



सर्वे भवन्तु सुखिनः

ANNUAL REPORT 2016-17



SATYA MICROCAPITAL LTD.

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सर्वे भवन्तु सुखिनः

OUR MISSION, VISION AND LOGO

Vision:

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

Mission:

"To be a preferred choice for the people at bottom of pyramid in creation of their enterprise and livelihood through holistic approach"

Soul of SATYA

SATYA's Soul is represented by 5 Ts which are as following:

5Ts: Trust | Transparency | Team | Technology | Training

Trust

To develop a relationship of Trust and Truthfulness within the ecosystem of SATYA

Transparency

Aiming to develop a transparent culture across organisation

Team

To follow values of "Team Strength" and promote "Coordination and Cooperation" in all verticals

Technology

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

Training

Capacity Building and social awareness programs for all stakeholders of SATYA

Satya's Logo:

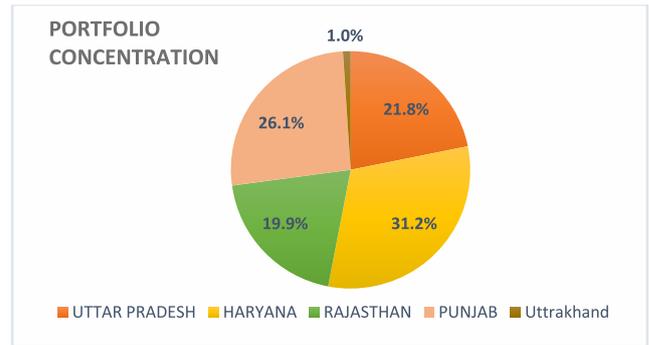


Saffron symbolize Satya's dedication towards the society in particular, people at the bottom of the pyramid whereas **Green** symbolize its intention to make their lives prosperous. White arrow symbolizes its mission of growth through transparency and good governance practices. This will reflect happiness everywhere and that is the crux of our motto: सर्वे भवन्तु सुखिनः

MANAGING DIRECTOR'S MESSAGE



with 15 branches in 15 Districts having our presence in Five States. We are moving towards the stage of 100% Cashless Collection. This is the conviction of Team-SATYA, I am blessed with whatever I desire or ask for, they achieve, with their outstanding support.



The journey of these 5 months was the perfect start, more than what we thought of. We can still feel the auspicious day of the 28th of October 2016, when Guru ji's divine presence bestowed us with his blessings and we started our journey by celebrating our Inauguration day. In the next four days on the 1st of November, we did our first disbursement in Dhanaura Village of District Bulandshahr in Uttar Pradesh.



| Business Snapshot | |
|------------------------------------|---------------|
| Parameters | 31st March 17 |
| Number of States | 5 |
| Number of Branches | 15 |
| Number of Clients | 8805 |
| Loan disbursed (Cumulative in Cr.) | 26.52 |
| Loan outstanding (Cr.) | 26.12 |
| PAR % | Zero |
| Employee strength | 135 |

Demonetization stirred India on the evening of 8th November; We accepted it as a challenge and Cashless disbursement became our story of success. Cashless transactions complimented our ideologies for Microfinance's new era. We celebrated our 100 Days and dedicated team members on 5th of February 2017,

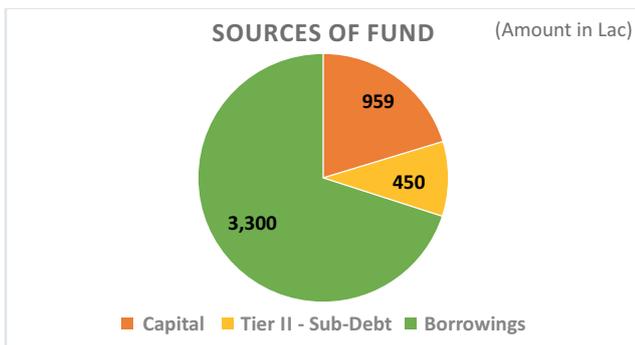
SATYA is an institution with a vision of change, transformation and will be a differentiator in Financial Inclusion space and its approach and existence is recognised by our well-wishers, industry experts, family and influential people across different sectors.

Our Clients welcomed our financial product and recognised our social connect. The most distinctive appreciation was received for online disbursement and the reduced turnaround time of credit bureau check which helped in "quality groups" formation. We aimed



to be their preferred choice and that reasons well that majorly of borrowers in these five months chose SATYA as their first microfinance lender. They are our biggest motivation - "All our Happy Entrepreneurs", who joined SATYA during the previous year to make us part of their entrepreneurship journey, their support is extraordinary and I will always be obliged to them.

From the core of my heart, I am thankful to our Lenders who showed their faith in a new - small institution in such a short span of time. In January, as one of the smallest MFIs, we were blessed with our first term loan from Reliance Capital Ltd and by the end of financial year 2016-17, we had received cumulative term loan sanction of INR 36 Crores from Ananya Finance, Capital First, IFMR Capital, Mahindra & Mahindra Financials, MAS Financial, Reliance Capital and Reliance Commercial; a Sub-Debt of INR 4.50 crores from Capital First Limited was also received which boosted our capital structure. In total seven lenders joined us towards our vision during FY 2016-2017.



Honestly, I never wonder about the numbers, but I just believe in SATYA's ideology of creating a livelihood and enterprise through a holistic approach. In the FY 18, the company is focussed to strengthen its hold in the present Five states of its presence. Further, the Company also looks to explore new geographies to increase its reach to its Clients. In addition to this, the Company will also add few more products to the offering for its clients which will enable them to fulfil their aspiration and in turn, will strengthen their relationship with SATYA. Technology will always play an important role as nervous system of SATYA. it is crucial for review, analysis and monitoring on real time basis. The Company, with the use of technology, will increase its reach to the clients and facilitate the ease of operations as well as accuracy of the transactions in the current year. With the use of E-KYC, Aadhar Payment Bridge Solution and Aadhar Enabled Payment system, the company will not only ensure accurate and hassle

free transactions but also decrease the inherent risk of the transactions and will also reduce the possibility of frauds.

The Company is committed to have the highest level of governance and to ensure this, the company will partner with two of the big 4 audit firms for its audit and advisory services. Same will help the company in ensuring efficient internal and financial controls in the organization.

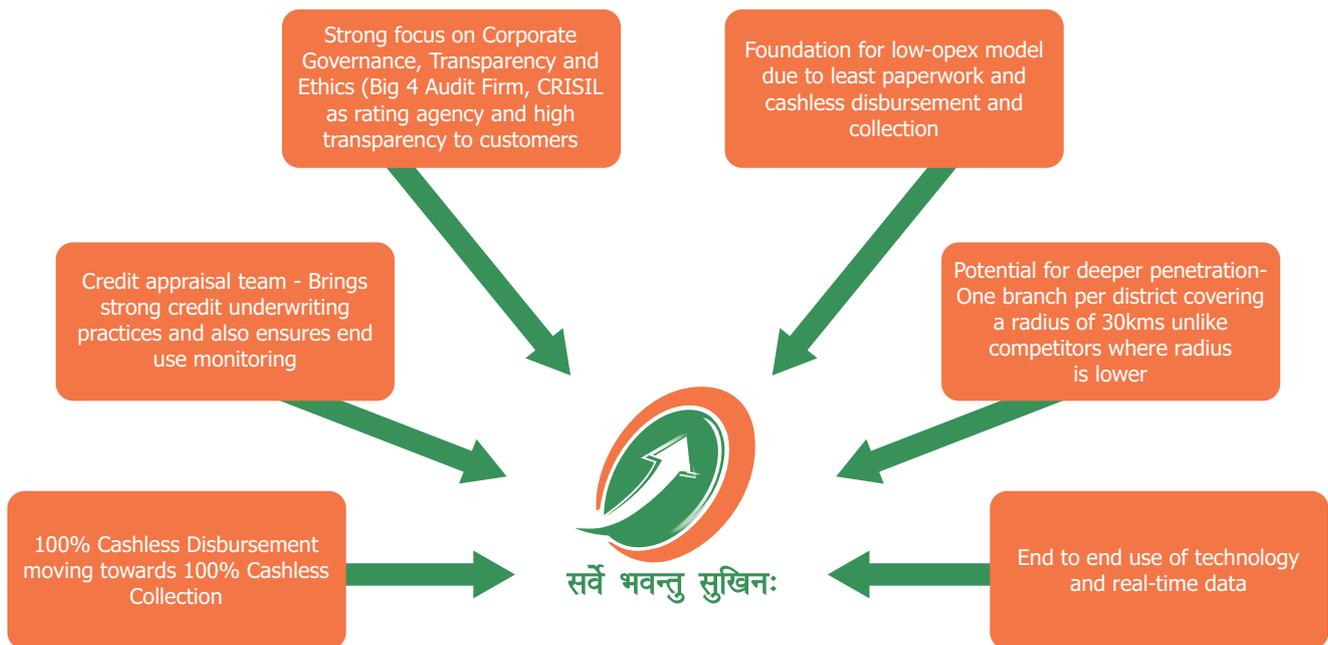
Another vital focus will be on social responsibility, for SATYA, Nasha Mukta Samaaj, Gender Equality and Swach Bharat is a desired picture of India in our working geographies and we have plans to include these awareness campaigns in "Our social platforms - "Common Collection and Awareness Points" in the villages.

My Grandfather's upbringing plays a significant part in my life, as a retired primary school headmaster, he has carved most important principles for me. I am brought up in a very simple environment with few golden rules, here I want to share two of them: "Do your work with the best you have otherwise don't do it" and "more than your words your action should speak". We are putting our best in building this institution and the intent is also to serve goodness in the most ethical and substantial way.

"SATYA is an institution with a vision of change, transformation and will be a differentiator in Financial Inclusion space and its approach and existence is recognised by our well-wishers, industry experts, family and influential people across different sectors."

I started from the scratch. I invested all I had, funds, goodwill, my industry experience and knowledge. Fortunately, whether it was the leadership support, human support or resources I was welcomed and embraced with all extended support. Therefore, we are grateful to every individual who associated with us in the past few months of our inception journey, our clients, our team, our lenders, our service partners, our vendors, those all who believed in us - A big thank you! We assure that every soul in SATYA has only one Motto: "सर्वे भवन्तु सुखिनः - May all become happy".

Vivek Tiwari
Managing Director
Satya MicroCapital Ltd.



“SATYA is an institution with a vision of change, transformation and will be a differentiator in Financial Inclusion space and its approach and existence is recognised by our well-wishers, industry experts, family and influential people across different sectors.”



STAKEHOLDERS CORNER

"IFMR Capital is proud to associate with Satya MicroCapital. We share the company's vision for lending to the financially disenfranchised and believe strongly in the team's ability to execute the vision in building a truly new-age Microfinance Institution."

Gaurav Kumar, Chief Business Officer, IFMR Capital

"I have known Vivek Tiwari for over a decade and have been witness to his ability to build high performance teams and create a sound microfinance portfolio. The vision of Satya reflects founding team's deep understanding of livelihoods of clients and their belief in the potential of microfinance to bring meaningful changes in their lives. I wish Satya's team best of luck in their endeavors."

Deepak Alok, Partner, Prime M2i Consulting Pvt. Ltd.

"Satya MicroCapital though a new entrant in the Microfinance space but having a decade of experience in the sector in terms of its promoter and management. This is well reflected in the growth parameters showcased by them, whether it is Loan Portfolio, Equity Strength, No. of Lenders on Board or Process and Systems. We wish all the success to them and look for a long and strong mutually beneficial relationship with Satya MicroCapital"

Sudhakar Mogera, Micro Finance and Special Initiatives Business - RELIANCE CAPITAL LTD

"I am happy to put on record that SATYA has reaped the best benefits of trainings by nominating more and more people from its team. This reinforce approach towards building a robust Human Resource team. While interacting with your people about Company's future growth plan, a clear impression is gathered that you believe in registering strong and firm footprints rather than just growing for the sake of growing. Thus, an organisation which is equipped with a visionary leader, with a committed and knowledgeable human resource team and a clear goals in minds of its workforce, knows no boundaries to limit its growth plan."

Sudhir Sinha,
Chief Executive Officer, UPMA

"Satya is being steered by an able team, guided by a reputed Board headed by a competent leader. It is truly a model member of Sa-Dhan adhering to all the regulatory and Code of Conduct norms. On behalf of Sa-Dhan and my own personal behalf I congratulate Satya MicroCapital for its achievements in a short time span and wish them more successes in the coming period in its endeavour towards reaching the goal of universal financial inclusion and achieving its mission of becoming the preferred choice for the people at the bottom of the pyramid for their financial service's needs."

P. Satish, Executive Director, Sa-Dhan

BOARD OF DIRECTORS

Vivek Tiwari
Managing Director

Vivek Tiwari has an experience of nearly two decades in the microfinance and development sector on initiatives to further financial inclusion, social entrepreneurship and impact investing. As Managing Director of Satya, Vivek has taken the responsibility of spearheading the company's strategic efforts and driving its expansion with morality and a vision to develop entrepreneurship and livelihood at the bottom of the pyramid. He holds a postgraduate diploma in Rural Development and Management from the Institute of Engineering and Rural Technology, Allahabad. Before SATYA, he was associated with Satin Credit care Network Ltd (SCNL) as the Chief Operating Officer. In his nearly nine years of engagement with SCNL, he transfigured its portfolio from INR 50 crore to INR 4,000 crore and in 16 state and more than 35,000 villages. The India International Friendship Society awarded him with "Bharat Jyoti Award" for playing a pivotal role in accelerating the JLG/WSHG movement.



Mukul Jaiswal
Independent Director

Mukul Jaiswal is a Chartered Accountant by qualification. Mukul has a long association with CASHPOR group of companies – earlier in his capacity as a statutory auditor and thereafter in the capacity of the Managing Director. Mukul is an ex-officio member of the Board and of the Finance Committee and Corporate Social Responsibility Committee of the Board of CASHPOR Micro Credit. He is also a Director of CASHPOR Financial and Technical Services Private Limited and CASHPOR Financial Services Private Limited. He has over 15 years of rich experience in the field of microfinance. Under his able guidance and leadership, CASHPOR has bagged the "Best Microfinance Institution of 2012" in the large category award & True lift leader Milestone Award by Smart Campaign in 2013 and received "2015 Microfinance Institution of the Year Award" in the Asia / Pacific region from Whole Planet Foundation and "SKOCH Order-of-Merit Award for Financial Inclusion and Deepening" in 2015.



