.00	9,153.77
Impact of lease liability recognized under Ind AS 116										5.70
Impact of effective interest rate on borrowings										15.45
Impact of effective interest rate on securitization										55.61
Grand total										9,230.53

SATYA MICROCAPITAL LIMITED

Notes to the Financial Statements for year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
15: Other financial liabilities			
Expense payable	12.63	24.98	8.38
Employee benefits payable	7.44	3.20	2.25
Payable towards direct assignment	30.79	14.61	1.76
Other liabilities	9.68	109.23	-
	60.54	152.02	12.39
16: Provisions			
Provision for employee benefits			
Gratuity	5.58	2.24	1.14
Leave encashment	7.82	3.98	2.28
	13.40	6.22	3.42
17: Other non-financial liabilities			
Provision for expenses	6.20	5.51	1.72
Statutory dues payable	6.72	18.77	15.87
Advances from vendors	-	1.45	8.19
Other liabilities	0.12	-	-
	13.04	25.73	25.78

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
18: Equity Share capital			
Authorized 6,00,00,000 (March 31, 2019: 4,00,00,000, April 1, 2018: 2,50,00,000) equity shares of Rs.10 each	600.00	400.00	250.00
	600.00	400.00	250.00
Issued 3,33,21,728 (March 31, 2019: 2,64,09,830, April 1, 2018: 1,36,58,230) equity shares of Rs.10 each fully paid up	333.22	264.10	136.58
Total	333.22	264.10	136.58
Subscribed 3,33,21,728 (March 31, 2019: 2,64,09,830, April 1, 2018: 1,36,58,230) equity shares of Rs.10 each fully paid up	333.22	264.10	128.08
Total	333.22	264.10	128.08
Paid-up 3,08,21,728 (March 31, 2019: 2,64,09,830, April 1, 2018: 1,36,58,230) equity shares of Rs.10 each fully paid up	308.22	264.10	128.08
25,00,000 (March 31, 2019: NIL, April 1, 2018: NIL) equity shares of Rs.10 each partly paid-up to the extent of Rs. 2.5 per share	6.25	-	-
	314.47	264.10	128.08
Less: Amount recoverable from SATYA Employee Welfare Trust	(10.00)	(6.56)	-
Total	304.47	257.54	128.08

(a) Terms/rights attached to equity shares

The Company has only one class of equity shares of face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2018, 17,00,000 Equity Shares of Rs 10 face value have been issued to Mr. Vivek Tiwari (MD, CEO & CIO) of the Company as Sweat Equity out of which 8,50,000 Equity Shares of Rs 10 face value have been subscribed during previous year and 8,50,000 Equity Shares been subscribed during financial year ended March 31, 2019.

During the year ended March 31, 2018, 1,00,000 Equity Shares of Rs 10 face value are issued to M2I consulting at a premium of 20/- for consideration other than cash out of which 30,000 Equity Shares of Rs 10 face value have been subscribed during previous year and 70,000 Equity Shares been subscribed during financial year ended March 31, 2019.

On July 26, 2019, the Company issued 25,00,000 partly paid-up equity shares of Rs.75 per share to Mr. Vivek Tiwari, Managing Director, CEO & CIO, on which Rs.2.5 per share is paid till March 31, 2020 and 5,33,333 Equity Shares were allotted to Koshish Marketing Solutions Private Limited at a price of Rs.75 each (face value of Rs.10 each and a premium of Rs.65 each).

On September 4, 2019, the Company issued 3,76,574 Equity Shares to Dia Vikas Capital Private Limited; 6,42,126 to Gojo & Company, Inc. at price of Rs.75 each (face value of Rs.10 each and premium of Rs.65 each) and 3,44,250 equity shares were allotted to SATYA Employee Welfare Trust at a price of Rs.61 each (face value of Rs.10 each and premium of Rs.51 each).

On October 18, 2019, the Company issued 25,15,615 equity shares by way of right issue at a price of Rs.110 each (face value of Rs.10 each and premium of Rs.110 each).

(b) Reconciliation of the number of equity shares issued outstanding at the beginning and at the end of the year:

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	26,409,830	264.10	13,658,230	136.58
Issued during the year	6,911,898	69.12	12,751,600	127.52
Outstanding at the end of the year	33,321,728	333.22	26,409,830	264.10

(c) Reconciliation of the number of equity shares subscribed at the beginning and at the end of the year:

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	26,409,830	264.10	12,808,230	128.08
Issued during the year	6,911,898	69.12	13,601,600	136.02
Outstanding at the end of the year	33,321,728	333.22	26,409,830	264.10

(d) Reconciliation of the number of equity shares paid-up outstanding at the beginning and at the end of the year:

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	26,409,830	264.10	12,808,230	128.08
Issued during the year	6,911,898	50.37	13,601,600	136.02
Outstanding at the end of the year	33,321,728	314.47	26,409,830	264.10

(e) Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	March 31, 2020		March 31, 2019		April 01, 2018	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Equity shares						
Vivek Tiwari	9,789,700	29.38%	7,014,500	26.56%	4,497,500	32.93%
Gojo & Company, Inc.	8,135,537	24.42%	6,717,949	25.44%	-	0.00%
Dia Vikas Capital Private Limited	6,773,475	20.33%	6,396,901	24.22%	3,200,000	23.43%
Maneesha Gupta	1,755,500	5.27%	1,755,500	6.65%	1,755,500	12.85%

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
19: Other Equity			
Authorized 1,00,00,000 (March 31, 2019: 1,00,00,000 April 1, 2018: 50,00,000) preference shares of Rs.10 each	100.00	100.00	50.00
	100.00	100.00	50.00
Issued, subscribed and fully paid Compulsorily Convertible Preference Shares 27,22,222 (March 31, 2019: NIL, April 1, 2018: NIL) 0.01%, non-cumulative, participating, compulsorily convertible preference shares of Rs.10 each.	27.22	-	-
	27.22	-	-

(a) Terms/rights attached to compulsorily convertible preference shares

During the year ended March 31, 2020, the Company issued 27,22,222, 0.01% non-cumulative, participating, Compulsorily Convertible Preference Shares (CCPS) at Rs.135 per CCPS (face value of Rs.10 and premium of Rs.125 per CCPS) to Gojo & Company, Inc. The terms of CCPS are as follows:

Dividend

CCPS carry minimum preferential dividend rate of 0.01% per annum. The preferential dividend is non-cumulative and shall be paid in preference to any dividend and the preferential dividend shall be due only when declared by the Board. Each preference shares would be entitled to participate pari passu in any cash or non-cash dividends paid to the holders of shares of all other classes (including equity shares) or series on a pro rata, as-if-converted basis.

Liquidation preference

In the event of liquidation event, the proceeds from the liquidation (less any amounts required by applicable law to be paid or set aside for the payment of creditors of the Company, if applicable) (the 'Liquidation Preference Amount') shall be paid or distributed such that the holders of preference shares receive, in preference to any other shareholders, an amount which is the higher of:

- Total amount invested in the Company by the relevant holder of the preference shares along with any arrears of declared and accrued but unpaid dividends calculated to the date of such payment; or
- The share of the liquidation preference amount pro-rata to its shareholding in the Company (on a fully diluted basis) on account of the preference shares, on an as-if-converted basis (the "Preference Amount").

Any proceeds remaining after full payment of the preference amount shall be distributed among all the shareholders on a pro rata, as-if-converted basis (excluding holders of the preference shares)

If the proceeds available for distribution to the shareholders are insufficient to pay the amounts as above, the entire available proceeds would be allocated among the holders of preference shares pro rata to the respective amounts invested by the holders of preference shares.

Voting rights

Each preference shares shall be entitled to vote, as may be permitted under applicable law, only on matters relating to the rights of and the terms of the preference shares and any variation thereof.

Each preference shares shall be convertible into 1 (one) equity share at any time at the option of the holder of the preference shares at the conversion price of Rs.135 per share without the payment of additional consideration by the holder thereof.

Each preference shares shall automatically be converted into equity shares, at its respective conversion price then in effect, upon the earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of such preference shares; or (ii) in connection with an initial public offering, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Equity component of compound financial instruments			
Compulsorily Convertible Debentures			
NIL (March 31, 2019: NIL April 1, 2018: 448) 14% unsecured, unlisted Compulsorily Convertible Debentures of Rs.1,00,000 each	-	-	44.80
	-	-	44.80

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account		
Balance at the beginning of the year	715.69	130.43
Add: Premium on issue of equity shares	370.00	585.25
Add: Premium on issue of compulsorily convertible preference shares	340.28	-
	1,425.97	715.69
Less: Amount recoverable from SATYA Employee Welfare Trust	(51.00)	(33.44)
Balance at the end of the year	1,374.97	682.24
Statutory reserve		
Balance at the beginning of the year	6.56	0.09
Add: Amount transferred from surplus of profit and loss*	15.06	6.47
Balance at the end of the year	21.62	6.56

* In terms of section 451C of the Reserve Bank of India Act, 1934, the company is required to transfer atleast 20% of its profit after tax to Statutory Reserve. Accordingly, the company has transferred a sum of Rs 15.06 mn, representing 20% of its profit after tax for the current financial year. The amount transferred to such reserve in the year ended March 31, 2019 has been made based on the profit after tax for such financial year under the previous GAAP.

