

**Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Satya MicroCapital Limited**




1. We have reviewed the accompanying statement of unaudited financial results of Satya MicroCapital Limited (the "Company") for the half year ended September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 4 of the financial results which describes the impact of (a) the Honorable Supreme Court's Order of September 3, 2020 (more fully described in the note) on the classification of loans and the related expected credit loss provision and (b) other economic and social consequences of the COVID-19 pandemic on the Company's business and financial metrics including the Company's estimates of impairment of loans to customers which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

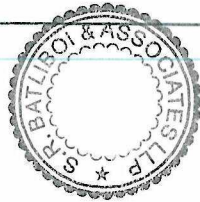
**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004per **Bharath N S**  
Partner  
Membership No.: 210934UDIN: 20210934AAAADW9802  
Chennai  
November 6, 2020



# SATYA MicroCapital Ltd.

सर्वे भवन्तु सुखिनः

Satya MicroCapital Limited (CIN: U74899DL1995PLC068688) Registered office address: DPT 519 Prime Towers, Block F, Okhla Phase-I, New Delhi-110020 Phone No. 011-49724000, Website: www.satyamicrocapital.com Financial results for the half year ended September 30, 2020			
Particulars	(Rupees in millions unless otherwise stated)		
	Half year ended		Year ended
	September 30, 2020 Unaudited	September 30, 2019 Unaudited	March 31, 2020 Audited
Revenue from operations			
Interest Income	1,169.81	887.21	1,973.52
Fees and commission Income	0.40	3.08	14.96
Net gain on derecognition of financial instruments under amortised cost category		32.52	96.56
<b>Total Revenue from operations</b>	<b>1,170.21</b>	<b>922.81</b>	<b>2,085.04</b>
Other Income	0.87	1.04	1.09
<b>Total Income</b>	<b>1,171.08</b>	<b>923.85</b>	<b>2,086.13</b>
Expenses			
Finance Cost	660.06	514.48	1,159.04
Impairment on financial instruments	50.86	18.91	99.27
Employee Benefits Expenses	281.98	193.93	473.16
Depreciation and amortisation expense	11.33	14.07	26.43
Others expenses	105.82	86.88	217.26
<b>Total Expenses</b>	<b>1,110.05</b>	<b>828.27</b>	<b>1,975.16</b>
<b>Profit before tax</b>	<b>61.03</b>	<b>95.58</b>	<b>110.97</b>
Tax Expense:			
Current Tax	18.85	19.04	44.78
Earlier year Tax	-	-	0.32
Deferred Tax	3.91	5.07	(9.42)
<b>Income tax expense</b>	<b>22.76</b>	<b>24.11</b>	<b>35.68</b>
<b>Profit for the period</b>	<b>38.27</b>	<b>71.47</b>	<b>75.29</b>
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gains/(losses) on defined benefit plans	(0.63)	0.45	(1.26)
Income tax effect	0.16	0.11	0.37
<b>Total Comprehensive Income for the period</b>	<b>37.80</b>	<b>70.91</b>	<b>74.40</b>
Earnings per share (equity share, par value of Rs. 10 each) Computed on the basis of total profit for the period			
Basic*	1.01	2.56	2.48
Diluted*	1.00	2.56	2.43
* The EPS and DPS for half year ended are not annualised.			
 		 For and on behalf of the Board of Directors of Satya MicroCapital Limited  Vivek Tiwari Managing Director, CEO and CIO	
Place: New Delhi Date: November 06, 2020			



## Registered & Corporate Office

519, 5th Floor, DLF Prime Tower, Okhla Industrial Area, Phase - I, New Delhi - 110020, India

E-mail : info@satyamicrocapital.com | Web : www.satyamicrocapital.com

CIN : U74899DL1995PLC068688 | Fax : (+91-11) 49724051 | Phone : (+91-11) 4972 4000



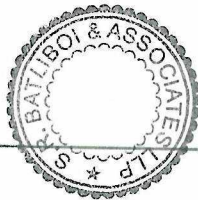


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Particulars	(Rupees in millions unless otherwise stated)	
	As at September 30, 2020	As at March 31, 2020
	Unaudited	Audited
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents		
Bank Balance other than cash and cash equivalents	1,553.14	471.83
Trade receivables	1,065.50	981.78
Loan portfolio	13.51	22.29
Other financial assets	8,719.19	9,172.52
<b>Total Financial Assets</b>	<b>383.74</b>	<b>113.70</b>
	<b>11,735.08</b>	<b>10,762.12</b>
<b>Non-financial Assets</b>		
Current tax assets (net)	72.51	62.92
Deferred tax assets (net)	41.57	45.31
Property, plant and equipment	39.76	43.76
Intangible assets	1.05	0.75
Other non - financial assets	115.64	120.34
<b>Total Non-Financial Assets</b>	<b>270.53</b>	<b>273.08</b>
<b>Total Assets</b>	<b>12,005.61</b>	<b>11,035.20</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Debt securities		
Borrowings (other than debt securities)	2,762.71	2,425.84
Subordinated liabilities	6,588.20	6,678.97
Other financial liabilities	126.00	125.72
<b>Total Financial Liabilities</b>	<b>60.03</b>	<b>60.54</b>
	<b>9,536.94</b>	<b>9,291.07</b>
<b>Non-financial liabilities</b>		
Provisions		
Other non-financial liabilities	16.04	13.40
<b>Total Financial Liabilities</b>	<b>12.43</b>	<b>13.04</b>
	<b>28.47</b>	<b>26.44</b>
<b>EQUITY</b>		
Equity share capital	304.47	304.47
Other equity	2,135.73	1,413.22
<b>Total Equity</b>	<b>2,440.20</b>	<b>1,717.69</b>
<b>Total Liabilities and Equity</b>	<b>12,005.61</b>	<b>11,035.20</b>