Ratnesh Tiwari
Director

Ratnesh Tiwari is an engineering postgraduate and pursuing his doctoral degree (Ph.D.) from Indian Institute of Technology (IIT) Delhi. His research at IIT Delhi is targeted towards biomass based renewable energy. He has on-the-ground experience in understanding, identifying and resolving operational and technical issues in biomass-based rural energy systems. He is passionate about socioeconomic development of villages.



Rahul Gupta
Director

Rahul Gupta is an associate of The Institute of Chartered Accountants of India since 2002. He is also qualified "IFRS (International Financial Reporting Standards), UK". He has experience in the field of auditing, accounts, taxation, project financing, advisory services and company law matters. He is known for his radical and at the same time philosophical views. In his own unique style, he combines technical, professional subjects, with philosophy to give a different and clearer perspective on several legal areas. He is a regular contributor of articles in professional journals.



LEADERSHIP TEAM

SATYA has a highly experienced and professional team with over a decade of experience in microfinance and development sector. The team has been recognised for its quality execution and consistency. The Senior management team of SATYA is committed to timely decision making and is fully involved in day-to-day operations.



Sudhindra Sharma, Chief Financial Officer: As a chartered accountant, Sudhindra is known for serving large companies within the Financial Services, Manufacturing and Service Sector in his 17 years of experience with his expertise in the field of Finance and Accounts. He has joined us with a wealth of experience in the financial related projects and has worked in the field of Corporate Finance, Accounts, Compliances and Risk Management with specialization in Financial Analysis, Budgeting and Controls. His last assignment was with Intec Capital Limited as Chief Financial Officer. In the past, he has been associated with Ingersoll Rand, BPL and Ruby Tuesday.



Subhash Chandra Acharya, Head of Operations: Subhash holds a Post Graduate Diploma in Business Management from Institute of Rural Management, Jaipur and a Bachelor Degree in Technology in Metallurgical Engineering from Malviya National Institute of Technology, Jaipur. He has a result oriented professional experience of more than 10 years in Operations, Entrepreneurship, Sales & Marketing and Insurance. Before joining SATYA, he has worked with SV Credit Line Pvt. Ltd. as Senior Vice President-Operations. Prior to that, he has also worked with SCNL as Vice President - Operations, Kashvi Group, SKS Microfinance Limited and Jindal Stainless Steel Limited. He has been also a part of projects undertaken by RICEM, DSP Merrill Lynch, Mahindra & Mahindra Ltd. and Hindalco Industry Ltd.



Avishek Sarkar, Head- Credit: A Post Graduate in Business Administration from Kalinga Institute of Industrial Technology, Bhubaneswar. Avishek has more than 10 years of experience spread across operations, consulting and rating. Before joining SATYA, he has worked as Assistant Vice President- Operations at SCNL. Prior to that he has worked with Onicra Credit Rating Agency of India Limited, where he was heading the rating team of VAR (Vendor & Associate Rating) division. During his tenure at Onicra he was involved in new product development, conducting Techno-Economic Valuation (TEV) studies and ratings. Beginning his career with Prime M2i Consulting Limited where he was involved in Diagnostic assessment, Portfolio Audit, Training and consulting assignments, he also has a stint with Micro Credit Ratings International Limited (M-CRIL) where he has worked as a Rating Analyst.



Sanjay Goel, Head- Finance: Sanjay is a Commerce graduate from Delhi University. He has above 26 years of relevant experience in Finance & Accounts at different levels. Before becoming a part of SATYA, he worked with SCNL as Senior Manager Finance. During his longest tenure of services for more than 14 years with SCNL, he has played a major role in team building, mobilising funds and relationship building with investors Prior to that, he has worked with Berger Paints (India) Ltd. – Rajdoot Division and Bora Knitwears Pvt Ltd (Sister concern of Woodland Shoes).



Ajay Kumar, Head- Human Capital: Ajay holds a post graduate degree in personnel management (PGDPM) from Sambalpur University, Odisha and a Diploma in Labour Law from NILEM, Chennai. He has a rich experience of over 15 years in the areas of recruitment & Training, Rewards & Recognitions, Manpower Planning and Management, Performance Management, Employee Engagement and Statutory Compliances. Before joining SATYA, he has worked with SCNL in the capacity of Senior Manager- Human Resources. Prior to that he has worked with Teracom Ltd. and Global Impex.



Mahima S Rana, Head- Training & Communications: Mahima has an experience of 12 Years in Training & Communication. She has worked in various industries across various verticals related to communications, Brand Management and Corporate Social Responsibility. She started her career from Sahara Computers, South African MNC and has also worked for SCNL. Before Joining SATYA, Mahima was working with Franchise India as Brand Manager for one of the major projects in joint venture with Times of India – Business Exchange.com. Currently, Mahima is committed to develop entire Training and Communications processes for SATYA. She is also focusing on Social Performance towards all stakeholders.



Sumeet Dhall, Head- Accounts: A Chartered Accountant by profession, Sumeet holds a degree in commerce from Delhi University. After a successful stint of career spread over 7 years with Royal Sundaram as Operations & Finance Manager, he migrated from the service industry to explore his entrepreneurial skills by starting his own chain of restaurateur business. At SATYA, he brings along his 17 years long experience of his entrepreneurial and Financial Management Skills.



Ashutosh Kumar Srivastava, Senior Manager- Information Technology: Ashutosh holds a degree of Master in Computer Application from AAIDU, Allahabad. He has a versatile experience spanning 10 years in Information Technology and Project Management. Before joining SATYA, he has worked with SCNL as a Deputy Manager-MIS where he spearheaded the project implementation team and handled various solutions such as Microfinance, Bank and Insurance. He has expertise in planning & controlling the operational requirements. Ashutosh has earlier served at Information Communication & Technology (ICT) in Cashpor Micro Credit.



Ankit Tiwari, Company Secretary: A Company Secretary by profession, Ankit holds a degree in commerce from Delhi University. Ankit Tiwari is having more than 2 years' experience in the areas of Corporate Advisory and Compliance Services. Before joining SATYA, he was working with SCNL and during his tenure there he played major role in privately placement of Equity Shares & Preference Shares, Forming and Implementing ESOP Schemes, NBFC Compliances and Statutory Compliances of listed Company.

CREATING LIVELIHOOD THROUGH ENTREPRENEURSHIP



Bharti, - Haridwar, Uttarakhand: "She is expanding their Tent-House Business"

Bharti has a business of tent house and it is growing. She contacted the company during SATYA's first open General Meeting in Haridwar. She wanted to take the loan to purchase more material for Tent house business. She wants to share her thoughts on Staff Behaviour and SATYA's approach: Sanjay Prajapatbhaiya was very helping, he carefully clarified all our concerns. But, when I heard during CGT that they are very specific about loan utilisation, appropriate credit culture, Grievance Mechanism, NashaMuktSamaj, Gender Equality and Swach Bharat and with that they have very clear process I was very confident that my choice for SATYA is not as just another MFI. Sanjay Bhaiya, has a tablet, it takes our information and inform us about our credit history. It plays the SamuheekGeet and I like its music and lyrics. Every time he comes for collection he takes our attendance and collects instalments in his tablet that looks very interesting. I am very sure that our association with SATYA will help us in making our life better.



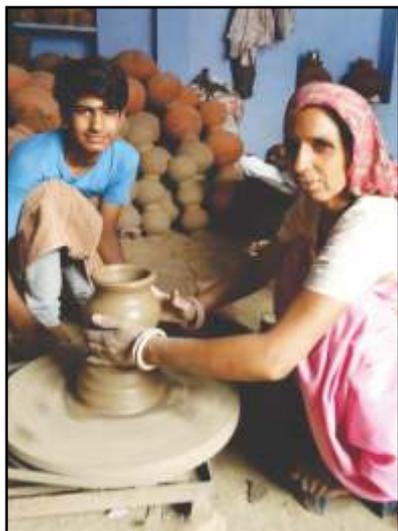
Komal, Palwal, Haryana: "On her experience of Credit Bureau Check"

Whenever Komal's husband discussed about the future of their life, she always sounded ambitious. Komal had a non-functional cosmetic shop and it was becoming a stress as an independent entrepreneur but she was firm that she wants to make it a success. She contacted Satya and took a loan, purchased products for her shop and her shop is gaining popularity in the locality. But, she was excited about the technology part the most: "I always believed in technology, we have a smartphone in our family it looks fast, easy and transparent. Komal Singh Chauhan our Entrepreneurship Development Officer scanned our Aadhar Cards and cleared our doubts related to technology through his tab. I was very relieved with the idea of Cashless disbursement because for a shop we can't exhaust the money in one go and we used the money as per requirement and rest of the money was safe in account. But what amazed us the most was credit bureau check, some of the villagers were rejected during this check and I was happy that I passed, however we had taken loan in past from other companies and we paid it obediently. Komal Bhaiya informed me that I have a good credit history and I smiled knowing that the sincere past makes us successful in our present. I was happy that Komal bhaiya politely cleared all our doubts and helped us in processing the loan, our relationship with SATYA looks prosperous.



Saroj Devi, Behror, Rajasthan: "On her experience with cashless disbursement of Loan Amount"

Trilok Chand was a mechanic at a cycle Shop, he was living his life on small wages. They had plans for better life but it was looking tough with his existing wages and Saroj always dreamt of a "apnakaam". Hence, they planned for Income Generating Loan and choose SATYA for their first microfinance loan. When Saroj first met SATYA the smile on her face was very encouraging. She was very motivated and they opened a bicycle part and repair shop as cycle is still important transportation in her area and Trilok is cycle expert. Her confidence gained when she received her loan amount in her Bank account, how it boosted her confidence she tells us the story this way: "When I realised that my bank account was credited with the loan amount, the biggest relief came as it is safe. I was anxious since beginning that's why I always side-lined the idea of Loan because theft and that the money will be used in daily expense was my biggest fear. This was the first reason why Satya motivated me that cash handling will not be hassle as the loan disbursement will be cashless. Now, I am wisely using my money, as per requirement and it proved a right decision for our family to choose SATYA."



Kamlesh, Alwar, Rajasthan: "She opted for motor machine for her pot making business"

Kamlesh has a Pot-making business and it is gathering popularity as it is preferred storage of drinking water in Rajasthan. SATYA's loan has helped her in buying a motor machine for Electric Chaak. She is very happy that this she is able to produce more pots this summer and very hopeful that will help her in flourishing her business this year. She was impressed by Himanshu's kindness and his cultural understanding also helped but what earned her confidence more was SATYA's uniqueness, here she shares her thoughts: "I met Himanshu bhaiya and he was very simple, polite and helpful. I have taken loan in past with other MFIs as well but I was taken by his humble and clear approach of work, process and technology. He emphasised on us to know and learn about Grievance redressal mechanism, taught few other members how to do a signature. I liked SATYA's samuhik geet and it tells about meeting discipline and social values such as nasha mukt samaj, beta beti ek saman and swachh bharaat. I am very happy with their approach."



Babita, Behror Rajasthan: "She had an over-due, credit bureau helped her in clearing her credit history and getting loan from SATYA"

Babita has an Animal Husbandry business of Sheep and Goats she has previous association with Microfinance companies. This time when SATYA approached their village she was coincidentally considering of taking another loan and she contacted SATYA along with other group members. "I was informed that SATYA has approached our village. Later, when I met Aayush Bhaiya along with Aadhar card and Bank Passbook he informed me that I didn't clear the Credit Bureau Check. But, I was politely clarified by Aayush Bhaiya that behan ji you have an overdue of INR 1460 from previous MFI. I confirmed him that I have already paid it, on which he told me that you can get a clearance receipt from them and we will recheck your credit bureau in sometime. Later when I asked him to check my CB he confirmed that I my records are now clear. This time I have received my loan amount in my bank account and the process is so simple and transparent that this time there seems no chance of overdue. I am also looking forward to Cashless Collection as Aayush Bhaiya will soon take collection directly from my account through my thumb impression. I am happy that SATYA and Aayush bhaiya helped me in correcting my credit history."



CORPORATE INFORMATION**BOARD OF DIRECTORS**

| | |
|--------------------|---------------------|
| Mr. Vivek Tiwari | Managing Director |
| Mr. Ratnesh Tiwari | Additional Director |
| Mr. Mukul Jaiswal | Additional Director |
| Mr. Rahul Gupta | Additional Director |

| | |
|---------------------------------|----------------------|
| Chief Financial Officer: | Mr. Sudhindra Sharma |
| Company Secretary: | Mr. Ankit Tiwari |

Statutory Auditor:**M/s Gitesh Sharma & Associates**1810, 3rd Floor, Outram Lines,
Kingsway Camp, Delhi-110009**BANKERS & OTHERLENDERS**

1. Ananya Finance for Inclusive Growth Private Limited
2. Capital First Limited
3. IFMR Capital Finance Private Limited
4. MAS Financial Services Limited
5. Mahindra & Mahindra Financial Services Limited
6. Reliance Capital Limited
7. Reliance Commercial Finance Limited

REGISTERED OFFICE**Satya MicroCapital Limited**
519, 5th Floor, DLF Prime Towers,
Okhla Industrial Area, Phase-1,
Delhi-110020, India**CORPORATE IDENTITY NUMBER**

U74899DL1995PLC068688

Websitewww.satyamicrocapital.com



सर्वे भवन्तु सुखिनः

BOARD'S REPORT

Dear Shareholders,

Your Board of Directors (the "Board") take pleasure in presenting the 22nd Annual Report of Satya MicroCapital Limited (the "Company") together with the Audited Accounts for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

| Particulars | 31 st March, 2017 | 31 st March, 2016 |
|------------------------------------|------------------------------|------------------------------|
| Total Revenue | 96,26,792 | 17,32,998 |
| Total expenditure | 2,41,25,158 | 16,05,839 |
| Profit (Loss) Before Tax | -1,44,98,366 | 1,27,159 |
| Tax Expense | 1,17,620 | 28,942 |
| Prior Period Adjustment | 0 | 8,880 |
| Profit (Loss) after Tax | -1,46,15,986 | 89,337 |
| Transfer to Statutory Reserve Fund | 0 | 91,428 |
| Earnings Per Share (EPS) | -6.18 | 0.06 |
| Diluted EPS | -6.18 | 0.06 |

OPERATIONS

During the year, Company has started the business of Micro lending. The Gross Loan Portfolio of the Company as on 31st March 2017 stood at Rs. 26,10,96,043.