Share options outstanding reserve (refer note 41)		
Balance at the beginning of the year	0.22	-
Fair value of stock option - charge for the year	11.43	0.22
Balance at the end of the year	11.65	0.22
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	(81.58)	(72.70)
Add: Profit/(loss) for the year	75.29	(2.63)
Add: Other comprehensive income (re-measurement gains/(losses) on defined benefit plans)	(1.26)	0.30
Less: Income-tax effect on other comprehensive income	0.37	(0.08)
Less: Transfer to Statutory Reserve (20% of profit after tax as required by Section 45-1C of the Reserve Bank of India Act, 1934)	(15.06)	(6.47)
Net surplus/(deficit) in the statement of profit and loss	(22.24)	(81.58)
Total other equity	1,413.22	607.45

SATYA MICROCAPITAL LIMITED

Notes to the Financial Statements for year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	For period ended March 31, 2020	For period ended March 31, 2019
20: Interest Income		
Measured at amortised cost		
Interest income on portfolio loans	1,815.72	882.19
Interest on fixed deposits*	157.80	95.74
	1,973.52	977.93
*Includes interest income on margin money deposits placed to avail term loans from banks, non-banking financial companies and placed as cash collateral in connection with securitisation transactions.		
21: Fee and commission income		
Fee and commission income	14.96	11.29
	14.96	11.29
22: Net gain on derecognition of financial instruments under amortised cost category		
Net gain on derecognition of financials instruments under amortised cost category	96.56	15.60
	96.56	15.60
23: Other income		
Financial advisory services	-	5.00
Miscellaneous income	1.09	7.25
	1.09	12.25
24: Finance costs		
Interest		
On debt securities	299.06	101.44
On borrowings (other than debt securities)	819.42	478.51
On subordinated liabilities	20.96	18.20
Other finance cost	19.60	4.33
	1,159.04	602.47
25: Impairment on financial instruments		
Impairment on portfolio loans measured at amortised cost	90.50	40.22
Portfolio loans written off	8.77	1.65
	99.27	41.87
26: Employee benefits expense		
Salaries, wages and bonus	415.87	213.47
Contribution to provident fund and other funds	29.87	13.10
Expense for employee stock option plan	11.43	0.22
Staff welfare expenses	7.20	3.46
Gratuity and leave encashment expenses	8.79	3.93
	473.16	234.18
27: Other expenses		
Advertisement expenses	1.55	1.96
Commission and brokerage	0.01	0.03
Business promotion	3.50	0.66
Courier expenses	2.45	1.82
General insurance expenses	1.19	0.75
Legal and professional fee	39.87	20.53
Auditor's remuneration (refer details below)	2.93	1.92
Cashless POS fee	1.00	0.71
Membership fees	3.32	1.78
Meeting and conference	3.42	2.00
Software expenses	25.61	11.69
Postage, internet and telephone expenses	10.15	7.59
Electricity charges	2.46	1.08
Printing and stationeries	7.18	3.87
Repair and maintainance	11.22	2.65
Branch Office maintainance	7.26	3.81
Rent (refer note 37)	23.66	10.79
Branch establishment expenses	4.70	4.87
Director siting fee	2.51	1.23
Travelling and conveyance	27.18	25.50
Rates and taxes	1.96	1.85
Festival expenses	0.82	0.48
Annual meet expenses	12.50	4.85

(Rupees in millions unless otherwise stated)

Freight and forwarding	1.04	1.32
Donation expenses	3.38	0.33
Cenvat credit disallowed	13.53	11.87
Miscellaneous expenses	2.85	0.03
	217.26	125.97
Particulars	For period ended March 31, 2020	For period ended March 31, 2019
Payment to auditors		
As auditor:		
Audit fee	2.65	1.60
Certification fee	0.20	0.14
Out of pocket expenses	0.08	0.18
	2.93	1.92
28: Income-tax expense		
A.) Income-tax expense in the statement of profit and loss consists of:		
Income-tax:		
Current year tax	44.78	13.56
Earlier year tax	0.32	-
Deferred tax credit	(9.42)	(14.35)
Income-tax expense reported in the statement of profit or loss	35.68	(0.79)
Income-tax recognised in other comprehensive income		
Deferred tax arising on income and expenses recognised in other comprehensive income	(0.37)	0.08
Total	35.31	(0.71)
B.) The reconciliation between the provision for income-tax of the company and amounts computed by applying the Indian statutory income-tax rate to profit before taxes is as follows:		
Profit before tax	110.97	(3.42)
Re-measurement gains/(losses) on defined benefit plans	(1.26)	0.30
Profit before tax (re-measurement gains/(losses) on defined benefit plans)	109.71	(3.12)
Enacted tax rates in India	29.12%	27.82%
Computed tax expense/(savings)	31.95	(0.87)
Effect of:		
Non-deductible expenses	4.70	0.44
Difference on account of change in tax rate	(1.66)	(0.28)
Earlier year tax	0.32	-
Total income-tax expense/(savings)	35.31	(0.71)
29: Earnings per share		
Net profit after tax as per statement of profit and loss	75.29	(2.63)
Less: Dividend on preference shares	-	-
Net profit for calculation of basic earnings per share	75.29	(2.63)
Net profit as above	75.29	(2.63)
Add: Dividend on preference shares and tax thereon	-	-
Net profit for calculation of diluted earnings per share	75.29	(2.63)
Calculation of weighted average number of equity shares for basic earning per share		
Equity shares		
Number of shares at the beginning of the year	26.41	12.81
Add: Issued during the year	3.99	8.51
Number of shares at the end of the year	30.40	21.32
Compulsorily Convertible Preference Shares (CCPS)		
Number of shares at the beginning of the year	-	-
Add: Issued during the year	0.01	-
Number of shares at the end of the year	0.01	-
Weighted average number of equity shares for basic earning per share	30.41	21.32
Effect of dilution		
Employee stock option	0.63	-
Weighted average number of equity shares for diluted earning per share	31.04	21.32
Basic earnings per share (in rupees)	2.48	(0.12)
Diluted earnings per share (in rupees)	2.43	(0.12)

Nominal value per share: Rs.10 (Previous year: Rs.10)

30: Segment Reporting

The Company's main business is of lending to customers who have similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per Ind AS 108 dealing with Operating Segments.

31: Related parties under Ind AS 24 with whom transactions have taken place during the year.

I. Other related party in accordance with Ind AS 24 with whom transactions have taken place

I. Key Management Personnel

- (a) Mr. Vivek Tiwari - Managing Director and Chief Executive Officer
- (b) Mr. Sudhindra Sharma - Chief Financial Officer
- (c) Ms. Rachna Khantwal - Company Secretary (with effect from September 19, 2018)
- (d) Mr. Ankit Tiwari - Company Secretary (upto September 5, 2018).

II. Relative of Key Managerial Personnel

- (a) Mr. Girijesh Tiwari - Senior Manager

III. Substantial Shareholders

- (a) Dia Vikas Capital Private Limited
- (b) GOJO and Company, Inc.

IV. Other related party in accordance with Ind AS 24 with whom transactions have taken place

- (a) Koshish Sustainable Solutions Private Limited
- (b) Koshish Marketing Solutions Private Limited
- (c) SATYA Employee Welfare Trust

Related party transactions during the year:

S. No	Nature of Transactions	Related Party	Transactions during year ended March 31, 2020	Transactions during year ended March 31, 2019	(Payable)/Receivable		
					As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
1.	Remuneration	Mr. Vivek Tiwari	16.49	13.60	-	-	-
		Mr. Sudhindra Sharma	6.07	5.12	-	-	-
		Mr. Ankit Tiwari	-	0.30	-	-	-
		Ms. Rachna Khantwal	0.59	0.40	-	-	-
		Mr. Girijesh Tiwari	0.76	0.54	-	-	-
2.	Advances given/ (repayment received)	Mr. Vivek Tiwari	11/(11)	3/(3)	-	-	-
		Mr. Sudhindra Sharma	-	0.8/(0.8)	-	-	-
		Mr. Ankit Tiwari	-	0.1/(0.1)	-	-	-
		Ms. Rachna Khantwal	0.05/(0.05)	-	-	-	-
3.	Share Allotment including premium (partly paid-up shares)	Mr. Vivek Tiwari	6.25	-	-	-	-
4.	Share Allotment including premium	Dia Vikas Capital Private Limited	28.24	117.88	-	-	-
		Mr. Sudhindra Sharma	-	0.99	-	-	-
		Mr. Ankit Tiwari	-	0.14	-	-	-
		Ms. Rachna Khantwal	0.11	-	-	-	-
		Gojo & Company, Inc.	133.46	409.80	-	-	-
		Koshish Marketing Solutions Private Limited	125.25	-	-	-	-
		Koshish Sustainable Solutions Private Limited	30.00	-	-	-	-
SATYA Employee Welfare Trust	21.00	-	-	-	-		

5.	Issue of Compulsorily Convertible Preference Shares including premium	Gojo & Company, Inc.	367.50	-	-	-	-
6.	Conversion of Compulsorily Convertible Debentures	Dia Vikas Capital Private Limited	-	4.48	-	-	-

32: Fair Value

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Carrying Value			Fair Value		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial assets measured at fair value through profit or loss						
Investments	-	-	1.88	-	-	1.88
Financial assets measured at amortised cost						
Loan portfolio	9,172.52	6,054.91	2,142.06	9,402.49	6,209.62	2,211.77
Financial liabilities measured at amortised cost						
Borrowings*	9,230.53	7,424.34	2,922.34	9,266.56	7,376.92	2,917.87

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets/liabilities, other non-financial assets/liabilities, payables and provisions are considered to be the same as their fair values, due to their short-term nature.

33: Fair Value Hierarchy of assets and liabilities

Fair value measurement

I. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2020 is as follows:

Assets

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Loan portfolio	9,172.52	9,402.49	-	9,402.49	-	9,402.49
Total	9,172.52	9,402.49	-	9,402.49	-	9,402.49

Liabilities

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Borrowings*	9,230.53	9,266.56	-	9,266.56	-	9,266.56
Total	9,230.53	9,266.56	-	9,266.56	-	9,266.56

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

II. The carrying amount and fair value measurement hierarchy for assets as at March 31, 2019 is as follows:

Assets

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Loan portfolio	6,054.91	6,209.62	-	6,209.62	-	6,209.62
Total	6,054.91	6,209.62	-	6,209.62	-	6,209.62

Liabilities

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Borrowings*	7,424.34	7,376.92	-	7,376.92	-	7,376.92
Total	7,424.34	7,376.92	-	7,376.92	-	7,376.92

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

III. The carrying amount and fair value measurement hierarchy for assets as at April 1, 2018 is as follows:

Assets

Particulars	Measured at fair value through profit or loss					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Investments	1.88	1.88	1.88	-	-	1.88
Total	1.88	1.88	1.88	-	-	1.88

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Loan Portfolio	2,142.06	2,211.77	-	2,211.77	-	2,211.77
Total	2,142.06	2,211.77	-	2,211.77	-	2,211.77

Liabilities

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Borrowings*	2,922.34	2,917.87	-	2,917.87	-	2,917.87
Total	2,922.34	2,917.87	-	2,917.87	-	2,917.87

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

Valuation technique used for

Loan portfolio

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the balance sheet date. The discounting factor is applied assuming the cash flows will be evenly received in a month. The overdue cash flows upto 90 Days (upto stage 2) are discounted assuming they will be received evenly in the first month following the balance sheet date. Further, the fair value of cash flows for Stage III loans are assumed as carrying value less provision for expected credit loss.