*[Signature]*



*[Signature]*



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

Place: New Delhi  
Date: November 06, 2020

Vivek Tiwari  
Managing Director, CEO and CIO

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Satya MicroCapital Limited  
(CIN: U74899DL1995PLC068688)

Registered office address : DPT 519 Prime Towers, Block F , Okhla Phase-I, New Delhi-110020  
Financial results for the half year ended September 30, 2020

## Notes:

- The results for the half year ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 6, 2020, in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015. The results for the half year ended September 30, 2020 have been reviewed by the Statutory Auditors of the company.
- The company operates in a single reportable segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The company operates in single geographic segment i.e. domestic.
- In accordance with Reserve Bank of India ('RBI') guidelines relating to 'CoVID-19 Regulatory Package' dated March 27, 2020 and subsequent guideline on EMI moratorium dated April 17, 2020 and May 23, 2020 ('RBI Regulatory Package'), the Company has offered moratorium on the payment of installments falling due between March 1, 2020 to August 31, 2020 ('moratorium period') to all eligible borrowers. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded from number of days past due for the purpose of asset classification. The Company holds provision as at September 30, 2020/March 31, 2020 against the potential impact of CoVID-19 based on the information available upto a point in time.

Disclosure as required by RBI circular dated April 17, 2020 'CoVID-19 Regulatory Package – Asset classification and provisioning are given below.

(Rs. In millions)

Particulars	As at September 30, 2020	As at March 31, 2020
Amount in SMA/Overdue categories as on February 29, 2020*	274.14	274.14
Advance outstanding in SMA/Overdue categories where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as on February 29, 2020)	182.78	182.78
Respective amounts where asset classification benefit was extended	55.96	55.96
Provision made in terms of paragraph 5 of the circular (As per paragraph 4, applicable to NBFC's covered under Ind AS) (as of September 30, 2020/March 31, 2020)**	16.84	25.51
Provision adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provision as of September 30, 2020/March 31, 2020 in terms of paragraph 6 of the circular	16.84	25.51

\*SMA/Overdue category includes cases – 1 to 90 days past due (DPD)

\*\*This includes overall additional provision on account of CoVID-19

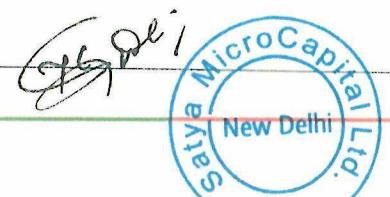
- Consequent to the outbreak of CoVID-19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government for certain activities in a phased manner outside specified containment zones. While there have been some improvements in economic activity during the current half year, the continued slowdown has lead to a decrease in loan origination and impacted efficiency in collection efforts during the half year.

Further, the Hon'ble Supreme Court, in a public interest litigation, vide an interim order dated September 3, 2020 ('interim order') has directed that accounts classified which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account as NPA, as per RBI norms, after August 31, 2020 which was not NPA as of August 31, 2020.

In accordance with Reserve Bank of India guidelines relating to CoVID-19 Regulatory package dated March 27, 2020 April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 to August 31, 2020 to all eligible borrowers. For all such accounts opting for moratorium, the prudential asset classification shall remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purpose of asset classification under Income Recognition, Asset Classification and Provisioning Norms).



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The Company has created expected credit loss of Rs.201.99 Mn as at September 30, 2020 in respect of its loan portfolio including Rs.16.84 Mn as a macro-economic overlay to reflect among other things an increased risk of deterioration in macro-economic factors caused by CoVID-19 pandemic. Given the dynamic and evolving nature of this pandemic, these estimates are subject to uncertainties and may be affected by the severity, duration of the pandemic and other variables.

5. The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced CoVID-19 relief scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the scheme"), as per the eligibility criteria and other aspects specified therein and irrespective whether RBI moratorium was availed or not. The Company is in process of complying with the requirements of the Scheme.
6. The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the half year ended September 30, 2020 and re-measured its Deferred tax assets/liability basis the rate prescribed in the aforesaid section and recognized the effect of change by revising the annual effective tax rate.
7. The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.
8. The above financial results are available on the stock exchange website ([www.bseindia.com](http://www.bseindia.com)) and the website of the Company ([www.satyamicrocapital.com](http://www.satyamicrocapital.com)).



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