During the year, Company has started its operation in Rajasthan, Punjab, Haryana, Uttar Pradesh and Uttarakhand. As on 31st March 2017 Company has distributed loans to 8,805 Clients. A total of 15 Branches are operational at the end of 31st March 2017.

CHANGE IN CAPITAL STRUCTURE OF THE COMPANY

During the year under review the Authorised Share Capital of the Company has increased from 02 Cr to 10 Cr for which Shareholder consent was sought in Extra Ordinary General Meeting held on 27th October 2016.

During the Financial Year 2016-17, the paid-up share capital of the Company has been increased from Rs. 13,83,00,00 to Rs. 73,20,75,00 through following means: -

1. Right issue of 36,67,000 Equity Shares of Rs. 10 each.
2. Issue of 22,70,750 Equity Shares of Rs. 10 each at a premium of Rs. 10 per share on private placement basis.

DIVIDEND

The Directors do not recommend any dividend for the year.

CHANGE IN THE NAME OF THE COMPANY

Reserve Bank of India approved the Change in management of the Company on September 08, 2016. New management of Company expands business of the Company in the field of Micro Finance. Name of the Company must reflect the business activity of the Company. Considering all the facts name of the Company changed from "TFC Finvest Limited" to "Satya MicroCapital Limited" which was approved by the Registrar of Companies, Delhi and Haryana on November 30, 2016.

CHANGE OF REGISTERED OFFICE

Considering the growth and expansion plan of the Company, the board and the management felt it necessary to shift the registered office of the company to a location which enables better business linkages. The company thus shifted its registered office to 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi-110020.

RESERVE BANK OF INDIA- REGISTRATION AND DIRECTIONS

The Company has been granted certificate of registration from Reserve Bank of India to carry the business of non-banking financial institution vide Registration No. 14.01513 dated July 17, 2000. Owing to the change of name of the Company from TFC Finvest Limited to Satya MicroCapital Limited on November 30, 2016 the Company has received revised certificate of Registration from Reserve Bank of India dated March 09, 2017.

Your Company has been following all relevant guidelines issued by the Reserve Bank of India from time to time.

Your Company has applied for change in Category from Non-Banking Financial Company to NBFC-MFI to the Reserve Bank of India on March 15, 2017. The application is under process

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has neither any subsidiary, associate Company nor any Joint Venture during the financial year 2016-17.

DIRECTORS AND KEY MANAGEMENT PERSONNEL (KMP)

Mr. Vivek Tiwari (DIN.02174160) retire by rotation and being eligible offers himself for re-appointment. Mr. Vivek Tiwari has shown his interest for his re-appointment. The Board of Directors have recommended his re-appointment for consideration of the Shareholders.

Mr. Mukul Jaiswal (DIN:02696656) appointed as Additional Director on January 12, 2017. Pursuant to Section 149, 150, 152, 161 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, Mr. Mukul Jaiswal was appointed as a non-executive and independent Director of the Company, who have submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013. The Board of Directors have also recommended his appointment for consideration of the shareholders. Mr. Mukul Jaiswal will be appointed as Independent Director of the Company to hold office for a period of five years from the date of his appointment as additional director or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and not liable to retire by rotation.

Mr. Ratnesh Tiwari (DIN:07131331) appointed as Additional Director on October 28, 2016. Pursuant to Section 149, 152 and 161 other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, and as per Articles of Association of the Company, Mr. Ratnesh Tiwari appointed as a non-executive Director of the Company. The Board of Directors have also recommended his appointment for consideration of the shareholders. Mr. Ratnesh Tiwari will be appointed as Non-Executive and Non-Independent Director of the Company and liable to retire by rotation.

Mr. Rahul Gupta (DIN:07478822) was appointed as Additional Director on October 20, 2016. Pursuant to Section 149, 152 and 161 other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, and as per Articles of Association of the Company, Mr. Rahul Gupta was appointed as a non-executive Director(s) of the Company. The Board of Directors have also recommended his appointment for consideration of the shareholders. Mr. Rahul Gupta will be appointed as Non-Executive and Non-Independent Director of the Company and liable to retire by rotation.

During the year under review Mr. Sukhpal Singh (DIN: 01080450) and Mrs. Veena Goel (DIN: 01080106) has resigned from the post of Director on October 20, 2016. Mr. Rajinder Kumar Goel (DIN: 01079985) resigned for the post of Director on November 03, 2016.

**BOARD MEETINGS**

During the year 27 (Twenty-Seven) Board Meetings were held. These Board Meetings were held on

| S. No | Date of Board Meeting | S. No | Date of Board Meeting |
|-------|-----------------------|-------|-----------------------|
| 1 | April 02, 2016 | 15 | December 02, 2016 |
| 2 | June 09, 2016 | 16 | December 29, 2016 |
| 3 | July 07, 2016 | 17 | January 02, 2017 |
| 4 | July 28, 2017 | 18 | January 06, 2017 |
| 5 | August 20, 2016 | 19 | January 12, 2017 |
| 6 | September 06, 2016 | 20 | January 30, 2017 |
| 7 | September 19, 2016 | 21 | January 31, 2017 |
| 8 | October 14, 2016 | 22 | February 15, 2017 |
| 9 | October 20, 2016 | 23 | February 24, 2017 |
| 10 | October 25, 2016 | 24 | February 28, 2017 |
| 11 | October 28, 2016 | 25 | March 10, 2017 |
| 12 | November 03, 2016 | 26 | March 18, 2017 |
| 13 | November 09, 2016 | 27 | March 28, 2017 |
| 14 | November 28, 2016 | | |

EMPLOYEES

Satya gives paramount importance to managing its employees professionally. As of March 31, 2017, Satya had 135 employees on its rolls. The Company has fair and transparent recruitment and other policies which safeguard the interest of its employees. With an objective to develop the skill set of its employee, the Company has created a separate department for Training & Development.

STATEMENT ON DECLARATION “CERTIFICATE OF INDEPENDENCE” U/S 149 (6) FROM INDEPENDENT DIRECTOR

Pursuant to Schedule IV and Section 149(6) of the Companies Act, 2013, the Board has independent director and there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively. The independent director has submitted a declaration that the independent director meet with the criteria of independence as required under 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 had prepared the annual accounts 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.

RELATED PARTY TRANSACTIONS

All the transactions entered into with Related Parties as defined under the Companies Act, 2013 during the year under review were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

AUDITORS & THEIR REPORTS**Statutory Auditors & their Report:**

M/s Gitesh Sharma and Associates, Chartered Accountants, the existing auditors of the Company retire at the conclusion of this Annual General Meeting. Board has recommended the appoint of S.R. Batliboi & Associates LLP (LLP Identity No. LLP Identity No.AAB-4295), Chartered Accountants (Firm No. FRN 101049W / E300004) as statutory auditor in place of retiring auditor.

Qualifications in Audit Reports:

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

POLICIES**Policy for prevention of Sexual harassment of women under The Sexual Harassment of Women at workplace (prevention prohibition and Redressal) Act, 2013:**

Your company is committed to ensure fair environment for its executives, staff and workers. In compliance of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has adopted Sexual Harassment Policy approved vide Board of Directors meeting held on April 28, 2017 which ensure a free and fair enquiry process with clear timelines. Your Directors further state that during the year under review, there were no cases field pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS**Resources and liquidity**

During the year of operation, Satya has developed partnerships with 7 financial institutions. During the year, the Company has availed term loan and sub-debt facility for its microfinance operation which is the main activity of the Company. Total borrowings of the Company as at March 31, 2017 was Rs. 37.50 Crore.

During the Financial Year 2016-17, the paid-up share capital of the Company has been increased from Rs. 13,83,00,00 to Rs. 73,20,75,00 through following means: -

1. Right issue of 36,67,000 Equity Shares of Rs. 10 each.
2. Issue of 22,70,750 Equity Shares of Rs. 10 each at a premium of Rs. 10 per share on private placement basis.

The Company generally maintain enough liquidity in the system so as to meet requirement of funds for scheduled disbursements and repayments to lenders for about 30-45 days. The Company has strong Asset Liability Maturity profile wherein the Company has positive gap in all time buckets.



In view of the overall positive environment in the Microfinance Industry in India and better regulatory clarity, the overall liquidity and funding to NBFC-MFI has further improved. The Company has been regular in repayment to all its lenders and has excellent relationship with all the financial institutions.

Industry Scenario

The Industry has matured with stronger institutions after demonetisation, the credit bureaus are functional, the investors and lenders are back in business, there is greater focus of the government on financial inclusion, disbursement by Micro Units Developments and Refinance Agency (Mudra) has been increased during the Financial Year, there is greater regulatory clarity, In view of the above, there are better days ahead for Indian Microfinance industry. Microfinance institutions have never had it so good in the past six years, at least in terms of receiving funds. Banks have opened their purse strings to MFIs more than ever with the sector showing steady traction backed by a strong regulatory framework. The RBI allowed NBFCs to issue Masala Bond, rupee denominated overseas bonds to overseas investors and significantly relaxed a number of restrictions. There were several developments at the national level that have been geared towards making rapid strides towards more inclusive and strategic financial access. Moreover, alongside increasing schemes and policies to target more segments of the “ultra-poor”, there have also been initiatives towards directed development programmes for the microfinance industry. Due to various initiatives taken by Government society is moving towards cashless regime. BHIM App and Aadhar Based payment system are helping the society in becoming cashless economy.

Reserve Bank of India granted Small Financial Bank (SFB) and Payment Bank licence to 10 and 11 entities respectively. Out of 10 SFB licence 8 has been granted to MFI Companies, it's big recognition for the MFI Industry. Most of the SFBs has started their operations during this Financial Year. Legacy created by “Bandhan Bank” is being followed by Companies who got SFB licence. Industry will work together for the upliftment of unprivileged, unbanked people of the Society.

Business Review

The Company has done well during the financial year 2016-17. First time, the Company has raised Tier-II Capital (Sub-Debt). From the first day of operation Company has started cashless disbursement in all the states, of operation. Company is developing the mechanism of cashless collection.

The Company has an experienced and stable management team and Board of Directors. The Company is hopeful of performing well during the current year.

Sector Overview

The microfinance industry in India has an estimated potential to grow to a market size of INR. 280,000-320,000 crore over the next two to three years. The sector exhibited **sustainable growth** even after the jerk of demonetization, over the last financial year with total outstanding portfolio of INR. 150,000 crore, comprising of loans originated by NBFC-MFIs, SHGs, Banks, NBFCs and NGOs. Over the last couple of years, there has been an increased focus on financial inclusion, where MFIs have played a pivotal role by making formal sources of lending available to creditworthy customers from the underprivileged segment of society.

It should be noted that the figure of INR. 320,000 Cr is predicated largely on estimated untapped market potential. In other words, it focuses solely on penetrating or reaching out to new customers. It does not however take into consideration product differentiation to cater to the customer who has already been reached out to. Experience in other microfinance markets across the world suggests that a move towards individual lending, whether secured or unsecured, is the next step in the evolution of the market. This in turn could mean that the market may not stagnate at the current estimate of market size, but just that growth rates may get rationalized.

Why MFIS and not banks?

Customers from this segment may have multiple occupations, often based on seasonality. Furthermore, even salaried customers may not have proper income proofs. This makes it difficult to accurately assess the credit profile of an individual borrower. Moreover, many of these customers are from rural regions with little or no access to banks or indeed any other form of formal financial services providers, eliminating any possibility of credit history or financial track record. The ticket size of the loan required by the customers is also low, thus creating a further challenge of the cost per customer or loan serviced going up exponentially higher than what is typically expected for a Bank. Banks, therefore, for a multitude of such reasons have been unable to cater to this segment of the population directly.

However, as established by the track record of various MFIs across the country, these customers have an excellent track record of repayment and are not inherently “weak” customers. MFIs have largely been lending through the formation of joint liability groups. These groups ensure that the risk is diversified across a set of borrowers rather than an individual borrower. Thus, while

each borrower gets an individual loan, the repayment liability rests with the group. This has been explained in greater detail below. A typical microfinance group may consist of 5-30 borrowers depending on factors such as geography, ticket size and repayment track record of borrowers. A precondition for formation of such groups is that all group members belong to the same geographical locality, come from similar economic backgrounds, are known to each other and most critically – are self-selected.

On account of irregular or multiple sources of income, or on account of personal emergencies, an individual borrower may face temporary liquidity issues and be unable to service her loan. In such cases the remaining members of the group come together to repay the share of the “defaulting” borrower. Since the members of the group were known to each other, the understanding amongst them and the social collateral would ensure that the mechanism did not fail.

The JLG mechanism, pioneered first in Bangladesh as the “Grameen Model” has seen tremendous success over the years in India as well. Even after facing the jerk of demonetisation, MFI Industry is returning to normality and with adequate use of technology, cash digitization and financial literacy, the industry will continue to serve people at the bottom of pyramid.

Transformation through the years

While the microfinance industry has existed in India for nearly two decades, the industry witnessed significant transformation over the last five years. In 2012, RBI created a new category under NBFCs as NBFC-MFI with regulations specifically designed for these entities. In 2009, MFIN was established as a self-regulatory organization (recognized by the Regulator in 2014) with an aim to promote responsible lending, improve transparency and ensure good governance.

Additionally, several assets originated by MFIs form qualifying assets for priority sector lending. Accordingly, banks, in order to meet their priority sector lending targets, have been actively engaged with MFIs for portfolio buyouts and securitization – a significant mode of financing for MFIs. From a point in 2010 when many banks refused to lend to MFIs, the situation has transformed today to a point where banks are eager to invest in MFIs – not only through securitization, but also through term loans and investments in NCDs – and in some cases, investment in equity of the MFIs. Additionally, MFIs have been able to tap into a multitude of other sources of debt – both domestic and foreign, such as Mutual Funds, Development Finance institutions, Multilateral Agencies etc.

MFI operations tend to be resource intensive with continuous customer engagement in the field, requiring a high number of field officers who are responsible for sourcing and collections. Given the regulatory requirements and specifications for setting up bank branches, it is economically unviable for banks to operate in rural regions distant from cities. However, given the outreach of MFI branches, banks have increasingly taken exposures through business correspondent channels as well.