Borrowings

The fair value of fixed rate borrowings (including debt securities, borrowings (other than debt securities) and subordinated liabilities) is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing, borrowings recognised towards securitisation deals and lease liability created under Ind AS 116 is deemed to equal its carrying value.

There have been no transfer between Level 1, Level 2 and Level 3 during the year ended March 31, 2020 and March 31, 2019.

34: Capital management

The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.



As an NBFC-MFI, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of its Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

The Company has a board approved policy on resource planning which states that the resource planning of the Company shall be based on its Asset Liability Management (ALM) requirement. The policy of the Company on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

35: First time adoption

The Company has prepared its Ind AS compliant financial statements for year ended on March 31, 2020, the comparative period ended on March 31, 2019 and an opening Ind AS balance sheet as at April 1, 2018 (the date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2019.

For years ended upto March 31, 2019, the Company had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP).

Exemption availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/exceptions:

Estimates

The estimates as at April 1, 2018 and as at March 31, 2019 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments:

- Fair valuation of financial instruments carried at fair value through profit or loss (FVTPL)
- Impairment of financial assets based on Expected Credit Loss (ECL) model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2018 the date of transition to Ind AS, and as of March 31, 2019.

Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1, 2018.

Property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment properties as recognized in its Indian GAAP financials as deemed cost at the transition date.

Reconciliation of equity under Ind AS and previous GAAP	Note	31-Mar-19	1-Apr-18
Total equity as per previous GAAP		912.54	180.25
Loan Portfolio			
Processing fee on financial assets reversed on account of EIR model	A	(48.15)	(17.98)
Provision based on ECL model on financial assets	B	(18.36)	(4.47)
Assignment and securitization transaction			
Recognition of EIS upfronting on assignment deals (net of reversal)	C	8.01	0.60
Impact of re-recognition of securitization transaction in books	D	17.90	5.12
Borrowings			
Measurement of financial liabilities at amortised cost using EIR method	E	(26.66)	(6.30)
Others			
Impact of Ind AS 116	F	(2.06)	-
Non-convertible preference shares considered as borrowings under Ind AS	G	(20.00)	-
Compulsorily Convertible Debentures considered as other equity under Ind AS	H	-	44.80
Recognition of deferred tax charge	I	41.77	28.69
Total equity as per Ind AS		864.99	230.71

Reconciliation of profit/(loss) under Ind AS and previous GAAP	Note	31-Mar-19
Profit as per previous GAAP		32.37
Loan Portfolio		
Measurement of financial assets at amortised cost using EIR method	A	(30.17)
Impairment on financial instruments	B	(13.89)
Borrowings		
Measurement of financial liabilities at amortised cost using EIR method	E	(20.29)
Others		
Re-recognition of securitization arrangement (net)	D	12.71
Upfronting of excess interest spread on direct assignment (net)	C	7.41
Impact of Ind AS 116	F	(2.06)
Interest on preference shares included in other liabilities	G	(1.35)
Recognition of Deferred tax charge	I	13.08
Fair Value of Employee Stock Options	J	(0.22)
Total Profit as per Ind AS		-2.41

Notes to Reconciliation of the previous GAAP and Ind AS:

Loan portfolio

A. Under previous GAAP, loan processing fees received in connection with loans portfolio is recognized upfront and credited to profit or loss for the year.

Under Ind AS, loan processing fee is credited to profit and loss using the effective interest rate method. The unamortized portion of loan processing fee is adjusted from the loan portfolio.

B. Under the Ind AS, allowance is provided on the loans given to customers is on the basis of percentage obtained by evaluating the loss of the previous years and management expectations for future losses based on quantitative and qualitative evaluation of the financial assets and macro-economic factors. Under the previous GAAP, the Company has created provision for loans and advances based on the Guidelines on prudential norms issued by the Reserve Bank of India.

Interest income under Assignment arrangement

C. The company transferred the loan portfolio in a transfer that qualified for derecognition in its entirety therefore under IndAS the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest-only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

Securitization Arrangement

D. The Company has entered into securitization transactions. The Company has de-recognized the securitised assets under previous GAAP as the same meets the de-recognition criteria as per previous GAAP. However, as per Ind AS, as the Company has not transferred substantially all the risks and rewards, the securitized asset has been recognised in the books and a corresponding liability is also recognized. The transferred asset and the corresponding liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Borrowings

E. Under previous GAAP, transaction costs incurred in connection with borrowings were recognised as deferred revenue expenditure and charged to profit or loss on a straight-line basis over the tenure of such borrowings. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

Implementation of Ind AS 116

F. Ind AS 116 requires lessees to recognize leases (other than short-term leases) on their balance sheets. Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs (e.g. commissions) and an estimate of restoration, removal and dismantling costs. Lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made. The related right-of-use asset is depreciated in accordance with the depreciation requirements of Ind AS 16 Property, Plant and Equipment. Under the previous GAAP, lease expense in respect of operating leases (other than short term leases) is booked on a straight-line basis over the tenure of the lease through the creation of a Lease Equalisation Reserve.

Optionally Convertible Preference Shares (OCPS)

G. Under previous GAAP, the Company had recognised balance in OCPS as equity. Based on assessment of terms associated with such OCPS, the instruments do not meet the condition of an equity instrument as per Ind AS 32 and accordingly have been classified as financial liability as at March 31, 2019.

Compulsorily Convertible Debentures (CCD)

H. Under previous GAAP, the Company had recognised balance in CCD as borrowings. Based on assessment of terms associated with such CCD, the instruments meet the condition of an equity instrument as per Ind AS 32 and accordingly have been classified as other equity as at April 1, 2018.

Deferred Tax Asset (DTA)

I. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Share-based payments

J. Under Indian GAAP, the Group recognised only the intrinsic value for the share based payments plans as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

36: Employee Benefit Plans

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity, on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of Rs.2,000,000 as per the Payment of Gratuity Act, 1972. Provision for unfunded gratuity liability for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. In accordance with Indian Accounting Standard (Ind AS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the statement of profit and loss as other comprehensive income.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the Balance Sheet for the gratuity plan:

Movement in defined benefit obligations

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation as at the beginning of the year	2.24	1.14
Current service cost	1.91	1.31
Interest on defined benefit obligation	0.17	0.09
Re-measurement (gains)/losses on defined benefit plans	1.26	(0.30)
Benefits paid	-	-
Defined benefit obligation as at the end of the year	5.58	2.24

Balance Sheet

Amount recognised in balance sheet

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Present value of obligations	5.58	2.24	1.14
Fair value on plan assets	NA	NA	NA
Net defined benefit liability recognised in balance sheet	5.58	2.24	1.14

Expenses charged to the statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Current service cost	1.91	1.31
Interest cost	0.17	0.09
Total	2.09	1.40

Re-measurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2020	March 31, 2019
Re-measurement gains/(losses) on defined benefit plans	(1.26)	0.30
Amount recognised under other comprehensive income	(1.26)	0.30

Summary of Actuarial Assumptions

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.60%	7.65%
Expected return on plan assets	NA	NA
Rate of Increase in compensation levels	6.00% p.a. for next 2 years and 4.00% p.a. thereafter	6.00% p.a. for next 3 years and 4.00% p.a. thereafter
Retirement age (years)	58	58

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate (+0.5%)	(5.34)	(2.14)
Discount rate (-0.5%)	5.84	2.34
Salary Inflation (+0.5%)	5.84	2.34
Salary Inflation (-0.5%)	(5.35)	(2.15)
Withdrawal Rate (+10%)	(5.38)	(2.14)
Withdrawal Rate (-10%)	5.78	2.34

Maturity profile of defined benefit obligation

Particulars	March 31, 2020
Year 1	0.02
Year 2	0.02

(Rupees in millions unless otherwise stated)

Year 3	0.49
Year 4	0.72
Year 5	0.82
After year 5	3.14

Discount rate: The rate used to discount post-employment benefit obligation is determined by reference to market yield at the balance sheet date on government bonds.

Salary escalation rate: This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

37: Leases

Company as a lessee

The company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.

The Company also has certain lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The Ministry of Corporate Affairs (MCA), vide notification dated March 30, 2019, has notified Ind AS 116 - Leases with effect from April 1, 2019 for all Companies. Further, as per ITFG issued by ICAI on Ind AS 116, for Companies implementing Ind AS from accounting period beginning on or after April 1, 2019, this standard shall be applicable from the transition date (i.e. April 1, 2018). Accordingly, the Company has implemented Ind AS 116 with effect from April 1, 2018 by following the modified retrospective approach.

The carrying amounts of right-of-use assets recognized and the movements during the period are as follows:

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year	3.82	7.99
Additions made during the year	3.38	1.87
Depreciation charge for the year	(4.35)	(6.04)
Balance at the end of the year	2.85	3.82

The carrying amounts of lease liabilities and the movements during the period are as follows:

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year	6.80	8.04
Additions made during the year	3.36	1.87
Interest accretion for the year	0.91	0.96
Payments made during the year	(5.37)	(4.07)
Balance at the end of the year	5.70	6.80

The effective interest rate for lease liabilities is between 12.59% and 12.73%, with maturity in 2020-2021.

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2020	March 31, 2019
Depreciation expense in respect of right-of-use asset	4.35	6.04
Interest expense in respect of lease liabilities	0.91	0.96
Expense relating to short-term leases (included on other expenses)	23.66	10.79
Total amount recognised in profit or loss	28.92	17.79

The Company's total cash outflows for leases was Rs.29.03 mn during year ended March 31, 2020 (Rs.14.86 mn during the year ended March 31, 2019).



38: Amount payable to micro small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

As at March 31, 2020, March 31, 2019 & April 1, 2018, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

39: Risk Management and financial objectives

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

39.1 Credit Risk

Credit risk is the risk of loss that may occur from defaults by Borrowers under loan agreements. In order to address credit risk, the Company have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. The Company also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area. Further, client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet our criteria.

The Company is an urban, semi-urban and rural focused NBFC-MFI with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in urban, semi-urban and rural areas. Further, as it focuses on providing micro-loans in urban, semi-urban and rural areas, the Company's results of operations are affected by the performance and the future growth potential of microfinance in India. The Company's borrowers typically have limited sources of income, savings and credit histories and the loans are typically provided free of collateral. The borrowers generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, the Company relies on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of loans.

In order to mitigate the impact of credit risk in the future profitability, the Company creates impairment loss allowance basis the Expected Credit Loss (ECL) model for the outstanding loans as at balance sheet date. Refer Note 3(e) for details.

39.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. The Company's resource mobilization team sources funds from multiple sources, which inter-alia includes banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. Further, the maturity schedule for all financial liabilities and assets are

regularly reviewed and monitored. The Company has a Asset Liability Management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

Maturity pattern of assets and liabilities as at March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	761.08	397.81	622.58	1,692.90	2,741.38	3,602.71	764.61	491.56	11,074.64
Other financial liabilities	60.54	-	-	-	-	-	-	-	60.54
Loan portfolio	46.50	3.80	1,215.93	2,110.50	3,662.36	4,489.15	-	-	11,528.24
Other financial assets	653.10	2.23	21.87	173.51	574.25	237.89	-	-	1,662.85

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements basis which such assets and liabilities have been recognized.

Maturity pattern of assets and liabilities as at March 31, 2019:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	544.39	362.99	383.74	1,380.40	1,793.94	3,265.58	935.95	410.87	9,077.86
Other financial liabilities	152.02	-	-	-	-	-	-	-	152.02
Loan portfolio	486.71	446.32	300.05	1,253.90	2,110.68	2,951.29	-	-	7,548.95
Other financial assets	448.53	1.95	115.23	156.03	1,056.39	711.66	-	-	2,489.80

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements basis which such assets and liabilities have been recognized.

Maturity pattern of assets and liabilities as at April 1, 2018:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	172.80	187.02	143.49	437.76	838.51	1,246.96	290.96	293.74	3,611.25
Other financial liabilities	12.39	-	-	-	-	-	-	-	12.39
Loan portfolio	127.28	144.56	130.99	408.55	812.72	1,036.73	0.13	-	2,660.96
Other financial assets	702.18	155.78	34.94	217.46	32.60	283.34	-	-	1,426.30

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements basis which such assets and liabilities have been recognized.

39.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company is exposed primarily to interest rate risk which has been discussed below:

(a) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because it lends to clients at fixed interest rates and for periods that may differ from its funding sources, while the Company's borrowings are at both fixed and variable interest rates for different periods. The Company assesses and manages its interest rate risk by managing its assets and liabilities. The Company's Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has an Asset Liability Management (ALM) policy, approved by the Board of Directors, for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

Finance cost	For year ended March 31, 2020	For year ended March 31, 2019
0.50% increase	4.07	(1.33)
0.50% decrease	4.07	1.33

40: Transfer of financial assets

a. Securitisation transactions:

During the period, the Company has entered into securitisation arrangement with various parties. Under such arrangement, the Company has transferred a pool of loan portfolio, which does not fulfil the derecognition criteria specified under Ind AS 109 as the risk and rewards with respect to these assets are not substantially transferred.

Following such transfer, the Company's involvement in these assets is as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties

The value of financial assets and liabilities as on:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Carrying amount of associated assets	1,464.82	1,370.87	381.93
Carrying amount of associated liabilities	1,520.50	1,465.36	395.72
Fair value of associated assets	1,464.82	1,370.87	381.93
Fair value of associated liabilities	1,520.50	1,465.36	395.72

The carrying value of securitized loans approximate their fair value as the loans once sold cannot be transferred again.

b. Assignment transactions:

The Company has transferred a part of its loan portfolio (measured at amortised cost) vide assignment deals executed with various parties, as a source of finance. As per the terms of deal, the derecognition criteria as per Ind AS 109 (including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer) being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions executed during the year on its business model. Based on the future business plan, the company's business model remains to hold the assets for collecting contractual cash flows

The table below summarises the carrying amount of the derecognised financial assets and the gain/(loss) on derecognition:

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Carrying amount of derecognised financial assets	852.21	140.71
Gain/(loss) from derecognition	96.56	15.60

Since the Company transferred the above financial assets in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial assets.

41: Employee Stock Option Plan (ESOP)

The company has provided an equity settled share based payment scheme to its employees. The details of such share based payment scheme are as follows:

Particulars	Grant	Number of options granted	Vesting period (in years)	Vesting conditions
SATYA ESOP 2018	Grant I	9,95,200	5	25% vests every year subject to continuance of service

Exercise period is 3 years from the date of vesting of options.
The expense recognised for employee services received during the year is Rs.11.43 mn.

(a) The following table lists the input to the Black-Scholes Model used for the options granted by the Company:

Particulars	Grant I
Date of Grant	26-Mar-19
Date of Board/Compensation Committee approval	22-Oct-18
Number of options granted	9,95,200
Method of settlement	Equity
Graded vesting period	
Day following the expiry of 12 months from grant	25%
Day following the expiry of 24 months from grant	25%
Day following the expiry of 36 months from grant	25%
Day following the expiry of 48 months from grant	25%
Exercise period	3 years from the date of vesting of options
Vesting conditions	Minimum period of one year between Grant of Options and Vesting of Options; Vesting Period in any case shall not exceed 5 (Five) years from the Grant Date; Employee must be in service at the time of vesting and must neither be serving his notice for termination of employment with the Company nor be subject to any disciplinary proceedings pending against him on the Vesting Date.
Weighted average of remaining contractual life in years	4.49
Year I	2.98
Year II	3.99
Year III	4.99
Year IV	5.99

(b) The details of activity under SATYA ESOP 2018 with an exercise price of Rs.45 for the year ended March 31, 2020 have been summarised below:

Particulars	Grant I
Options outstanding at the beginning of the year	9,95,200
Options granted during the year	-
Options lapsed during the year	1,39,450
Options outstanding at the end of the year*	8,55,750

*There are 2,14,500 options exercisable at the end of year.

(c) Details of stock options granted by the Company:

The weighted fair value of stock option granted during the year was Rs.27.74. The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Grant I
Share price on the date of grant (in Rs.)	61
Exercise price (in Rs.)	45
Historic volatility (%)	37.44%
Life of the options granted in years	2.50-5.50

Risk free interest rate (%)	6.85%
Expected dividend rate (%)	0.00%

42: Disclosure of investing and financing transactions that do not require the use of cash and cash equivalents

For the year ended March 31, 2020

Name of instrument	Opening Balance	Cash flows	Premium added on conversion of preference shares into equity shares	Conversion	Other	Closing Balance
Equity share capital (including securities premium)	939.79	80.37	319.00	-	-	1,339.16
Compulsorily convertible preference shares (including securities premium)	-	27.22	340.28	-	-	367.50
Right-of-use assets	3.82	-	-	-	(0.97)	2.85
Borrowings*	7,424.34	1,843.40	-	-	(37.21)	9,230.53
Total	8,367.95	1,950.99	659.28	-	(38.18)	10,940.04

* Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

For the year ended March 31, 2019

Name of instrument	Opening Balance	Cash flows	Premium added on conversion of preference shares into equity shares	Conversion	Other	Closing Balance
Equity share capital (including securities premium)	258.52	84.66	551.81	44.80	-	939.79
Compulsorily convertible debentures	44.80	-	-	(44.80)	-	-
Right-of-use assets	7.99	-	-	-	(4.17)	3.82
Borrowings*	2,922.34	4,509.25	-	-	(7.25)	7,424.34
Total	3,233.65	4,593.91	551.81	-	(11.42)	8,367.95

* Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

43: Additional information required by Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17

(a) Capital to Risk Assets Ratio (CRAR)

Particulars	March 31, 2020	March 31, 2019
CRAR (%)	25.47%	20.40%
CRAR-Tier I Capital (%)	19.63%	14.93%
CRAR-Tier II Capital (%)	5.84%	5.47%
Amount of subordinated debt raised as Tier II capital	125.72	125.50
Amount raised by issue of perpetual debt instruments	-	-

(b) Exposure to real estate sector

Category	March 31, 2020	March 31, 2019
A. Direct exposure		
I. Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
II. Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-

III. Investments in Mortgage Backed Securities (MBS) and other securitised exposures - Residential Commercial Real Estate	-	-
B. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
Total	-	-

(c) The Company has no loans outstanding as at March 31, 2020 and March 31, 2019 that are secured against gold.

(d) The Company has no exposure to capital market.

(e) Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings #	645.88	327.24	477.24	1,392.15	2,359.03	2,942.23	560.00	450.00	9,153.77
Advances *	34.34	2.39	570.75	1,610.94	2,981.82	3,869.91	-	-	9,070.17
Other financial assets	43.52	-	-	-	49.42	20.76	-	-	113.70

Net of lease liability recognized under Ind AS 116 in respect of leases (other than short-term leases).

* Net of provision for expected credit loss on Stage III loans.

The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements basis which such assets and liabilities have been recognized.

Maturity pattern of assets and liabilities as on March 31, 2019:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings #	441.02	290.02	286.95	1,119.86	1,432.85	2,705.69	681.94	350.00	7,308.33
Advances *	326.09	338.13	189.71	952.12	1,717.47	2,485.91	-	-	6,009.42
Other financial assets	69.19	-	-	-	16.52	21.71	-	-	107.42

Net of lease liability recognized under Ind AS 116 in respect of leases (other than short-term leases).

* Net of provision for expected credit loss on Stage III loans.

The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements basis which such assets and liabilities have been recognized.

(f) No instances of fraud have been reported during financial year ended March 31, 2020 and March 31, 2019.

(g) The Company has not undertaken any transaction in derivatives during financial year ended March 31, 2020 and March 31, 2019.