Opportunities

Financial sector development provides small enterprises and households with market access leading to their inclusion in the regional and ultimately the national economy. The Reserve Bank of India (RBI) has recently increased the limit of eligible borrowers to whom NBFC-MFI can lend and further liberalized some norms which is good for the growth of the industry and for the borrowers. This has improved the support and confidence of all stakeholders for the microfinance sector. Currently Company is working in Rajasthan, Punjab, Haryana, Uttar Pradesh and Uttarakhand and looking for expansion opportunities in other states.

Challenges

While the regulatory environment has improved the stakeholder's confidence still continue to be exposed to inherent risks in business model. Given that the microfinance borrowers belong to low income segment, customers are more prone to default. Client retention and acquisition are also concern for microfinance industry. Moreover, with MFI operations concentrated in specific geographies, geographic concentration risks persist, these risks include natural disasters, social unrests, or political upheavals. As the Company target to tap the opportunities by entering into new geographical areas, the Company encounter with some key challenges with respect to meeting its expansion plans. Considering changes in state laws and with new partners in industry, opening of new branches and split of existing branches is challenging task before the management. Further, as industry is looking for more partners in coming time, talent acquisition and retention is also one of the major challenges. Training and development for employees and security risk are other potential challenge for the management. The Reserve Bank of India has issued a series of circulars, directions and notifications to give the required regulatory clarity. Also the MFI industry has collectively worked to bring back the stakeholders' confidence by working responsibly. The Company has a strong and experienced Board having multiple personalities having experience in different areas. The Company's senior management team has expertise in their respective field and the Company has geographical advantage, time tested systems and processes, effective internal audit and association with a large number of lenders and clean repayment track record in the sector which helped the Company to achieve the performance better than its peers.

**Outlook**

The Reserve Bank of India has issued a number of circulars and provided the required regulatory clarity. A major outcome of the guidelines was the involvement of credit bureaus to record and monitor the creditworthiness of borrowers. More and more use of Aadhaar as KYC by the industry. There is greater emphasis today on credit score prior to disbursement of loans, and subsequent data sharing with credit bureaus. The credit bureau checks enable MFIs to assess the extent of leverage of prospective customers, and their repayment track record. Additionally, the Microfinance Institutions Network (MFIN) has prescribed a code of conduct that provides guidelines for MFI operations, and greater uniformity in their functioning.

With various schemes launched by Government for financial inclusion there is greater opportunities in microfinance sectors in the years to come.

Risk & Concerns

The Company is exposed to financial, operational and political risks. As an MFI's loan portfolio is its most valuable asset, the financial risks i.e. credit, market, and liquidity are of greatest concern. To prepare for these risks, Company usually hold in reserve certain percent of assets in current assets. The Company maintain reserves and provisions in its financials for meeting expected or unexpected future contingencies. The Company follows a conservative financial approach by following prudent business and risk management practices.

Adequacy of internal controls

The Company has proper and adequate internal controls systems to ensure that all activities are monitored and controlled against any unauthorised use or disposition of assets, misappropriation of funds and to ensure that all the transactions are authorised, recorded, reported and monitored correctly. For the purpose of correctness and accuracy the process of job rotation is followed in different departments. The Company has adequate working infrastructure having computerization in all its operations including accounts and MIS.

Human Resource Development

The Company has young, capable, experienced and dedicated manpower and various professionals support from in house and external sources with expertise in different areas leading the growth of Company towards better operational and financial position.

1. The number of employees as at March 31, 2017 stood at 135.

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 has passed a resolution that the Company will not accept public deposit during 2017-18.

OTHER INFORMATION

Information pursuant to section 134 of the Companies Act, 2013 read with Rule 8(3) (a) & (b) of the Companies (Accounts) Rules, 2014 being not applicable and hence not being disclosed.

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 | | |
| | Travelling Expenses | 0 | 0 |
| | Fees and Subscription | 0 | 0 |
| | Professional Fee | 0 | 0 |
| | Interest Payment - External Commercial Borrowing | 0 | 0 |
| | Sitting Fees | 0 | 0 |
| II | Earning/Remittances (Inward) in Foreign Exchange | | |
| | Share Application Money/Share Capital Received | 5,00,000 | 0 |
| | External Commercial Borrowing Received | 0 | 0 |
| | Reimbursement of Expenditure | 0 | 0 |

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: April 28, 2017



(Vivek Tiwari)
Managing Director
DIN: 02174160

**Annexure I****FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN****As on financial year ended on March 31, 2017****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

| | | |
|----|--|--|
| 1. | Corporate Identification Number (CIN) | U74899DL1995PLC068688 |
| 2. | Registration Date | May 05, 1995 |
| 3. | Name of the Company | Satya MicroCapital Limited (Formerly Known as TFC Finvest 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. | NA |

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)

| Sl. 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

| Sl. No. | Name & Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of Shares held | Applicable Section |
|--------------------------|-------------------------------|---------|-------------------------------|------------------|--------------------|
| -----Not applicable----- | | | | | |

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01st April, 2016] | | | | No. of Shares held at the end of the year [As on 31st March, 2017] | | | | % Change during the year |
|---|--|------------------|------------------|-------------------|--|------------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 0 | 1,383,000 | 1,383,000 | 100 | 0 | 5,553,000 | 5,553,000 | 75.85 | (24.15) |
| 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 | 0 | 0 | 0 | 0 | 0 |
| 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) | 0 | 1,383,000 | 1,383,000 | 100 | 0 | 5,553,000 | 5,553,000 | 75.85 | (24.15) |
| (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) | - | 1,383,000 | 1,383,000 | 100 | 0 | 5,553,000 | 5,553,000 | 75.85 | (25.15) |
| 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) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) 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 | 0 | 0 | 0 | 0 | 2,50,000 | 2,50,000 | 3.41 | 3.41 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 0 | 0 | 0 | 0 | 1,62,750 | 1,62,750 | 2.22 | 2.22 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0 | 0 | 0 | 0 | 1,280,000 | 1,280,000 | 17.48 | 17.48 |
| c) Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d-i) Trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d-ii) Non Resident Indian | 0 | 0 | 0 | 0 | 0 | 25,000 | 25,000 | 0.34 | 0.34 |
| d-iii) Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d-iv) Directors & their Relatives | 0 | 0 | 0 | 0 | 0 | 50,000 | 50,000 | 0.68 | 0.68 |
| Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 1,767,750 | 1,767,750 | 24.14 | 24.14 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 0 | 0 | 0 | 0 | 0 | 1,767,750 | 1,767,750 | 24.14 | 24.14 |
| Total (A)+(B):- | 0 | 0 | 0 | 0 | 0 | 7,320,750 | 7,320,750 | 100.00 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 1,383,000 | 1,383,000 | 100.00 | 0 | 7,320,750 | 7,320,750 | 100.00 | 0 |

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 | VEENA GOEL | 1,60,000 | 11.57 | 0 | 0 | 0.00 | 0 | -11.57 |
| 2 | RAJINDER KUMAR GOEL | 1,28,000 | 9.26 | 0 | 0 | 0.00 | 0 | -9.26 |
| 3 | RAGHAVEE GOEL | 5,89,500 | 42.62 | 0 | 0 | 0.00 | 0 | -42.62 |
| 4 | VANDANA GOEL | 34,500 | 2.49 | 0 | 0 | 0.00 | 0 | -2.49 |
| 5 | SANJAY KUMAR JAIN | 31,000 | 2.24 | 0 | 0 | 0.00 | 0 | -2.24 |
| 6 | MANOJ KUMAR JAIN | 36,000 | 2.60 | 0 | 0 | 0.00 | 0 | -2.60 |
| 7 | RAJESH KUMAR JAIN | 31,000 | 2.24 | 0 | 0 | 0.00 | 0 | -2.24 |
| 8 | NISHA JAIN | 21,000 | 1.52 | 0 | 0 | 0.00 | 0 | -1.52 |
| 9 | NEELAM JAIN | 31,000 | 2.24 | 0 | 0 | 0.00 | 0 | -2.24 |
| 10 | SAPNA JAIN | 21,000 | 1.52 | 0 | 0 | 0.00 | 0 | -1.52 |
| 11 | MANJU GUPTA | 1,00,000 | 7.23 | 0 | 0 | 0.00 | 0 | -7.23 |
| 12 | ROHTAS KUMAR GUPTA | 50,000 | 3.62 | 0 | 0 | 0.00 | 0 | -3.62 |
| 13 | S.P SINGH | 20,000 | 1.45 | 0 | 0 | 0.00 | 0 | -1.45 |
| 14 | MUNNI DEVI | 20,000 | 1.45 | 0 | 0 | 0.00 | 0 | -1.45 |
| 15 | GEETA AGGARWAL | 60,000 | 4.34 | 0 | 0 | 0.00 | 0 | -4.34 |
| 16 | INSHWAR CHAND GUPTA | 50,000 | 3.62 | 0 | 0 | 0.00 | 0 | -3.62 |
| 17 | VIVEK TIWARI | 0 | 0.00 | 0 | 35,97,500 | 64.78 | 0 | 64.78 |
| 18 | MANEESHA GUPTA | 0 | 0.00 | 0 | 17,15,500 | 30.89 | 0 | 30.89 |
| 19 | AVISHEK SARKAR | 0 | 0.00 | 0 | 1,00,000 | 1.80 | 0 | 1.80 |
| 20 | SUBHASH ACHARYA | 0 | 0.00 | 0 | 75,000 | 1.35 | 0 | 1.35 |
| 21 | RATNESH TIWARI | 0 | 0.00 | 0 | 30,000 | 0.54 | 0 | 0.54 |
| 22 | SHADHNA TIWARI | 0 | 0.00 | 0 | 10,000 | 0.18 | 0 | 0.18 |
| 23 | VANDNA TIWARI | 0 | 0.00 | 0 | 25,000 | 0.45 | 0 | 0.45 |
| | Total | 13,83,000 | 100.00 | | 55,53,000 | 100.00 | | |


(iii) Change in Promoters' Shareholding:

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2015 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2016 | |
|--------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | 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. | VEENA GOEL | 1,60,000 | 11.57 | | | | |
| | Transfer | | | August 20, 2016 | -1,60,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 2. | RAJINDER KUMAR GOEL | 1,28,000 | 9.26 | | | 0 | 0.00 |
| | Transfer | | | February 18, 2016 | 50,000 | 1,78,000 | 12.87 |
| | Transfer | | | February 18, 2016 | 50,000 | 2,28,000 | 16.48 |
| | Transfer | | | August 20, 2016 | -2,28,000 | - | 0.00 |
| | At the end of Year | | | | | 0 | 0.00 |
| 3. | RAGHAVEE GOEL | 5,89,500 | 42.62 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -5,89,500 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 4. | VANDANA GOEL | 34,500 | 2.49 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -34,500 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 5. | SANJAY KUMAR JAIN | 31,000 | 2.24 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -31,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 6. | MANOJ KUMAR JAIN | 36,000 | 2.60 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -36,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 7. | RAJESH KUMAR JAIN | 31,000 | 2.24 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -31,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 8. | NISHA JAIN | 21,000 | 1.52 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -21,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 9. | NEELAM JAIN | 31,000 | 2.24 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -31,000 | | |
| | At the end of Year | | | | | | 0.00 |

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2015 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2016 | |
|--------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | 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 |
| 10. | SAPNA JAIN | 21,000 | 1.52 | | | | |
| | Transfer | | | August 20, 2016 | -21,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 11. | MANJU GUPTA | 1,00,000 | 7.23 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -1,00,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 12. | ROHTAS KUMAR GUPTA | 50,000 | 3.62 | | | 0 | 0.00 |
| | Transfer | | | February 18, 2016 | -50,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 13. | S.P SINGH | 20,000 | 1.45 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -20,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 14. | MUNNI DEVI | 20,000 | 1.45 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -20,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 15. | GEETA AGGARWAL | 60,000 | 4.34 | | | 0 | 0.00 |
| | Transfer | | | August 20, 2016 | -60,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 16. | INSHWAR CHAND GUPTA | 50,000 | 3.62 | | | 0 | 0.00 |
| | Transfer | | | February 18, 2016 | -50,000 | | |
| | At the end of Year | | | | | 0 | 0.00 |
| 17. | VIVEK TIWARI | - | 0.00 | | | | 0.00 |
| | Transfer | | | August 20, 2016 | 1,60,000 | 1,60,000 | 11.57 |
| | Transfer | | | August 20, 2016 | 2,28,000 | 3,88,000 | 28.05 |
| | Transfer | | | August 20, 2016 | 34,500 | 4,22,500 | 30.55 |
| | Transfer | | | August 20, 2016 | 31,000 | 4,53,500 | 32.79 |
| | Transfer | | | August 20, 2016 | 36,000 | 4,89,500 | 35.39 |
| | Transfer | | | August 20, 2016 | 31,000 | 5,20,500 | 37.64 |
| | Transfer | | | August 20, 2016 | 1,00,000 | 6,20,500 | 44.87 |
| | Transfer | | | August 20, 2016 | 60,000 | 6,80,500 | 49.20 |
| | Allotment of Equity Shares | | | January 02,2017 | 29,17,000 | 35,97,500 | 71.24 |
| | At the end of Year | | | | | 35,97,500 | 49.14 |



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| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2015 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2016 | |
|--------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | 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 |
| 18. | MANEESHA GUPTA | - | 0.00 | | | | |
| | Transfer | | | August 20, 2016 | 5,89,500 | 5,89,500 | 42.62 |
| | Transfer | | | August 20, 2016 | 21,000 | 6,10,500 | 44.14 |
| | Transfer | | | August 20, 2016 | -20,000 | 5,90,500 | 42.70 |
| | Allotment of Equity Shares | | | January 02,2017 | 7,50,000 | 13,40,500 | 26.54 |
| | Allotment of Equity Shares | | | February 15, 2017 | 3,75,000 | 17,15,500 | 23.43 |
| | At the end of Year | | | | | 17,15,500 | 23.43 |
| 19. | AVISHEK SARKAR | - | 0.00 | | | | |
| | Allotment of Equity Shares | | | February 15, 2017 | 1,00,000 | 1,00,000 | 1.37 |
| | At the end of Year | | | | | 1,00,000 | 1.37 |
| 20. | SUBHASH ACHARYA | - | 0.00 | | | | |
| | Allotment of Equity Shares | | | February 15, 2017 | 75,000 | 75,000 | 1.02 |
| | At the end of Year | | | | | 75,000 | 1.02 |
| 21. | RATNESH TIWARI | - | 0.00 | | | | |
| | Allotment of Equity Shares | | | February 15, 2017 | 30,000 | 30,000 | 0.41 |
| | At the end of Year | | | | | 30,000 | 0.41 |
| 22. | SHADHNA TIWARI | - | 0.00 | | | | |
| | Allotment of Equity Shares | | | February 15, 2017 | 10,000 | 10,000 | 0.14 |
| | At the end of Year | | | | | 10,000 | 0.14 |
| 23. | VANDNA TIWARI | - | 0.00 | | | | |
| | Allotment of Equity Shares | 13,83,000 | | February 15, 2017 | 25,000 | 25,000 | 0.34 |
| | At the end of Year | | | | | 25,000 | 0.34 |