(h) Ratings assigned by credit rating agencies and migration of ratings during year ended March 31, 2020:

S. No.	Instrument	Rating agency	As per final rating letter	Rating assigned	Valid up to	Borrowing limit
1	Long-term bank facilities	CARE	3-Feb-20	CARE BBB-; Stable	Refer Note 1	500.00
2	Long-term bank facilities	ICRA	4-Feb-20	[ICRA]BBB-; Stable	Refer Note 1	3,500.00
3	Securitization	ICRA	6-May-19	[ICRA]A(SO)	17-Nov-20	235.29
4	Securitization	ICRA	30-Aug-19	[ICRA]A(SO)	17-Apr-21	277.09
5	Securitization	ICRA	25-Feb-20	[ICRA]A-(SO)	17-Jul-21	358.46
6	Securitization	ICRA	5-Mar-20	[ICRA]A(SO)	13-Nov-21	235.13
7	Securitization	ICRA	5-Aug-19	[ICRA]A+(SO)	27-Feb-21	132.70
8	Securitization	ICRA	6-Dec-19	[ICRA]A-(SO)	27-Jun-21	241.65

(Rupees in millions unless otherwise stated)

9	Securitization	ICRA	6-Dec-19	[ICRA]A(SO)	17-Jul-21	224.74
10	Securitization	ICRA	27-Dec-19	[ICRA]A(SO)	17-Jul-21	224.75
11	Securitization	ICRA	26-Feb-19	[ICRA]A(SO)	12-Dec-20	412.40
12	Securitization	ICRA	27-Mar-19	[ICRA]A-(SO)	21-Jan-21	344.04
13	Securitization	ICRA	6-Jun-19	[ICRA]A-(SO)	14-Jan-21	102.97
14	Securitization	ICRA	13-Mar-20	[ICRA]A-(SO)	17-Dec-21	212.07
15	Securitization	ICRA	15-Jan-19	[ICRA]A-(SO)	22-Nov-20	111.29
16	Securitization	ICRA	24-May-19	[ICRA]A(SO)	12-Dec-20	97.74

Note 1: The rating is subject to annual surveillance till final repayment/redemption of rated facilities.

Ratings assigned by credit rating agencies and migration of ratings during year ended March 31, 2019:

S. No.	Instrument	Rating agency	As per final rating letter	Rating assigned	Valid up to	Borrowing limit
1	Long-term bank facilities	CARE	7-Sep-18	CARE BBB-; Stable	Refer Note 1	500.00
2	Long-term bank facilities	ICRA	7-Sep-18	[ICRA]BBB-; Stable	Refer Note 1	2,000.00
3	Non convertible debentures programme	ICRA	7-Sep-18	[ICRA]BBB-; Stable	Refer Note 1	940.00
4	Securitization	ICRA	15-Jan-19	[ICRA]A-(SO)	22-Nov-20	111.29
5	Securitization	ICRA	6-May-19	[ICRA]A(SO)	17-Nov-20	2,35.29
6	Securitization	ICRA	26-Feb-19	[ICRA]A(SO)	12-Dec-20	4,12.40
7	Securitization	ICRA	27-Mar-19	[ICRA]A-(SO)	21-Jan-21	3,44.04
8	Securitization	ICRA	5-Aug-19	[ICRA]A+(SO)	27-Feb-21	132.70
9	Securitization	ICRA	6-Jun-19	[ICRA]A-(SO)	14-Jan-21	102.97
10	Securitization	ICRA	24-May-19	[ICRA]A(SO)	12-Dec-20	97.74
11	Securitization	ICRA	22-Jan-18	[ICRA]BBB(SO)	24-Jul-19	124.56
12	Securitization	ICRA	4-Jun-18	[ICRA]A(SO)	17-Jan-20	198.51
13	Securitization	ICRA	5-Apr-18	[ICRA]A-(SO)	17-Jan-20	83.23
14	Securitization	ICRA	10-Jun-18	[ICRA]A(SO)	17-Apr-20	195.80

Note 1: The rating is subject to annual surveillance till final repayment/redemption of rated facilities.

(i) Disclosure of complaints:

Particulars	No. of complaints	
	March 31, 2020	March 31, 2019
No. of complaints pending at the beginning of the year	0	0
No. of complaints received during the year	360	859
No. of complaints redressed during the year	359	859
No. of complaints pending at the end of the year	1	0

(j) Concentration of advances, exposures and non-performing assets:

Particulars	March 31, 2020	March 31, 2019
Concentration of advances*		
Total advances to twenty largest borrowers	0.76	0.49
Percentage of advances to twenty largest borrowers to total advances	0.08%	0.08%
Concentration of exposures*		
Total exposure to twenty largest borrowers	0.76	0.49
Percentage of exposure to twenty largest borrowers to total exposure	0.08%	0.08%

Concentration of non-performing assets		
Total exposure to top four non-performing assets	0.03	0.01

* Represents amount outstanding as per contract with customers.

(k) Sector-wise non-performing assets:

Sector	Percentage of NPAs to total advances in that sector	
	March 31, 2020	March 31, 2019
Agriculture and allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured personal loans	1.62%	0.04%
Auto loans	0.00%	0.00%
Other personal loans	0.00%	0.00%

* Represents Stage III loans.

(l) Movement of non-performing assets (NPAs):

Particulars	March 31, 2020	March 31, 2019
Net NPAs to net advances (%)	0.56%	0.04%
Movement of NPAs (gross)		
1. Balance at the beginning of the year	2.48	0.06
2. Additions during the year	156.99	4.07
3. Reductions during the year	(8.77)	(1.65)
4. Balance at the end of the year	150.70	2.48
Movement of NPAs (net)		
1. Balance at the beginning of the year	2.45	0.06
2. Additions during the year	48.58	2.40
3. Reductions during the year	-	-
4. Balance at the end of the year	51.03	2.45
Movement of NPAs (net)		
1. Balance at the beginning of the year	0.03	0.00
2. Provisions made during the year	108.41	1.67
3. Write-off/excess provision written back	(8.77)	(1.65)
4. Balance at the end of the year	99.67	0.03

(m) The Company has not made any drawdown from reserves during the year ended March 31, 2020 and March 31, 2019.

(n) Investments:

Particulars	March 31, 2020	March 31, 2019
1. Value of investments		
(i) Gross value of investments		
(a) In India	-	-
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	-	-
(b) Outside India	-	-
2. Movement of provisions held towards deprecation		
Opening balance	-	-
Add: Provision made during the year	-	-
Less: Write off/ write back	-	-
Closing balance	-	-

(o) Details relating to securitisation:

During the year, the Company has sold loans through securitisation. The information on securitisation activities is as under:

Particulars	March 31, 2020	March 31, 2019
Total number of loans securitized	60,303	62,002
Total book value of loans securitised	1,620.20	1,479.39
Total book value of loans securitised (including over collateral)	1,773.89	1,632.22
Sale consideration received for loans securitized	1,620.20	1,479.39
Credit enhancements provided and outstanding (gross):		
Cash collateral	216.8	135.46
Outstanding value of loan securitized	1,751.76	1,551.53

Particulars	March 31, 2020	March 31, 2019
1. No. of SPVs sponsored by the NBFC for securitisation transactions during the year	14	11
2. Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on the date of balance sheet	1,751.76	1,551.53
3. Total amount of exposures retained to comply with minimum retention requirement ('MRR') as on the date of balance sheet	-	-
a) Off balance sheet exposures		
- First loss	216.80	135.46
- Others	-	-
b) On balance sheet exposures		
- First loss (cash collateral and over collateral)	286.94	180.66
- Others	-	-
4. Amount of exposures to securitization transactions other than MRR:		
a) Off balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

(p) Details of assignment transactions undertaken

Particulars	March 31, 2020	March 31, 2019
No. of accounts sold	42,576	10,983
Aggregate value of accounts sold	1,019.86	205.51
No. Aggregate consideration*	1,019.86	205.51
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/(loss) over net book value	-	-

* The above mentioned purchase consideration doesn't include the interest spread (over the expected life of the asset) recognised on the date of derecognition as interest-only strip receivable.

(q) The Company has not sold financial assets to securitisation/reconstruction companies for asset reconstruction during the year ended March 31, 2020 and March 31, 2019.

(r) The Company has not purchased/sold non-performing financial assets during the year ended March 31, 2020 and March 31, 2019.

(s) Unsecured loan and advances – Refer Note 7

(t) Registration obtained from other financial sector regulators:

The Company is registered with the Ministry of Corporate Affairs (financial regulator as described by the Ministry of Finance)

(u) No penalties have been imposed on the Company by RBI and other regulators during the year ended March 31, 2020 and March 31, 2019.

(v) Provisions and contingencies (shown under expenses in statement of profit and loss)

Particulars	March 31, 2020	March 31, 2019
Provision for income-tax (including income-tax effect on other comprehensive income)	35.31	(0.71)
Impairment loss allowance	90.50	40.22
Provision for gratuity (including re-measurement gains/(losses) on defined benefit plans)	3.34	1.10
Provision for leave encashment	3.40	1.70

(w) The Company has no unhedged foreign currency exposure as at March 31, 2020 and March 31, 2019.

(x) Information on Net Interest Margin

Particulars	March 31, 2020	March 31, 2019
	(%)	(%)
Average interest charged (A)	23.40%	23.99%
Average effective cost of borrowing (B)	13.59%	14.06%
Net Interest margin (A-B)	9.81%	9.93%

1. Interest income considered for computation of “average interest charged” excludes loan processing fee collected from customers in accordance with para 54 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS financial statements.

2. Average loan outstanding considered for computation of “average interest charged” is gross of the impairment allowance and unamortized portion of loan processing fee. As per Ind AS 109, such allowance is adjusted from the loan balance in the Ind AS financial statements.

44: Prudential floor for impairment loss allowance:

Asset classification under RBI norms	Asset classification under Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing assets						
Standard assets	Stage I	9,103.65	39.25	9,064.40	74.71	(35.46)
	Stage II	71.25	14.16	57.09	0.58	13.58
Subtotal (A)		9,174.90	53.41	9,121.49	75.29	(21.88)
Non-performing assets						
Sub-Standard	Stage III	150.70	99.67	51.03	1.16	98.51
Doubtful	Stage III	-	-	-	-	-
Upto 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Loss assets	Stage III	-	-	-	-	-
Subtotal (B)		150.70	99.67	51.03	1.16	98.51
Total	Stage I	9,103.65	39.25	9,064.40	74.71	(35.46)
	Stage II	71.25	14.16	57.09	0.58	(21.88)
	Stage III	150.70	99.67	51.03	1.16	98.51
	Total	9,325.60	153.08	9,172.52	76.45	41.17

* The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognizing the securitised assets which meets the de-recognition criteria under the previous GAAP.

45: Maturity analysis of assets and liabilities

Maturity analysis of assets and liabilities as at March 31, 2020:

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	471.83	-	471.83
Bank balances other than cash and cash equivalents	787.77	194.01	981.78
Trade receivables	22.29	-	22.29
Loan portfolio	5,258.93	3,913.59	9,172.52
Investments	-	-	-
Other financial assets	92.94	20.76	113.70
Total financial assets	6,633.76	4,128.36	10,762.12
Non-financial assets			
Current tax assets (net)	-	62.92	62.92
Deferred tax assets (net)	-	45.31	45.31
Property, plant and equipment	-	43.76	43.76
Intangible assets	-	0.75	0.75
Other non-financial assets	116.55	3.79	120.34
Total non-financial assets	116.55	156.53	273.08
Total assets	6,750.31	4,284.89	11,035.20
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Borrowings*	5,245.16	3,985.37	9,230.53
Other financial liabilities	60.54	-	60.54
Total financial liabilities	5,305.70	3,985.37	9,291.07
Non-financial liabilities			
Provisions	1.83	11.57	13.40
Other non-financial liabilities	13.04	-	13.04
Total non-financial liabilities	14.87	11.57	26.44

EQUITY			
Equity share capital	-	304.47	304.47
Other equity	-	1,413.22	1,413.22
Total equity	-	1,717.69	1,717.69
Total liabilities and equity	5,320.57	5,714.63	11,035.20

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

Maturity analysis of assets and liabilities as at March 31, 2019:

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	362.20	-	362.20
Bank balances other than cash and cash equivalents	1,216.39	614.55	1,830.94
Trade receivables	13.55	-	13.55
Loan portfolio	3,550.19	2,504.72	6,054.91
Investments	-	-	-
Other financial assets	85.71	21.71	107.42
Total financial assets	5,228.04	3,140.98	8,369.02
Non-financial assets			
Current tax assets (net)	-	12.84	12.84
Deferred tax assets (net)	-	42.02	42.02
Property, plant and equipment	-	26.02	26.02
Intangible assets	-	0.61	0.61
Other non-financial assets	21.83	0.96	22.79
Total non-financial assets	21.83	82.45	104.28
Total assets	5,249.87	3,223.43	8,473.30
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Borrowings*	3,627.37	3,796.97	7,424.34
Other financial liabilities	152.02	-	152.02
Total financial liabilities	3,779.39	3,796.97	7,576.36
Non-financial liabilities			
Provisions	0.88	5.34	6.22
Other non-financial liabilities	25.73	-	25.73
Total non-financial liabilities	26.61	5.34	31.95
EQUITY			
Equity share capital	-	257.54	257.54
Other equity	-	607.45	607.45
Total equity	-	864.99	864.99
Total liabilities and equity	3,806.00	4,667.30	8,473.30

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

Maturity analysis of assets and liabilities as at April 01, 2018:

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	413.40	-	413.40
Bank balances other than cash and cash equivalents	260.68	246.51	507.19
Trade receivables	11.94	-	11.94
Loan portfolio	1,230.96	911.10	2,142.06
Investments	1.88	-	1.88
Other financial assets	41.63	11.88	53.51
Total financial assets	1,960.49	1,169.49	3,129.98

Non-financial assets			
Current tax assets (net)	-	7.58	7.58
Deferred tax assets (net)	-	27.75	27.75
Property, plant and equipment	-	19.17	19.17
Intangible assets	-	0.79	0.79
Other non-financial assets	9.37	-	9.37
Total non-financial assets	9.37	55.29	64.66
Total assets	1,969.86	1,224.78	3,194.64
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Borrowings*	1,443.06	1,479.28	2,922.34
Other financial liabilities	12.39	-	12.39
Total financial liabilities	1,455.45	1,479.28	2,934.73
Non-financial liabilities			
Provisions	0.32	3.10	3.42
Other non-financial liabilities	25.78	-	25.78
Total non-financial liabilities	26.10	3.10	29.20
EQUITY			
Equity share capital	-	128.08	128.08
Other equity	-	102.63	102.63
Total equity	-	230.71	230.71
Total liabilities and equity	1,481.56	1,713.08	3,194.64

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

46: Impact of COVID-19

The outbreak of COVID-19 virus continues to spread across the globe including India, resulting into a significant decline and volatility in financial markets and a significant decrease in global and local India's economic activities. On March 24, 2020, the Indian Government announced a 21 days lockdown which was further extended twice across the nation as a strict measure to contain the spread of the virus. Due to the continuous lockdowns the Company's loan collections since March 2020 were significantly disrupted as the physical movement of its staff and holding of center meetings was not possible. To deal with this disruption and in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company has granted moratorium of three months on the payment of all instalments falling due between March 1, 2020 to May 31, 2020 to all eligible borrowers. There have been fewer loan disbursements since the initiation of the lock down and the timeline for its resumption and normalization will be affected by several factors including, but not limited to, period and severity of lockdown continuation and availability of fresh funds to the Company. An inherent part of the Company's business model is to raise borrowing for onward lending to its customers. The total borrowing of the Company as at March 31, 2020 are Rs.7,069.23 mn.

The Company has received moratorium in respect of its borrowing amounting to Rs.3,147.89 mn accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020. The management has performed a detailed assessment of its monthly cash inflows and outflows for next 12 months and concluded that it will be able to meet its obligations even its monthly collections remain below normal due to continuation of lockdown. In its assessment, the Company has also considered an equity injection of Rs. 680 mn which has already been committed by the shareholders.

The Company has recorded an expected credit loss provision of Rs.153.08 mn at March 31, 2020 in respect of its loans and advance. In accordance with the guidance from ICAI, extension of the moratorium to borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020 by itself is not considered to result in a SICR for a borrower, however the entity needs to evaluate whether the borrowers to which moratorium is granted will remain regular once the moratorium period gets over. The Company has recorded a macro-economic overlay of Rs.25.51 mn as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors



caused by Novel Coronavirus (COVID-19) pandemic. Given the unique nature and scale of the economic impact of this pandemic, its timing being close to the year-end, and no reliable data being available regarding the impact of various regulatory packages, the macro-economic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonable and supportable information without incurring significant cost.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Sd/-
per Amit Kabra
Partner
Membership No.094533

Place: Gurugram
Date: May 20, 2020

For and on behalf of the Board of Directors of SATYA MicroCapital Limited

Sd/-
Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Sd/-
Rachna Khantwal
Company Secretary
M. No. : A43785

Sd/-
Ratnesh Tiwari
Director
DIN: 07131331

Sd/-
Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIFTH ANNUAL GENERAL MEETING of SATYA MICROCAPITAL LIMITED will be held on Thursday, 27th day of August, 2020 at 2:00 P.M at 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020, India, to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF ANNUAL AUDITED FINANCIAL STATEMENTS AND REPORTS THEREON

To receive, consider and adopt the Annual Audited Financial Statements of the Company for the financial year ended March 31, 2020 including Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. APPOINTMENT OF DIRECTOR IN PLACE OF THOSE RETIRING BY ROTATION

To appoint a Director in place of Mr. Saneesh Singh (DIN: 02254868), who retires by rotation and being eligible, offers himself for re-appointment.

3. APPOINTMENT OF DIRECTOR IN PLACE OF THOSE RETIRING BY ROTATION

To appoint a Director in place of Mr. Sanjay Gandhi (DIN: 02234298), who retires by rotation and being eligible, offers himself for re-appointment.

4. APPOINTMENT OF DIRECTOR IN PLACE OF THOSE RETIRING BY ROTATION

To appoint a Director in place of Dr. Ratnesh Tiwari (DIN: 07131331), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. TO APPOINT MR. NAVEEN SURYA (DIN: 00094514) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013 and as per Articles of Association of the Company and pursuant to applicable provisions, if any, Mr. Naveen Surya (DIN: 00094514), appointed vide resolution passed by the Board of Directors on 29.08.2019 as a Non-Executive Director (Additional Director) of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from 29.08.2019 or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and he shall not be liable to retire by rotation.”

6. TO APPOINT MRS. SUREKHA MARANDI (DIN: 06952573) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013 and as per Articles of Association of the Company and pursuant to applicable provisions, if any, Mrs. Surekha Marandi (DIN: 06952573), appointed vide resolution passed by the Board of Directors on 28.02.2020 as a Non-Executive Director (Additional Director) of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member signifying her intention to propose her as a candidate for the office



of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from 28.02.2020 or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and she shall not be liable to retire by rotation.”

7. TO INCREASE THE LIMIT U/S 42 OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER (OFFERS OR INVITATIONS FOR NON-CONVERTIBLE DEBENTURES)

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provision of Sections 42 and 71 of the Companies Act, 2013 and Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute), to issue/offer/invite for subscription of secured/unsecured, rated/unrated, listed/unlisted non- convertible debentures (“**Debentures**”) by way of private placement, in one or more tranches, from time to time, to any category of investors eligible to invest in the Debentures, aggregating upto Rs. 15,00,00,00,000 /- (Rupees One Thousand Five Hundred Crores only) on such terms and conditions and at such times whether at par//premium/discount, as may be decided by the Board to such person or persons including one or more company(ies), body Corporate(s), statutory corporation(s), commercial Bank(s), Lending Agency(ies), Financial Institution(s), insurance company(ies), foreign portfolio investor(s), mutual fund(s) and individual(s), as the case may be or such other person/persons as the Board may decide so for a period of one year from the date of approval of the shareholders, within the overall borrowing limits of the Company, as approved by the members of the Company from time to time.

RESOLVED FURTHER THAT in connection with the above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolutions and for matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the Resolution.”

8. INCREASE IN POWER OF BOARD OF DIRECTORS FOR CREATING CHARGE OVER MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY U/S 180(1)(a) OF THE COMPANIES ACT, 2013

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT the consent of the members of the Company be and is hereby accorded pursuant to section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, to the Board of Directors of the Company (hereinafter referred to as the “Board” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute), to pledge, mortgage and/or charge in all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the maximum extent of the indebtedness secured by the properties of the Company does not exceed Rs. 35,00,00,00,000/- (Rupees Three Thousand Five Hundred Crores Only) at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the Resolution.”