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors and Promoters)

| Name of Shareholder | For Each of the Top 10 Shareholders | Shareholding | | Cumulative Shareholding during the Year (01st April, 2015 to 31st March, 2016) | |
|--|---|---------------|-----------------------------------|--|-----------------------------------|
| | | No. of shares | % of total shares of the company# | No. of shares | % of total shares of the company# |
| NEWGEN MEDITECH PRIVATE LIMITED | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 3,75,000 | 5.12 | 3,75,000 | 5.12 |
| | At the end of the year | | | 3,75,000 | 5.12 |
| MANU MEHTA | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 75,000 | 1.02 | 75,000 | 1.02 |
| | At the end of the year | | | 75,000 | 1.02 |
| NEERAJ KUMAR | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 75,000 | 1.02 | 75,000 | 1.02 |
| | At the end of the year | | | 75,000 | 1.02 |
| MEERA BISHT | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Transfer on October 20, 2016 | 20,000 | 1.44 | 20,000 | 1.44 |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 50,000 | 0.68 | 70,000 | 0.95 |
| | At the end of the year | | | 70,000 | 0.95 |
| ADITYA PRATAP SINGH PARMAR | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 60,000 | 0.81 | 60,000 | 0.81 |
| | At the end of the year | | | 60,000 | 0.81 |
| MEENAKSHI MEHTA | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 50,000 | 0.68 | 50,000 | 0.68 |
| | At the end of the year | | | 50,000 | 0.68 |
| MONIKA SHARMA | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 50,000 | 0.68 | 50,000 | 0.68 |
| | At the end of the year | | | 50,000 | 0.68 |
| JITENDRA YADAV | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 40,000 | 0.54 | 40,000 | 0.54 |
| | At the end of the year | | | 40,000 | 0.54 |



| Name of Shareholder | For Each of the Top 10 Shareholders | Shareholding | | Cumulative Shareholding during the Year (01st April, 2015 to 31st March, 2016) | |
|----------------------|---|---------------|-----------------------------------|--|-----------------------------------|
| | | No. of shares | % of total shares of the company# | No. of shares | % of total shares of the company# |
| LALJEE PANDEY | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 37,500 | 0.51 | 37,500 | 0.51 |
| | At the end of the year | | | 37,500 | 0.51 |
| VIVEK GUPTA | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 31,000 | 2.24 | 31,000 | 2.24 |
| | At the end of the year | | | 31,000 | 0.42 |
| NEERAJ KUMAR | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in Shareholding due to Allotment of Equity Shares on February 15, 2017 | 75,000 | 1.02 | 75,000 | 1.02 |
| | At the end of the year | | | 75,000 | 1.02 |

#Note: Percentage calculated on paid up capital of the Company outstanding on the date of transaction

*Note: Percentage calculated on paid up capital of the Company outstanding at the end of financial year.

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 |
| Mr. Vivek Tiwari, Managing Director | At the beginning of the year | Nil | Nil | Nil | Nil |
| | August 20, 2016 | 1,60,000 | 11.57 | 1,60,000 | 11.57 |
| | August 20, 2016 | 2,28,000 | 16.49 | 3,88,000 | 28.05 |
| | August 20, 2016 | 34,500 | 2.49 | 4,22,500 | 30.55 |
| | August 20, 2016 | 31,000 | 2.24 | 4,53,500 | 32.79 |
| | August 20, 2016 | 36,000 | 2.60 | 4,89,500 | 35.39 |
| | August 20, 2016 | 31,000 | 2.24 | 5,20,500 | 37.64 |
| | August 20, 2016 | 1,00,000 | 7.23 | 6,20,500 | 44.87 |
| | August 20, 2016 | 60,000 | 4.34 | 6,80,500 | 49.20 |
| | January 02, 2017 | 29,17,000 | 57.76 | 35,97,500 | 71.24 |
| At the end of the year | | | | 35,97,500 | 49.14 |
| Mr. Ratnesh Tiwari, Director | At the beginning of the year | Nil | Nil | Nil | Nil |
| | February 15, 2017 | 30,000 | 0.40 | | |
| At the end of the year | | | | 30,000 | 0.40 |
| Mr. Rahul Gupta, Director | At the beginning of the year | Nil | Nil | Nil | Nil |
| | August 20, 2016 | 20,000 | 1.44 | 20,000 | 1.44 |
| | February 15, 2017 | 30,000 | 0.40 | 50,000 | 0.68 |
| At the end of the year | | | | 50,000 | 0.68 |

Note: Except above, no other directors and/or KMPs owns any shareholding in the Company.

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year 01.04.2016 | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | - | - | - | - |
| Addition* | 37,39,14,515 | 4,50,00,000 | - | 41,89,14,515 |
| Reduction | 33,11,034 | - | - | 33,11,034 |
| Net Change | 37,06,03,481 | 4,50,00,000 | - | 41,56,03,481 |
| Indebtedness at the end of the financial year 31.03.2017 | - | - | - | - |
| i) Principal Amount | 37,06,03,481 | 4,50,00,000 | - | 41,56,03,481 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 13,33,606 | - | - | 13,33,606 |
| Total (i+ii+iii) | 37,19,37,087 | 4,50,00,000 | - | 41,69,37,087 |
| *Secured Loans include a sum of Rs. 4,39,14,515/- for Overdraft Facility taken from ICICI Bank Limited against Fixed Deposit of Rs.4,99,00,000/- | | | | |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---------|---|---|--------------|
| | | Mr. Vivek Tiwari (Managing Director) | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 10,00,000* | 10,00,000* |
| | (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 | - | - |
| | Total (A) | 10,00,000 | 10,00,000 |
| | Ceiling as per the Act | Remuneration is being paid as per Schedule V of the Companies Act, 2013 | |

* Mr. Vivek Tiwari was appointed as Managing Director on October 20, 2016 and his salary was revised with effect from February 01, 2017.



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B. Remuneration to other directors**(Amount in Rs.)**

| Sl. No. | Particulars of Remuneration | Name of Director | Total Amount | |
|---------|--|---------------------------|---|---------------------|
| 1 | Independent Directors | Mr. Mukul Jaiswal | | |
| | Sitting Fee (Board meetings) | Nil | Nil | |
| | Commission | Nil | Nil | |
| | Others, please specify | Nil | Nil | |
| | Total (1) | Nil | Nil | |
| 2 | Other Non-Executive Directors | Mr. Ratnesh Tiwari | Mr. Rahul Gupta | Total Amount |
| | Fee for attending board committee meetings | Nil | Nil | Nil |
| | Commission | Nil | Nil | Nil |
| | Others, please specify | Nil | Nil | Nil |
| | Total (2) | Nil | Nil | Nil |
| | Total (B)=(1+2) | Nil | Nil | Nil |
| | Total Managerial Remuneration | | 10,00,000 | |
| | 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:**(Amount in Rs.)**

| Sl. No. | Particulars of Remuneration | Mr. Ankit Tiwari, Company Secretary | Total |
|---------|---|--|-----------------|
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,11,384* | 1,11,384 |
| | (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 | 7,514 | 7,514 |
| | Total | 1,18,898 | 1,18,898 |

*Mr. Ankit Tiwari was appointed as Company Secretary on January 02, 2017.

VII. Penalties / Punishment/ Compounding of Offences: No penalties, punishments & compounding of offences were imposed on the Company during Financial Year 2016-17:

There were no material penalties/punishment/compounding of offences for the year ending March 31, 2017.

AUDITOR REPORT

To the Members of

Satya MicroCapital Limited (Formerly known as TFC Finvest Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **Satya MicroCapital Limited (Formerly known as TFC Finvest Limited)**, (“the Company”), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principal generally accepted in India including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by 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, 2017, and its profit for the year ended on that date.

REPORT ON THE LEGAL AND REGULATORY REQUIREMENT

1. As required by companies (Auditor's Report) Order, 2015 (“ Order”) issued by central government of India in terms of sub-section(11) of section 143 of the act, we give in the Annexure a statement on matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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 purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Subject to non-provision of retirement benefit of employee.
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2)) of the Act.
 - f) 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, 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 litigation which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For Gitesh Sharma & Associates.
Chartered Accountants
Firm Regn. No. 028392N



(Gitesh Sharma)
Prop.
M.NO. 534920

Place: Delhi
Date: 28th April, 2017

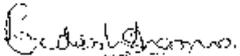
Annexure to the Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Satya MicroCapital Limited (Formerly Known as TFC Finvest Limited) on the accounts of the company for the year ended 31st March, 2017]

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) All the assets have been physically verified by the management during the year the same is reasonable having regards to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) During the year the company has not disposed off major part of fixed assets.
- (ii) In respect of its inventory:
 - (a) The Company does not maintain any inventory, so this para is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) In our opinion and according to the information and explanations given to us, the company has not received any public deposits during the year.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) In respect of statutory dues:
 - (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including, ESI, Income-tax, Tax deducted at sources, Service Tax and other material statutory dues applicable to it, with the appropriate authorities.
 - (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Service Tax, ESI, Cess and other material statutory dues in arrears were outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.
 - (c) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund
- (viii) The company has not incurred any Cash loss during the financial year covered by our audit nor in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) The company has obtained term loan during the year, and applied the loans for the end-use defined in sanction letter.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Gitesh sharma & Associates.
Chartered Accountants
Firm Regn. No. 028392N


(Gitesh Sharma)
Prop.
M.NO. 534920

Place: Delhi
Date: 28th April, 2017



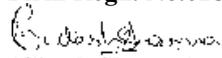
सर्वे भवन्तु सुखिनः

BALANCE SHEET AS AT 31ST MARCH 2017

| PARTICULARS | NOTES | AS AT 31ST MARCH -2017 | AS AT 31ST MARCH -2016 |
|--|-------|---------------------------|---------------------------|
| A | | | |
| 1 EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| a) Share Capital | 1 | 7,32,07,500 | 1,38,30,000 |
| b) Reserves and Surplus | 2 | 83,54,902 | 2,63,388 |
| Shareholders' fund | | 8,15,62,402 | 1,40,93,388 |
| 2 Share application money pending allotment | | | |
| Non-current liabilities | | | |
| a) Long- term Borrowings | 3 | 20,88,31,753 | - |
| b) Deferred tax Liabilities(net) | | 1,17,620 | - |
| c) Long-term Provisions | 4 | 7,70,392 | 1,88,916 |
| Non-current liabilities | | 20,97,19,765 | 1,88,916 |
| 3 Current Liabilities | | | |
| a) Short-term Borrowings | 5 | 20,67,71,728 | - |
| b) Other Current Liabilities | 6 | 16,54,989 | 15,000 |
| c) Short Term Provisions | 6 | 14,88,866 | - |
| Current Liabilities | | 20,99,15,583 | 15,000 |
| TOTAL- EQUITY AND LIABILITIES | | 50,11,97,751 | 1,42,97,304 |
| B | | | |
| 1 ASSETS | | | |
| Non Current Assets | | | |
| a) Fixed Assets | | | |
| (i) Tangible assets | 7 | 49,32,348 | - |
| (ii) Intangible assets | 7 | 12,91,667 | - |
| b) Long term loans and advances | 8 | 15,50,04,827 | - |
| c) Other non-current assets | 9 | 2,25,47,324 | - |
| Non Current Assets | | 18,37,76,166 | - |
| 2 Current Assets | | | |
| a) Current Investments | | | |
| b) Inventories | 10 | - | 20,20,933 |
| c) Trade Receivables | 11 | 28,633 | - |
| d) Cash and Cash Equivalents | 12 | 20,61,36,605 | 17,03,038 |
| e) Short term Loans and Advances | 13 | 10,62,24,550 | 1,00,00,000 |
| f) Other Current Assets | 14 | 50,31,797 | 5,73,333 |
| Current Assets | | 31,74,21,585 | 1,42,97,304 |
| TOTAL- ASSETS | | 50,11,97,751 | 1,42,97,304 |

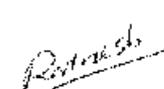
The accompanying notes 1 to 22 are integral part of the financial statements.