9. TO INCREASE THE BORROWING POWER OF BOARD OF DIRECTORS U/S 180(1)(c) OF THE COMPANIES ACT, 2013

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT the consent of the members of the Company be and is hereby accorded pursuant to section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, to the Board of Directors of the company (hereinafter referred to as the “Board” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute), to raise or borrow from time to time such sum or sums as they may deem appropriate for the purposes of the company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from company’s bankers in the ordinary course of business) will exceed the paid-up capital of the company and free reserves not set apart for any specific purpose provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed Rs. 35,00,00,00,000/- (Rupees Three Thousand Five Hundred Crores Only) at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the Resolution.”

10. ALTERATION OF THE MAIN OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 (“Act”) read with applicable rules and regulations made there under, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approval(s), sanction(s) and permission(s) of Reserve Bank of India (“RBI”), Registrar of Companies, NCT of Delhi & Haryana (“ROC”) and other regulatory and appropriate authorities, as may be required in this regard and in accordance with the provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for effecting the alterations in the Main Objects clause of the Memorandum of Association (“the MOA”) of the Company.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by addition of the following new clause 5 after the existing Main Object clause III (A) 4 as under:

“To carry on the business of Insurance Corporate Agent as per the Insurance Regulatory and Development Authority of India (‘IRDAI’)”

RESOLVED FURTHER THAT any Director and Company Secretary be and are hereby severally authorized to engage or represent the Company before IRDAI and other relevant authorities for filing the application and in respect of all matters relating to the registration, filling of returns, assessments and all other matters and to sign or authenticate all the necessary applications, papers, forms, letters and documents required to be submitted to the IRDAI, RBI and various authorities for seeking registration, and to do all such acts and deeds to give effect to the above said resolution without requiring the Board to secure any further consent or approval from the members of the Company.

RESOLVED FURTHER THAT a copy of the foregoing resolutions certified to be a true copy under the signature of any one of the Directors of the Company be furnished to any statutory authority or any other person as may be required from time to time.”

11. TO INCREASE THE AUTHORISED SHARE CAPITAL OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 61 read with Section 64 and other applicable



provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from existing Rs. 70,00,00,000 (Rupees Seventy Crores) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10/- (Rupees ten only) each and 1,00,00,000 (One Crore) Preference shares of Rs. 10/- (Rupees Ten) each to Rs. 100,00,00,000 (Rupees One Hundred Crore) divided into 7,00,00,000 (Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 30,000,000 (Three Crore) Preference shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. The Authorised Share capital of the company is Rs. 1,00,00,00,000 (Rupees One Hundred Crore) divided into 7,00,00,000 (Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 3,00,00,000 (Three Crore) Preference shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT any Director of the Company or Company Secretary of the Company, be and are hereby severally authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution.”

ALTERATION IN THE CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause:

V. The Authorised Share capital of the company is Rs. 1,00,00,00,000 (Rupees One Hundred Crore) divided into 7,00,00,000 (Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 3,00,00,000 (Three Crore) Preference shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT any Director of the Company or Company Secretary of the Company, be and are hereby severally authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution.”

**By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED**

**Sd/-
Rachna Khantwal
Company Secretary & Compliance Officer
M. No- A43785**

**Place: Delhi
Dated: July 31, 2020**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, ("Rules") setting out all material facts in respect of the business specified in this notice and the reasons thereto is annexed hereto.
3. The proxy form duly completed must reach the registered office not later than 48 hours before the commencement of the Meeting. A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 113 of the Companies Act, 2013. The representative so appointed, shall have the right to appoint a proxy.
4. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.
5. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the General Meeting
6. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.
7. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the VC facility is also being given to the members to attend the 25th AGM of the Company, which does not require physical presence of members at a common venue.
8. Members will be able to attend the 25th AGM through VC Facility by accessing the below link:
<https://satyamicro.webex.com/satyamicro/j.php?MTID=mdee1162278684120134348500a9ab272>
or by webex login: Meeting number (access code): 166 013 8262; Meeting password: pDZPempK737
9. Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

**By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED**

**Sd/-
Rachna Khantwal
Company Secretary & Compliance Officer
M. No- A43785**

**Place: Delhi
Dated: July 31, 2020**



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Naveen Surya who was appointed as Additional Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from 29.08.2019 holds office upto the date of this Annual General Meeting and is eligible for appointment as a Non-Executive Director in the capacity of Independent Director.

Mr. Naveen Surya is not disqualified from being appointed as a Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Independent Non-Executive Director. His brief profile has been mentioned in Annexure A in the notice.

Accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board recommends the resolution in relation to appointment of Mr. Naveen Surya as Non-Executive Director in the capacity of Independent Director, for the approval by the members of the Company.

Except Mr. Naveen Surya, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No. 6

Mrs. Surekha Marandi who was appointed as Additional Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from 28.02.2020 holds office upto the date of this Annual General Meeting and is eligible for appointment as a Non-Executive Director in the capacity of Independent Director.

Mrs. Surekha Marandi is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given her consent to act as Director. Her brief profile has been mentioned in Annexure A in the notice.

Accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board recommends the resolution in relation to appointment of Mrs. Surekha Marandi as a Non-Executive Director in the capacity of Independent Director, for the approval by the members of the Company.

Except Mrs. Surekha Marandi, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No. 7

As per the provisions of Section 42 of the Companies Act, 2013 (“Act”), including any statutory modifications or re-enactments thereof for the time being in force, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, a company offering or making an invitation to subscribe to Non-Convertible Debentures (“NCD”) on a private placement basis, is required to obtain the prior approval of the shareholders by way of a Special Resolution, which can be obtained once a year for all the offers and invitations for such NCDs during the year.

The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out hereinbelow:

- a) Particulars of the offer including date of passing of board resolution: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time;



- b) Kinds of securities offered and price at which security is being offered: This special resolution is restricted to the private placement issuance of non-convertible debentures by the Company which may be secured/unsecured/subordinated, rated/unrated, listed/unlisted with the terms of each issuance being determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time, for each issuance;
- c) Basis or justification for the price (including premium, if any) at which offer or invitation is being made: Not applicable;
- d) Name and address of valuer who performed valuation: Not applicable;
- e) Amount which the company intends to raise by way of such securities: As may be determined by the Board of Directors from time to time but subject to the limits approved under Section 42 of the Companies Act, 2013 of upto Rs. 15,00,00,00,000 /- (Rupees One Thousand Five Hundred Crores only);
- f) Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time.

The Directors recommend the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this Resolution.

Item No. 8 & 9

Being into the business of Micro Finance, the Company requires more funds from various lenders of repute to run its operations smoothly and consistently. Therefore, it is required by the Company to raise the limit of indebtedness against the property from Rs. 3,000 Crores to Rs. 3,500 Crores. Pursuant to section 180(1)(c) of the Companies Act, 2013 a Company will require members' approval if the money borrowed together with the money already borrowed by it exceeds aggregate of paid up share capital of it and free reserve, apart from temporary loans obtain from its bankers' in the ordinary course of business. In light of it, the present limit of borrowing as approved by members is Rs. 3,500 Crores at any time which is required to be enhanced pursuant to the business/working capital requirements of the Company.

Further, pursuant to section 180(1)(a) of the Companies Act, 2013 at present the Company can incur upto Rs.3,500 Crores at any time, as maximum indebtedness against the property whether movable or immovable which can be pledged, mortgage and/or charged and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings.

Therefore, the Board in its meeting dated July 31, 2020 has approved the enhancement in borrowing limit pursuant to section 180(1)(c) of the Company Act, 2013 from Rs. 3,000 Crores to Rs. 3,500 Crores and



recommend the same for your approval.

Therefore, your consent is required pursuant to section 180(1)(a) and section 180(1) (b) of the Companies Act, 2013 and Rules made thereunder.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding (if any) in the Company. The Board of Directors recommends the passing of the resolution as Special Resolution.

Item No. 10

In order to expand the business of the Company, considering the present scenario and for smooth functioning and expansion of the Company, new business objects need to be included apart from the existing business objects. Considering the future business plans, one new object is added to existing Memorandum of Association of the Company.

In order to make the main object clause of the Memorandum of Association comprehensive and concise, it is proposed to insert the new object clause 5 in the Memorandum of Association, after the existing Main Object clause III (A) 4, as stated in the resolution above.

The approval of the members of the company is required, by way of special resolution pursuant to section 13 of the Companies Act, 2013, accordingly the Board recommended the relevant resolution for the approval of members.

None of the Directors of the Company or key managerial personnel or their relatives is, in any way, concerned or interested in the resolution.

Item No. 11

With a view to capitalise the Company it is proposed to increase the existing Authorised Share Capital of the Company from Rs. 70,00,00,000 to Rs 1,00,00,00,000.

Pursuant to Section 61 and 64 of the Companies Act, 2013, the consent of the shareholders of the Company is required to the proposed increase in the authorised share capital. Accordingly, the Board of Directors of the Company, vide its resolution passed at the meeting held on May 20, 2020 has proposed to increase the authorised share capital of the Company and seeks the approval of the members for the same.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of their Shareholding in the Company, if any.

Item No. 12

In order to reflect the increase authorised share capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, Clause V of the Memorandum of Association of the Company must be amended.

As per Section 13 of the Companies Act, 2013, the Alteration of Memorandum of Association of the Company requires the approval of shareholders and accordingly the Board now seeks the approval of the Shareholders for the same.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of their Shareholding in the Company, if any.