As per our report annexed
for Gitesh Sharma & Associates
Chartered Accountants
Firm Regn. No.028392N

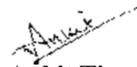

(Gitesh Sharma)
(Prop.)
M.No. 534920

For and on behalf of board


Vivek Tiwari
Managing Director
DIN No. 02174160


Ratnesh Tiwari
Director
DIN No. 07131331

Place: Delhi
Date: 28th April, 2017

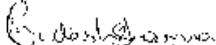

Ankit Tiwari
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

| PARTICULARS | NOTES NO. | FOR THE YEAR ENDED 31ST MARCH 2017 | FOR THE YEAR ENDED 31ST MARCH 2016 |
|---|------------|------------------------------------|------------------------------------|
| I Revenue from operations | 15 | 96,06,519 | 17,25,080 |
| II Other Income | 16 | 20,273 | 7,918 |
| III Total Revenue (I+II) | (I+II) | 96,26,792 | 17,32,998 |
| IV EXPENSES | | | |
| Purchases of Stock-in-Trade | 17 | 1,84,934 | 13,86,415 |
| Changes in Stock-in-Trade | 18 | 20,20,933 | (4,93,332) |
| Employee benefits Expenses | 19 | 1,17,63,666 | 5,03,310 |
| Finance Costs | 20 | 31,82,486 | 1,281 |
| Depreciation and amortization expenses | 7 | 7,37,642 | 9,000 |
| Other Expenses | 21 | 62,35,497 | 1,99,165 |
| Total Expenses | | 2,41,25,158 | 16,05,839 |
| V Profit before Exceptional and extraordinary items and tax | (III-IV) | (1,44,98,366) | 1,27,159 |
| VI Exceptional Items | | - | - |
| VII Profit before extraordinary items and tax | (V-VI) | (1,44,98,366) | 1,27,159 |
| VIII Extraordinary Items | | - | - |
| IX Profit before tax | (VII-VIII) | (1,44,98,366) | 1,27,159 |
| X Tax Expenses :- | | | |
| 1) Current Tax | | - | 28,942 |
| 2) Deferred Tax | | 1,17,620 | - |
| 3) Prior Period Adjustments | | - | 8,880 |
| XI Excess Provision for Tax | | - | - |
| XII Profit / (Loss) for the period from continuing operations | (IX-X) | (1,46,15,986) | 89,337 |
| XIII Profit/ (Loss) from discontinuing operations | | - | - |
| XIV Tax expenses of discontinuing operations | | - | - |
| XV Profit/ (Loss) from discontinuing operations (after tax) | (XII-XIII) | - | - |
| XVI Profit/ (Loss) for the period | (XI+XIV) | (1,46,15,986) | 89,337 |
| Earnings Per Equity Share | | | |
| Basic | | -6.18 | 0.60 |
| Diluted | | -6.18 | 0.60 |

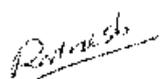
The accompanying notes 1 to 22 are integral part of the financial statements.

As per our report annexed
for Gitesh Sharma & Associates
Chartered Accountants
Firm Regn. No.028392N


(Gitesh Sharma)
(Prop.)
M.No. 534920

For and on behalf of board


Vivek Tiwari
Managing Director
DIN No. 02174160


Ratnesh Tiwari
Director
DIN No. 07131331

Place: Delhi
Date: 28th April, 2017


Ankit Tiwari
Company Secretary

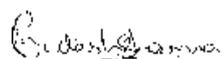

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

| PARTICULARS | | Year Ended 31.03.2017 Rs. | Year Ended 31.03.2016 Rs. |
|--|--|---------------------------------|---------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| | Net Profit before Finance Cost, Tax and Extra-Ordinary Items | (1,13,15,880) | (7,03,543) |
| Adjustment for Non Cash Expenses | | | |
| | Depreciation | 7,37,642 | - |
| | Operating Profit before Working Capital Changes | (1,05,78,238) | (7,03,543) |
| | (Increase)/Decrease in Long Term Loans & Advances | (15,50,04,827) | - |
| | (Increase)/Decrease in Short Term Loans and Advances | (9,62,24,550) | (45,74,740) |
| | (Increase)/Decrease in Other Non Current Assets | (2,25,47,324) | - |
| | (Increase)/Decrease in Other Current Assets | (24,66,164) | 39,21,252 |
| | Increase/(Decrease) in Long Term Provisions | 5,81,476 | - |
| | Increase/(Decrease) in Short Term Provisions | 14,88,866 | (601) |
| | Increase/(Decrease) in Other Current Liabilities | 16,39,989 | - |
| | Cash Flow from Operating Activities | (28,31,10,772) | (13,57,632) |
| | Finance Cost | (31,82,486) | - |
| | Tax Expense | - | (37,822) |
| A. | Net Cash Outflow from Operating Activities | (28,62,93,258) | (13,95,454) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| | Sale/(Purchase) (Net) of Fixed Assets | (69,61,657) | |
| | Sale/(Purchase) (Net) of Investments | - | 7,917 |
| | Income From Investment | | 8,31,784 |
| B. | Net Cash outflow from Investing Activities | (69,61,657) | 8,39,701 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| | Proceed from issue of Share Capital (Net) | 5,93,77,500 | - |
| | Proceed from issue of Share Capital- Premium (Net) | 2,27,07,500 | - |
| | Proceeds from Short Term Borrowings (Net) | 20,67,71,728 | - |
| | Proceeds from Long Term Borrowings (Net) | 20,88,31,753 | - |
| C. | Net Cash from Financing Activities | 49,76,88,481 | - |
| | Net Increase in Cash & Cash Equivalents (A+B+C) | 20,44,33,566 | (5,55,753) |
| | Opening Cash and Cash Equivalents | 17,03,038 | 22,58,791 |
| | Closing Cash and Cash Equivalents | 20,61,36,605 | 17,03,038 |

CASH & CASH EQUIVALENTS COMPRISES OF

| PARTICULARS | Year Ended 31.03.2017 Rs. | Year Ended 31.03.2016 Rs. |
|--|--|--|
| Cash and Cash Equivalents: | | |
| Cash on Hand | 15,347 | 25,896 |
| Balance with banks in current accounts | 3,91,76,204 | 2,31,142 |
| Term deposits for remaining maturity of 3 months or less | 10,94,82,874 | 4,56,000 |
| Total | 14,86,74,425 | 7,13,038 |
| Other Balances: | | |
| Mutual Fund | 40,20,273 | 0 |
| Other Non-Current Assets: | | |
| Long term deposits having remaining maturity of more than 1 year | 5,34,41,907 | 9,90,000 |
| Total | 20,61,36,605 | 17,03,038 |

As per our report annexed
for Gitesh Sharma & Associates
Chartered Accountants
Firm Regn. No.028392N

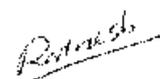


(Gitesh Sharma)
(Prop.)
M.No. 534920

For and on behalf of board



Vivek Tiwari
Managing Director
DIN No. 02174160



Ratnesh Tiwari
Director
DIN No. 07131331

Place: Delhi
Date: 28th April, 2017



Ankit Tiwari
Company Secretary



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| PARTICULARS | AS AT 31ST MARCH -2017 | AS AT 31ST MARCH -2016 |
|--|---------------------------|---------------------------|
| Note No. 1 | | |
| (i) Particulars of share capital -authorised, issued and subscribed | | |
| Share Capital | | |
| Authorised | | |
| 10000000 Equity Shares of Rs. 10/- each | 10,00,00,000 | 2,00,00,000 |
| Issued, Subscribed and paid up | | |
| 7320750 Equity Shares of Rs. 10/- each | 7,32,07,500 | 1,38,30,000 |
| Total Rs. | 7,32,07,500 | 1,38,30,000 |
| a) Reconciliation of number of ordinary shares outstanding | | |
| i) As at beginning of the year | 13,83,000 | 13,83,000 |
| Add: issue of shares during the year | 59,37,750 | - |
| at the end of the year | 73,20,750 | 13,83,000 |

b) Share holder holding more than 5% of the ordinary shares in the company

| | No. of Shares | % | No. of Shares | % |
|---------------------|---------------|--------|---------------|--------|
| Rajinder Kumar Goel | - | 0.00% | 2,28,000 | 16.49% |
| Veena Goel | - | 0.00% | 1,60,000 | 11.57% |
| Manju Goel | - | 0.00% | 1,00,000 | 7.23% |
| Raghav Goel | - | 0.00% | 5,89,500 | 42.62% |
| Vivek Tiwari | 35,97,500 | 49.14% | - | 0.00% |
| Maneesha Gupta | 17,15,500 | 23.43% | - | 0.00% |

Note No. 2

RESERVES & SURPLUS

Share Premium Account

| | | | | |
|------------------------------|-------------|-------------|---|---|
| At the beginning of the year | - | - | - | - |
| Add: on issue of shares | 2,27,07,500 | - | - | - |
| At the end of the year | 2,27,07,500 | 2,27,07,500 | - | - |

Statutory Reserves

| | | | | |
|------------------------------|--------|--------|--------|--------|
| U/s 45IC of RBI Act 1934 | | | | |
| At the beginning of the year | 91,428 | - | 17,868 | 73,560 |
| Add: Current Year Amount | - | - | - | - |
| At the end of the year | 91,428 | 91,428 | 91,428 | 91,428 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| PARTICULARS | AS AT 31ST MARCH -2017 | AS AT 31ST MARCH -2016 |
|--|---------------------------|---------------------------|
| Profit & Loss Account | | |
| At the beginning of the year | | 1,71,960 |
| Add:-Net (Loss) for the Year | (1,46,15,986) | - |
| Less:- Tax and Adjustment | - | 1,71,960 |
| Total Rs. | 83,54,902 | 2,63,388 |
| Note No. 3 | | |
| LONG TERM BORROWINGS | | |
| Sub-Debt from | | |
| -Capital First Limited | 4,50,00,000 | - |
| Term Loan from | | |
| -IFMR Capital Finance Pvt. Ltd. | 5,27,52,192 | - |
| -MAS Financial Services Ltd. | 5,29,16,674 | - |
| -Ananya Finance For Inclusive Growth Pvt. Ltd. | 91,66,658 | - |
| -Capital First Limited | 4,36,36,362 | - |
| -Mahindra & Mahindra Financial Services Ltd. | 35,76,987 | - |
| -Reliance Commercial Finance Limited | 17,82,880 | - |
| Total Rs. | 20,88,31,753 | - |
| Note No. 4 | | |
| LONG TERM PROVISIONS | | |
| Contingent Provision against standard assets | 3,87,513 | 1,88,916 |
| Provision for leave encashment | 3,82,879 | - |
| Total Rs. | 7,70,392 | 1,88,916 |
| CURRENT LIABILITIES | | |
| Note No. 5 | | |
| SHORT TERM BORROWINGS | | |
| Overdraft facility From | | |
| - From ICICI Bank, Noida-119 | 4,39,14,515 | - |
| Term loan from | | |
| -IFMR Capital Finance Pvt. Ltd. | 4,63,25,274 | - |
| -MAS Financial Services Ltd. | 4,70,83,326 | - |
| -Ananya Finance For Inclusive Growth Pvt. Ltd. | 1,00,00,008 | - |
| -Capital First Limited | 1,63,63,638 | - |
| -Mahindra & Mahindra Financial Services Ltd. | 64,23,013 | - |
| -Reliance Commercial Finance Limited | 1,82,17,120 | - |
| -Reliance Capital Limited | 1,84,44,834 | - |
| Total Rs. | 20,67,71,728 | - |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| PARTICULARS | AS AT 31ST MARCH -2017 | AS AT 31ST MARCH -2016 |
|--|-----------------------------------|-----------------------------------|
| Overdraft Facility availed from ICICI Bank is against Fixed Deposit Receipt of Rs. 4,99,00,000 @ 6.9% with maturity period of 1 year, the rate of interest payable on this facility is at 7.4% | | |
| Note No. 6 | | |
| a) Other Current Liabilities | | |
| Interest accrued but not due | 13,33,606 | - |
| Other Expenses Payable | 3,10,812 | 15,000 |
| Provision for Leave Encashment | 10,571 | - |
| | <u>16,54,989</u> | <u>15,000</u> |
| b) Short Term Provisions | | |
| Statutory Liabilities | 12,23,638 | - |
| Contingent Provision against Standard Assets | 2,65,228 | - |
| | <u>14,88,866</u> | <u>-</u> |

NOTE NO-7

**SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH 2017
(AS PER COMPANIES ACT)**

| NAME OF FIXED ASSETS | GROSS BLOCK | | | DEPRECIATION BLOCK | | | | NET BLOCK | | | |
|-------------------------|---------------------|------------------|------|--------------------|--------------------|-------------------|-----------------|--------------------|--------------------|---------------------|---------------------|
| | AS ON 01.04.2016 | ADDITION | SALE | TOTAL | UPTO 31.03.2016 | OUT OF RESERVE | WRITTEN BACK | DURING THE YEAR | UPTO 31.03.2017 | AS ON 31.03.2017 | AS ON 31.03.2016 |
| COMPUTER | - | 16,06,111 | - | 16,06,111 | - | - | - | 3,01,078 | 3,01,078 | 13,05,033 | - |
| FURNITURE & FIXTURE | - | 22,01,931 | - | 22,01,931 | - | - | - | 72,563 | 72,563 | 21,29,368 | - |
| OFFICE EQUIPMENT | - | 2,91,366 | - | 2,91,366 | - | - | - | 25,635 | 25,635 | 2,65,731 | - |
| CAR | - | 5,00,000 | - | 5,00,000 | - | - | - | 33,802 | 33,802 | 4,66,198 | - |
| MOBILE HANDSET & TABLET | - | 8,62,249 | - | 8,62,249 | - | - | - | 96,231 | 96,231 | 7,66,018 | - |
| TOTAL | - | 54,61,657 | - | 54,61,657 | - | - | - | 5,29,309 | 5,29,309 | 49,32,348 | - |

**SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH 2017
(AS PER COMPANIES ACT)**

| NAME OF ASSET | GROSS BLOCK | | | DEPRECIATION BLOCK | | | | NET BLOCK | | | |
|---------------|---------------------|------------------|------|--------------------|--------------------|-------------------|-----------------|--------------------|--------------------|---------------------|---------------------|
| | AS ON 01.04.2016 | ADDITION | SALE | TOTAL | UPTO 31.03.2016 | OUT OF RESERVE | WRITTEN BACK | DURING THE YEAR | UPTO 31.03.2017 | AS ON 31.03.2017 | AS ON 31.03.2016 |
| SOFTWARE | - | 15,00,000 | - | 15,00,000 | - | - | - | 2,08,333 | 2,08,333 | 12,91,667 | - |
| TOTAL | - | 15,00,000 | - | 15,00,000 | - | - | - | 2,08,333 | 2,08,333 | 12,91,667 | - |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| PARTICULARS | AS AT 31ST MARCH -2017 | AS AT 31ST MARCH -2016 |
|---|-----------------------------------|-----------------------------------|
| Note No. 8 | | |
| LONG TERM LOAN AND ADVANCES | | |
| Unsecured and considered good | | |
| Portfolio loans | 15,50,04,827 | - |
| Total Rs. | 15,50,04,827 | - |
| Note No. 9 | | |
| OTHER NON CURRENT ASSETS | | |
| Security deposit office | 7,07,033 | - |
| Processing Fees Paid in Advance | 10,65,072 | - |
| Balance with Scheduled Banks -In FDR (maturity more than 12 months) | 2,07,75,219 | - |
| Total Rs. | 2,25,47,324 | - |
| Note No. 10 | | |
| INVENTORIES | | |
| Shares Held as on date | - | 20,20,933 |
| Total Rs. | - | 20,20,933 |
| Note No. 11 | | |
| TRADE RECEIVABLES | | |
| (Unsecured considered good) | | |
| Trade Receivables outstanding for a period less than six months from the date they were due for payment | | |
| Outstanding for more than six months | - | - |
| Others Insurance Claim Receivable | 28,633 | - |
| Total Rs. | 28,633 | - |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH -2017 | FOR THE YEAR ENDED 31ST MARCH -2016 |
|--|--|--|
| Note No. 12 | | |
| CASH AND CASH EQUIVALENTS | | |
| Balance with Scheduled Banks | | |
| -In current Account | 3,91,76,204 | 2,31,142 |
| -In FDR (maturity within 3 months) | 10,94,82,874 | 14,46,000 |
| Cash in hand (As certified) | 15,347 | 25,896 |
| * Reliance Liquid Fund | 4,76,384 | - |
| # Reliance Regular Savings Fund-Debt | 10,66,921 | - |
| # Reliance Money Manager Fund | 24,76,968 | - |
| Other Balances | | |
| -In FDR (maturity more than 3 months but within 12 months) | 5,34,41,907 | - |
| Total Rs. | 20,61,36,605 | 17,03,038 |

* Above marked items are lien marked in favour of Reliance Capital Limited

Above marked items are lien marked in favour of Reliance Capital Limited & Reliance Commercial Finance Limited

Note No. 13

SHORT TERM LOANS & ADVANCES

(Unsecured, considered good advance recoverable in cash

| | | |
|-----------------------|---------------------|--------------------|
| Portfolio loans | 10,60,91,216 | - |
| Advance to Others | 1,00,000 | 1,00,00,000 |
| Advances to Employees | 33,334 | - |
| Total Rs. | 10,62,24,550 | 1,00,00,000 |

Note No. 14

OTHER CURRENT ASSET

| | | |
|---|------------------|-----------------|
| Processing fee paid in advance | 14,23,584 | - |
| Advance to Vendors | 87,000 | - |
| Interest Recoverable from Loans | - | 4,97,220 |
| Interest Accrued on Bank FDR's | 5,09,034 | 27,758 |
| Income Tax Refund A/y 2016-17 | - | 42,630 |
| Advances recoverable in cash or kind | 57,535 | - |
| Prepaid Insurance Expenses | 5,21,317 | - |
| Prepaid Expenses | 48,012 | 5,725 |
| Unamortized share issues expenses | 5,76,000 | - |
| Service tax, Krishi Kalayan cess Credit | 17,003 | - |
| Service tax Credit | 4,76,336 | - |
| Month end interest accrued but not due | 8,48,506 | - |
| TDS Recoverable | 4,17,471 | - |
| CD Balance-Insurance | 50,000 | - |
| Total Rs. | 50,31,797 | 5,73,333 |



सर्वे भवन्तु सुखिनः

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH -2017 | FOR THE YEAR ENDED 31ST MARCH -2016 |
|-------------------------------------|--|--|
| Note No. 15 | | |
| Revenue from operations | | |
| Sale of Shares | 22,11,752 | 8,93,296 |
| Dividend Received | 2,660 | 11,390 |
| Interest On Loan portfolio | 37,90,097 | 6,80,919 |
| Interest on FDR | 9,50,210 | 1,39,475 |
| Loan Processing Fees | 26,51,800 | - |
| Total Rs. | 96,06,519 | 17,25,080 |
| Note No. 16 | | |
| Other Income | | |
| Miscellaneous Income | 20,273 | 7,918 |
| Total Rs. | 20,273 | 7,918 |
| Note No. 17 | | |
| Purchase of Shares | 1,84,934 | 13,86,415 |
| Total Rs. | 1,84,934 | 13,86,415 |
| Note No. 18 | | |
| CHANGES IN INVENTORIES | | |
| Opening Stock of Shares | 20,20,933 | 15,27,601 |
| | 20,20,933 | 15,27,601 |
| Closing Stock: of Shares | - | 20,20,933 |
| Net Increase in Stock | 20,20,933 | (4,93,332) |
| Note No. 19 | | |
| EMPLOYEE BENEFITS EXPENSES | | |
| Staff Welfare | 1,50,505 | 47,310 |
| Directors Remuneration | 10,00,000 | - |
| Salaries | 49,05,231 | 4,56,000 |
| Bonus | 1,48,425 | - |
| Allowances | 40,48,304 | - |
| Recruitment and Training Expenses | 2,42,765 | - |
| Employer contribution to ESI and PF | 8,10,483 | - |
| Provision for leave encashment | 3,93,450 | - |
| Health Insurance | 64,503 | - |
| Total Rs. | 1,17,63,666 | 5,03,310 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH -2017 | FOR THE YEAR ENDED 31ST MARCH -2016 |
|----------------------|--|--|
| Note No. 20 | | |
| FINANCE COSTS | | |
| Interest Paid | | |
| to Bank | 8,515 | - |
| to Others | 30,38,378 | - |
| Bank Charges | 6,048 | 1,281 |
| Processing Fees | 1,29,544 | - |
| Total Rs. | 31,82,486 | 1,281 |

Note No. 21

OTHER EXPENSES

| | | |
|--|------------------|-----------------|
| Audit Fees | 25,000 | 10,000 |
| Books & Periodicals | 9,800 | - |
| Business Promotion | 2,83,660 | - |
| Freight & Forwarding charges | 76,500 | - |
| Contingent Provision against standard assets | 4,63,825 | - |
| General Insurance Expenses | 68,992 | - |
| Legal & Consultancy Charges | 14,15,194 | 3,200 |
| Miscellaneous Expenses | 20,401 | 1,681 |
| Membership Fees | 1,52,350 | 11,450 |
| Branch Establishment Expenses | 1,79,989 | - |
| Software Expenses | 1,13,260 | - |
| Postage, Telegram & Telephone Expenses | 4,58,952 | 14,354 |
| Electricity Charges | 34,111 | 30,690 |
| Printing & Stationeries | 1,40,107 | - |
| HO-Office Maintenance | 4,04,515 | 76,140 |
| Branch Office Maintenance | 1,68,804 | - |
| Festival Expenses | 1,66,192 | - |
| Rent Including Lease Rent | 10,54,755 | - |
| ROC Fees | 2,000 | 4,800 |
| Travelling & Conveyance | 8,50,103 | 46,850 |
| Vehicle Maintenance | 85,324 | - |
| Website development fees | 61,663 | - |
| Total Rs. | 62,35,497 | 1,99,165 |

**Note No. 22****SIGNIFICANT ACCOUNTING POLICIES & NOTES**

- 1 The accounts are prepared on the accrual basis under the historical cost convention in accordance with the provisions of the Companies Act, 2013 and with the Accounting Standard issued by the Institute of Chartered Accountants of India.
- 2 Fixed Assets are stated at their historical cost including freight, taxes, other incidental expenses related to acquisition / installation.
- 3 Intangible assets are amortized on a straight line basis over the estimated useful economic life.
- 4 The Depreciation has been charged on the basis of written down value method as rates specified in Schedule - II of the Companies Act, 2013.
- 5 Current / non-current classification of assets / liabilities: As required by Revised Schedule III, the Company has classified assets and liabilities into current and non- current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and the irrealization in cash or cash equivalents. Since in case of Non-Banking Financial Company normal operating cycle is not readily determinable, the operating cycle has been considered as 12months.
- 6 Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any changes in estimates are recognized prospectively.
- 7 Revenue Recognition
 - (i) Interest income on loans is accounted for by applying the Internal Rate of Return (IRR), implicit in the agreement, on the diminishing balance of the financed amount, over the period of the agreement so as to provide a constant periodic rate of return on the net amount outstanding on the contracts.
 - (ii) Loan installments received are apportioned between interest income and principal portion. The principal amount is reduced from the loan outstanding, so as to achieve the constant rate of interest on the remaining balance.
 - (iii) Processing fees and other servicing fees is recognized as income on accrual basis.
- 8 Borrowing Cost: Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection with the arrangement of borrowings are amortized over the tenor of borrowings.
- 9 Employee Benefits: The Company has various schemes of retirement benefits, namely provident fund, gratuity and leave encashment.
 - (iv) Short term employee benefits: All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders there lated service.
 - (v) Other long term employee benefits: Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulation. 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.
 - (vi) Defined contribution plan: Contributions towards Provident Fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the expense is actually incurred.
 - (vii) Defined benefit plans: The Company's gratuity scheme is a defined benefit plan. The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The company has not made any provision for gratuity during the current year.

10 CONTINGENT LIABILITIES

Claim against the company not acknowledged as debt Rs. Nil Previous Year Rs. Nil

- 11** For the purpose of calculating basic earnings per share, the number of equity shares have been taken as weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period reflects the fact that the amount of shareholders' capital may have varied during the period as a result of a larger or lesser number of shares outstanding at any time. It is the number of equity shares outstanding at the beginning of the period, adjusted by the number of equity shares bought back or issued during the period multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days in the period.
- 12** Specified Bank Notes (SBN) deposited from 8th of November, 2016 to 31st December, 2016 .

| SBN | No. | Amount |
|--------------|------------|----------------|
| 1000 | 12 | 12,000 |
| 500 | 849 | 424,500 |
| Total | 861 | 436,500 |

13 RELATED PARTY DISCLOSURES:-

| NAME | TRANSACTION | AMOUNT |
|--------------|--|------------------------|
| VIVEK TIWARI | DIRECTOR REMUNERATION LOAN GIVEN AND REPAID | 1,000,000 1,500,000 |

- 14** In the opinion of the Board, the Current Assets, loans & advances portfolio are good for recovery unless otherwise stated.
- 15** The out standing balance of lenders of the company are as per the books and accounts of the company.
- 16** The Company had applied for change of management & ownership to RBI, vide letter dated April 2, 2016 for which approval for same had been given by RBI Delhi through letter dated September 8, 2016, pursuant to which the management as on date has been appointed

Following were appointed on dates as mentioned:

| S.No. | Name | Date of Appointment | Designation |
|--------------|----------------|----------------------------|--------------------|
| 1 | Vivek Tiwari | 18 February 2016 | Managing Director |
| 2 | Rahul Gupta | 20 October 2016 | Director |
| 3 | Ratnesh Tiwari | 28 October 2016 | Director |
| 4 | Mukul Jaiswal | 12 January 2017 | Director |

- 17** The management on approval of change of management and ownership, decided to change the name of the company from TFC Finvest Limited to Satya Micro Capital Limited, in order to distinguish from previous management.
- 18** Pursuant to change in management, the company has made two successful rounds of issue of shares to expand and build business on the leadership and expertise of newly appointed MD. Shri Vivek Tiwari along with newly appointed management.
- 19** The Company had made one right issue on 2nd January 2017, @ Rs. 10 per share for 3557000 and thereafter one more issue to new shareholders for Rs. 20 per share, on 15th February 2017 with Rs.10 Face Value and Rs.10 for Securities Premium, for 2270750 shares.
- 20** Under second round of issue of shares Company has also received FDI from Singapore for SGD 10,687.16 from Shanti Prakash Upadhaya for 25000 shares.



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- 21 Sale of shares amounting to Rs.22,11,752 and dividend of Rs2,660 received reflected in revenue from operations is related to erstwhile TFC Finvest Limited, prior to approval for change in Management from RBI- Delhi.
- 22 The Company has applied for category change from NBFC- category B to NBFC-MFI on March 15, 2017 to RBI Delhi, the Company has applied for category change after fulfilling all the required criteria as per RBI guidelines for category conversion. The Company is yet to receive reply from RBI Delhi in this regard.
- 23 Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current year's classification.
- 24 All amounts stated are in Indian Rupees (₹) unless otherwise stated.

**As per our report annexed
for Gitesh Sharma & Associates
Chartered Accountants
Firm Regn. No.028392N**

(Gitesh Sharma)
(Prop.)
M.No. 534920

For and on behalf of board

Vivek Tiwari
Managing Director
DIN No. 02174160

Ratnesh Tiwari
Director
DIN No. 07131331

**Place: Delhi
Date: 28th April, 2017**

Ankit Tiwari
Company Secretary

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of **SATYA MICROCAPITAL LIMITED** will be held on Saturday, the 03rd June, 2017 at 10:00 a.m. at its registered office 519,5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-I, New Delhi-110020, to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF ANNUAL AUDITED FINANCIAL STATEMENT AND REPORTS THEREON

To receive, consider and adopt:

The audited financial statement of the Company for the financial year ended March 31, 2017, the Reports of Directors and Auditors thereon.

2. APPOINTMENT OF DIRECTOR IN PLACE OF THOSE RETIRING BY ROTATION

To appoint a Director in place of Mr. Vivek Tiwari (DIN: 02174160), who retires by rotation and being eligible, offers himself for re-appointment.

3. APPOINTMENT OF STATUTORY AUDITORS

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof) and pursuant to the recommendation of the Board of Directors, S.R. Batliboi & Associates LLP (LLP Identity No. LLP Identity No.AAB-4295), Chartered Accountants (Firm No. FRN 101049W / E300004), be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors, M/S Gitesh Sharma and Associates, Chartered Accountants, to hold office from the conclusion of this 22nd Annual General Meeting till the conclusion of the 27th Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration.”

SPECIAL BUSINESS

4. TO APPOINT MR. RATNESH TIWARI (DIN 07131331) AS A DIRECTOR

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 Sections 149 and 152 of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof), Mr. Ratnesh Tiwari (DIN 07131331), who was appointed as an Additional Director of the Company with effect from October 28, 2016 pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this 22nd Annual General Meeting and who has given a notice in writing under Section 160 of the Act, signifying his candidature for the office of Director along with the necessary deposit, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. TO APPOINT MR. RAHUL GUPTA (DIN 07478822) AS A DIRECTOR

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 Sections 149 and 152 of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof), Mr. Rahul Gupta (DIN 07478822), who was appointed as an Additional Director of the Company with effect from October 20, 2016 pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this 22nd Annual General Meeting and who has given a notice in writing under Section 160 of the Act, signifying his candidature for the office of Director along with the necessary deposit, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. TO APPOINT MR. MUKUL JAISWAL (DIN: 02696656) AS AN INDEPENDENT DIRECTOR

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. Mukul Jaiswal (DIN: 02696656)**, appointed vide resolution passed by the Board of Directors on January 12, 2017 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 January 12, 2017 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.”