**By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED**

**Sd/-
Rachna Khantwal
Company Secretary & Compliance Officer
M. No- A43785**

**Place: Delhi
Dated: July 31, 2020**

ANNEXURE-A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN ANNUAL GENERAL MEETING

S.No.	Name	DIN	Brief Profile	Qualification	Date of Appointment	Date of Birth	Number of Equity Shares held in the Company	Relationship between directors inter-se	Director in other Companies
1.	Saneesh Singh	02254868	Mr. Saneesh has 25 years of experience in the fields of development, banking, and finance, financial inclusion, MSME lending and impact investments. Saneesh is a member of Inclusive Finance India Group of Advisors and serves on MFI and Small Finance Bank boards. He also serves on key committees and industry forums associated with social performance, responsible finance and impact investments. He has earlier worked in various senior managerial capacities at Small Industries Development Bank of India and was part of the core team that initiated it highly successful microfinance program. He successfully implemented prestigious bilateral projects with UK Aid, IFAD, World Bank.	Saneesh holds a PGD in Information Management and Systems Administration; a Master's Degree in Social Work and is a British Chevening Scholar of Banking and Finance from The London School of Economics and Political Science.	26.10.2017	19.09.1968	Nil	None	-ESAF Small Finance Bank Limited -MI India Capital Consultants Private Limited -Samhita Community Development Services -Growing Opportunity Finance (India) Private Limited -DIA Vikas Capital Private Limited -Cashpor Micro Credit Margdarshak Financial Services Limited -ESAF Financial Holdings Private Limited -MI India Capital & Investment Private Limited
2.	Sanjay Gandhi	02234298	Mr. Sanjay Gandhi's first job as an Audit Manager was with the Indian Associates of KPMG. After working for a finance company, he joined the microfinance industry in 2003 and has worked in 25 countries and conducted about 125 ratings of MFIs; some of the assignments were for the World Bank, ADB, UNDP, Mercy Corps and HIVOS.	Sanjay qualified as a Chartered Accountant before graduating from Delhi University.	01.08.2018	06.02.1966	Nil	None	-Ananya Finance for Inclusive Growth Private Limited -LF Financial Services Private Limited
3.	Ratnesh Tiwari	07131331	Ratnesh is an engineering postgraduate and has a doctoral degree (Ph.D.) from Indian Institute of Technology (IIT) Delhi with his research targeted towards biomass based renewable energy. He has over five years of experience of working on different sustainable development programs sponsored by different National & International agencies like Ministry of New & Renewable Energy, Ministry of Human Resource Development, The Energy & Resource Institute, Container Corporation of India Ltd, GIZ Germany, World Bank & United Nation Foundation, USA. He is the Chief Executive Officer at Koshish Renewable Energy Services Pvt Ltd. Koshish focuses on promoting sustainable energy solutions, sustainable agriculture practices & sustainable ecofriendly products leading to sustainable economic growth with environmental upgradation leading to irreversible human development. He is passionate about socioeconomic development of villages. He has an excellent interpersonal & leadership skills.	Ratnesh is an engineering postgraduate and has a doctoral degree (Ph.D.) from Indian Institute of Technology (IIT) Delhi	28.10.2016	07.04.1987	51,500	None	-Koshish Sustainable Solutions Private Limited -Koshish Marketing Solutions Private Limited



4.	Naveen Surya	00094514	<p>Mr. Naveen is a distinguished name in the Digital and Retail Payment Systems and FinTech in the country. Currently, the Chairman of Fintech Convergence Council (FCC) which is part of IAIMA/PCI Industry association, He is also Chairman Emeritus of Payments Council of India (PCI) and has served PCI as Chairman for over 10 years. Member of Innovation Council of National Payments Corporation of India (NPCI). Navin is also Advisor to Mitsui & Co. Ltd, Tokyo, Japan.</p>	29.08.2019	15.01.1972	Nil	None	<p>-Epilepsy Foundation -Vyoman Tradelink India Private Limited - So Hum Bharat Digital Payments Private Limited</p>
5.	Surekha Marandi	06952573	<p>Ms Surekha has a vast multifarious experience of more than three decades in the sectoral BFSI domain. She is an exemplary Financial Inclusion Expert with a distinguished career complemented with detailed proficiency in financial inclusion and development; customer education and protection; regulation, supervision and compliance; and strong understanding in facets of economy; microfinance; rural planning; credit and communications. Under the aegis of her illustrious career span, she has held copious leadership positions like Nominee Director of RBI at United Bank, Nominee Director at Bank of Baroda, Member of Board - IEPF authority, Surekha has also worked with NCFE, since its inception in 2018 till retirement, as Chairperson and member on the board of Financial Inclusion Fund administered by NABARD. She has exceptionally pioneered the navigation of complex projects from conceptualization to complete operational activation.</p>	28.02.2020	27.07.1959	Nil	None	None



ATTENDANCE SLIP

Folio No.*: _____

No. of Shares : _____

DP ID: _____

Client ID : _____

Members or their Proxies are requested to present this Slip in accordance with the Specimen Signatures registered with the Company, at the entrance of the Meeting Hall, for admission.

Name of the attending Member/ Proxy(s) _____
(in BLOCK LETTERS).

I hereby record my presence at the Annual General Meeting of the Company held on Thursday, 27th day of August, 2020 at 2:00 P.M at the registered office of the Company 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020.

Member's Signature

Proxy's Signature

*Applicable for Members holding shares in Physical form.

FORM NO. MGT-11

PROXY FORM

[PURSUANT TO SECTION 105(6) OF THE COMPANIES ACT, 2013 AND RULE 19(3) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

Name of the Company: SATYA MICROCAPITAL LIMITED

Registered Office: 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We, being the member(s) of _____ shares of the above named Company. Hereby appoint:

S No.	Name	Address	Email id	Signature

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company held on 27th day of August, 2020 at 2:00 P.M at the registered office of the Company at office 519,5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. :

1. Adoption of Annual Audited Financial Statements for financial year 2019-20 together with the Reports of the Board of Directors and the Auditors thereon;
2. Appointment of Director in place of Director retiring by rotation;
3. Appointment of Director in place of Director retiring by rotation;
4. Appointment of Director in place of Director retiring by rotation;
5. Appointment of Mr. Naveen Surya as Non-Executive Independent Director;
6. Appointment of Mrs. Surekha Marandi as Non-Executive Independent Director;
7. Increase in the limit u/s 42 of the Companies Act, 2013 and rules framed thereunder (Offers or Invitations for Non-Convertible Debentures);
8. Increase in the Power of Board of Directors for Creating Charge over Movable & Immovable Properties of the Company u/s 180(1)(a) of the Companies Act, 2013;
9. Increase in the Borrowing Power of Board of Directors u/s 180(1)(c) of the Companies Act, 2013;
10. Alteration of the main objects clause of the Memorandum of Association of the company;
11. Increase in the Authorised Share Capital of the Company;
12. Alteration in the Capital Clause of Memorandum of Association.

Signed this _____ day of _____ 2020



Affix
Revenue
Stamps

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

ROUTE MAP



Date of AGM:

August 27, 2020



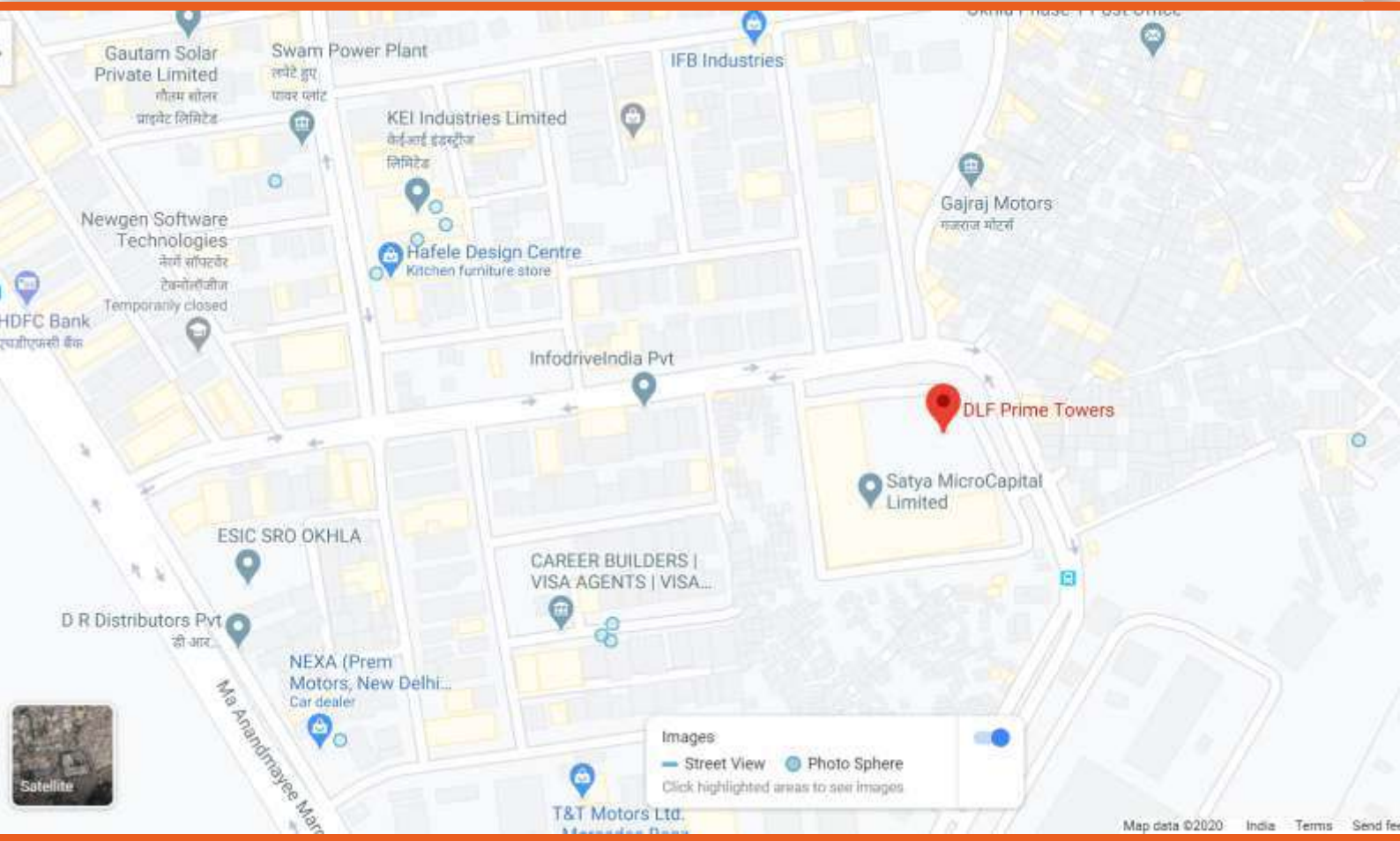
Time:

02:00 P.M



Venue

519, 5th Floor, DLF Prime Towers,
Okhla Industrial Area, Phase-1,
New Delhi-110020, India





+91 11 4972 4000 | 1800-102-5644



www.satyamicrocapital.com/



info@satyamicrocapital.com



519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020, India