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. 50,00,00,000/- (Rupees Fifty 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), 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 are 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. 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 consent of the members 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 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. 50,00,00,000/- (Rupees 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.”

9. TO 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 consent of the members 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 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. 50,00,00,000/- (Rupees 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.”

10. INCREASE IN THE AUTHORISED SHARE CAPITAL AND ALTERATION OF THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION 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 13 sub-section (1), read with Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 10,00,00,000 (Ten Crores) divided into 1,00,00,000 (One Crore) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) to Rs. 30,00,00,000 (Rupees Thirty crores) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees ten only) each and 5,000,000 (Fifty Lakhs) Preference shares of Rs. 10/- (Rupees Ten) each, by creation of additional 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs. 10/-(Rupees ten only) each and 5,000,000 (Fifty Lakhs) 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. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten) each and 5,000,000 (Fifty Lakhs) Preference shares of Rs. 10/- (Rupees Ten) each.*

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.”

11. ALTERNATION IN ARTICLE OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, or subject to such modification and re-enactment thereof, new set of altered articles of association as tabled before the meeting be and is hereby read and adopted.”

“RESOLVED FURTHER THAT any Director of the Company and/or Company Secretary of the Company be and are hereby singly and severally authorised to sign and file the requisite documents with Registrar of Companies, NCT of Delhi and Haryana and other authorities as may be required.”

**By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED**

**Place: Delhi
Dated: 28th April, 2017**


**Ankit Tiwari
Company Secretary
M.No- A47270**



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 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.
3. 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.
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.

**By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED**

**Place: Delhi
Dated: 28th April, 2017**


**Ankit Tiwari
Company Secretary
M.No- A47270**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONG WITH THE NOTICE DATED 28TH APRIL 2017**Item No. 4**

Mr. Ratnesh Tiwari was appointed vide Board Resolution dated 28th October 2016 as an additional director pursuant to section 161 of the Companies Act, 2013. He will hold office as a Director only till the date of this Annual General Meeting. The Company has received a notice as prescribed under Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- signifying his intention to propose Mr. Ratnesh Tiwari as a Director of the Company liable to retire by rotation. The Company has received from Mr. Ratnesh Tiwari (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Board of Directors recommends the passing of the resolution.

Except Mr. Ratnesh Tiwari and Mr. Vivek Tiwari, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No. 5

Mr. Rahul Gupta was appointed vide Board Resolution dated 20th October 2016 as an additional director pursuant to section 161 of the Companies Act, 2013. He will hold office as a Director only till the date of this Annual General Meeting. The Company has received a notice as prescribed under Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- signifying his intention to propose Mr. Rahul Gupta as a Director of the Company liable to retire by rotation. The Company has received from Mr. Rahul Gupta (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Board of Directors recommends the passing of the resolution.

Except Mr. Rahul Gupta, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No. 6

Mr. Mukul Jaiswal was appointed vide Board Resolution dated 12th January, 2017 as an additional Independent director pursuant to section 161 of the Companies Act, 2013. He will hold office as a Director only till the date of this Annual General Meeting. The Company has received a notice as prescribed under Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- signifying his intention to propose Mr. Mukul Jaiswal as a Director of the Company not liable to retire by rotation. The Company has received from Mr. Mukul Jaiswal (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, (iii) Declaration of Independence u/s 149 (7) of The Companies Act, 2013 .

The Board of Directors recommends the passing of the resolution.

Except Mr. Mukul Jaiswal, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No. 7

Further to the shareholder resolution passed on January 9, 2017 under Section 180 (1)(c) of the Companies Act, 2013, wherein it was resolved that the Board of Directors of the Company is permitted to borrow an amount not exceeding Rs 50 Crores, Section 42 of the Companies Act 2013 read with the relevant rules thereunder requires every issuance of non-convertible debentures of the Company to be authorized by way of a special resolution.

It may be noted that Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with section 42 of the Companies Act, 2013, allows a company to pass a special resolution once in a year for all the offer or invitation for Non-Convertible Debentures/ Bonds to be made during the year through Private placement basis in one or more tranches.



Consent of the Members is therefore sought in connection with the aforesaid issue of Non-Convertible Debentures/ Bonds from time to time and they are requested to authorize the Board (including any committee of the Board) to issue Non-Convertible Debentures/Bonds during the year on private placement basis upto Rs 50 Crores as stipulated above, in one or more tranches. For every issue of non-convertible debentures proposed to be offered during this year, the pricing of the debentures (including premium if any) will be determined on the basis of the prevailing market consideration and as specifically approved by the Board at such time.

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. Board of Directors recommends the passing of the resolution as Special 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. 50 Crores to Rs. 500 Crores. Pursuant to section 180(1)(c) of the Companies Act, 2013 a Company will require Shareholders 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 shareholders is Rs. 50 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.50 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 Board in its meeting dated 28th April, 2017 has approved the enhancement in borrowing limit pursuant to section 180(1)(c) of the Company Act, 2013 from Rs. 50 Crores to Rs. 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. Board of Directors recommends the passing of the resolution as Special Resolution.

Item 10

The Company proposes to raise funds up to in future by issuing further equity shares on preferential basis/ Private Placement/Right Issue and any other securities in one or more combination thereof. The existing Authorized Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crores Equity Shares) of Rs. 10 each which would not be sufficient to cover the proposed amount of issue. In view of this, the Company proposes to increase the existing authorised equity capital from Rs. 10,00,00,000/- (Rupees Ten Crores only) to Rs. 30,00,00,000/- (Rupees Thirty Crores only) by creating additional by creation of additional 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees ten only) each and 5,000,000 (Fifty Lakhs) Preference shares of Rs. 10/- (Rupees Ten) each thereby increasing the existing Authorised Capital from Rs. 10,00,00,000/- (Rupees Ten Crores only) to Rs. 30,00,00,000/- (Rupees Thirty Crores) divided into 2,50,00,000 (Two Crores Fifty Lacs only) equity shares of Rs. 10/- each and 5,000,000 (Fifty Lakhs) Preference shares of Rs. 10/- (Rupees Ten) each.

The proposed increase in Authorised Capital will consequently require alteration in Capital clause V of Memorandum of Association of the Company.

The Ordinary resolution is therefore proposed at item no. 10 of the notice to increase the Authorised Share Capital of the Company and necessary alternation in clause V of Memorandum of Association.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution. The Board recommends this resolution for the approval of the members as Ordinary Resolution.

Item 11

The Board has also found a few grammatical and technical flaws in the existing articles while reviewing and hence decided to recommend adoption of a complete new set of Articles. The copy of the new set of Article of Association is available at the registered office of the Company and any shareholder can send a request for the complete set of the same to the Company Secretary at the registered office address of the Company.

None of the Directors and Key Managerial Personnel of the Company, and any relatives of such director, are in anyway concerned or interested in the resolution. The Board recommends this resolution for the approval of the members as Special Resolution.

**By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED**

**Place: Delhi
Dated: 28th April, 2017**


**Ankit Tiwari
Company Secretary
M.No- A47270**



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Satya MicroCapital Ltd.

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Okhla Industrial Area, Phase-1, New Delhi-110020
Phone: 011-49724000
Email: investors@satyamicrocapital.com
CIN: U74899DL1995PLC068688

ATTENDANCE SLIP (To be presented at the entrance)

Members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting. Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name:
Address:

Folio No. / DP & Client ID:
No. of Shares Held:

I hereby record my presence at the Annual General Meeting held on 03rd June, 2017 at 10.00 A.M. at its registered office 519,5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020

SIGNATURE OF THE SHAREHOLDER/PROXY *

*Strike out whichever is not applicable.



सर्वे भवन्तु सुखिनः

Satya MicroCapital Ltd.

Regd. Office: 519,5th Floor, DLF Prime Towers,
Okhla Industrial Area, Phase-1, New Delhi-110020
Phone: 011-49724000
Email: investors@satyamicrocapital.com
CIN: U74899DL1995PLC068688

**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 Member(s):

Registered Address:

E-mail Id:

Folio No. / DP & Client ID:

I/We, being the member (s) of Equity shares of the above named company, hereby appoint

1. Name:
2. Address:
3. E-mail Id:.....
4. Signature:....., or failing him.

1. Name:
2. Address:
3. E-mail Id:.....
4. Signature:....., or failing him.

1. Name:
2. Address:
3. E-mail Id:.....
4. Signature:....., or failing him.

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, to be held on 03rd June, 2017 at 10.00 A.M. at its registered 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 1: To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31st March, 2017 and the Reports of Directors' and Auditors' thereon.

Resolution 2: To appoint a Director in place of Mr. Vivek Tiwari (DIN: 02174160), who retires by rotation and being eligible, offers himself for re appointment.

Resolution 3: To appoint statutory auditor in place of retiring auditor and to fix their remuneration.

Resolution 4: To appoint Mr. Ratnesh Tiwari (DIN 07131331) as Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

Resolution 5: To appoint Mr. Rahul Gupta (DIN 07478822) as Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

Resolution 6: To appoint Mr. Mukul Jaiswal (DIN: 02696656) as an Independent Director of the Company to hold office for a period of five years from 12th January, 2017 or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines and not liable to retire by rotation.

Resolution 7: To increase the limit u/s 42 of the Companies Act, 2013 and Rules framed thereunder (offers or invitations for Non-Convertible Debentures).

Resolution 8: To increase the borrowing power of Board of Directors u/s 180(1) (c) of the Companies Act, 2013.

Resolution 9: To increase the borrowing power of Board of Directors u/s 180(1) (a) of the Companies Act, 2013.

Resolution 10: To increase in the Authorised Share Capital and Alteration of the Capital Clause in the Memorandum of Association of the Company.

Resolution 11: To Consider, discuss and approve the alternation in Article of Association of the Company

Signed this..... day of

Signature of the shareholder:

Signature of proxy holder(s):

**Affix Re. 1
Revenue
Stamp**

Note:

(1) 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.

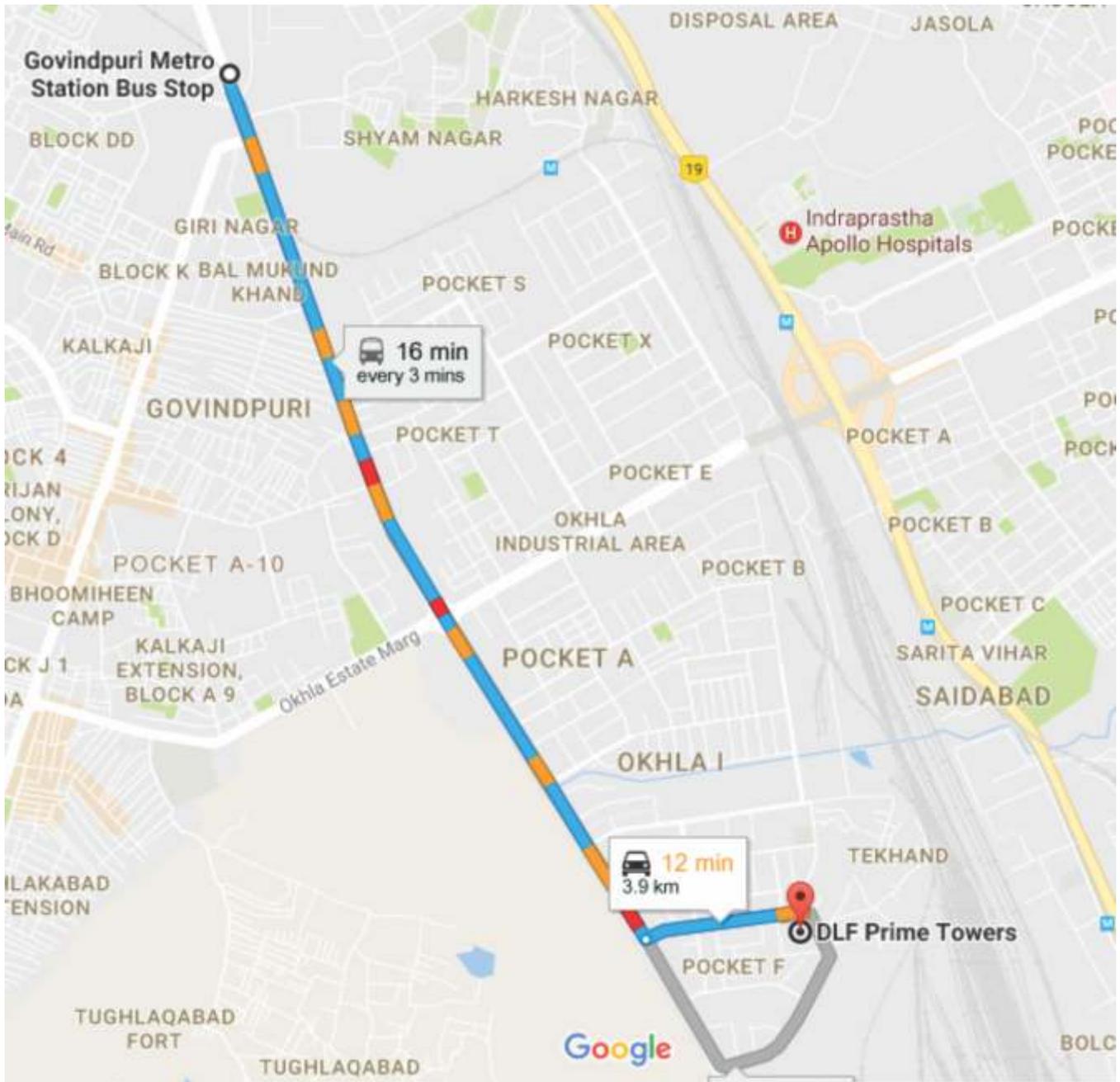
(2) Those Members who have multiple folios with different joint holders may use copies of this attendance slip/Proxy form.

ROUTE MAP

Date of AGM: June 03, 2017

Time: 10:00 A.M

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





सर्वे भवन्तु सुखिनः

SATYA MICROCAPITAL LTD.

(CIN : U74899DL1995PLC068688)

Registered & Corporate Office:

519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-I, New Delhi-110020, India
Phone : +91-11-49724000, Fax: +91-11-49724051, E-mail: investors@satyamicrocapital.com
Website : www.satyamicrocapital.com