SATYA MicroCapital Ltd.
सर्वे भवन्तु सुखिनः

Date: June 29, 2023

To
BSE Limited
1st Floor, P.J. Towers,
Dalal Street, Mumbai-400001

Scrip Code: 958258, 958955, 958878, 958911, 959792, 959791, 973009, 973235, 973283, 973295, 973301, 973383, 973717, 973893, 973946, 973964, 973971, 974172, 974260, 974262, 974312, 974313

Sub: Submission of Annual Report for FY 2022-23 including Notice of Annual General Meeting (AGM)

Dear Sir/Madam

In continuation of our letter dated June 28, 2023 regarding submission of Annual Report for FY 2022-23 pursuant to Regulation 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report for the financial year 2022-23 along with the Notice of 28th Annual General Meeting.

We would like to inform you that wrong file of annual report was attached inadvertently on June 28, 2023 and request you to ignore the previous file uploaded on June 28, 2023 and consider the attached file.

The attached Annual Report and the Notice of AGM is also available on the website of the Company at https://satyamicrocapital.com/annual-reports/.

This is for your information and records.

For **SATYA MicroCapital Limited**

Satya MicroCapital Ltd. New Delhi

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance Officer

Enclosed: a/a

Registered & Corporate Office
519, 5th Floor, DLF Prime Tower, Okhla Industrial Area, Phase - 1, New Delhi - 110020, India
E-mail : info@satyamicrocapital.com | Web : www.satyamicrocapital.com
CIN : U74899DL1995PLC068688 | Fax : (+91-11) 49724051 | Phone : (+91-11) 4972 4000

SATYA MicroCapital Ltd.

सर्वे भवन्तु सुखिनः

(RBI Registered NBFC MFI)

ANNUAL REPORT 2022-23

CREATING LIVELIHOOD THROUGH ENTREPRENEURSHIP

CORPORATE INFORMATION

Board of Directors

Mr. C. P. Mohan	Independent Director
Dr. Deepali Pant Joshi	Independent Director
Mr. Naveen Surya	Independent Director
Dr. Ratnesh Tiwari	Director
Mr. Sanjay Gandhi	Nominee Director
Ms. Surekha Marandi	Independent Director
Mr. Taejun Shin	Nominee Director
Mr. Vivek Tiwari	Managing Director, CEO & CIO

Key Managerial Person

Mr. Vivek Tiwari	Managing Director, CEO & CIO
Ms. Vandita Kaul	Chief Financial Officer
Choudhary Runveer Krishanan	Company Secretary & Chief Compliance Officer

Registered Office

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

Statutory Auditors

S.N. Dhawan & CO LLP
51-52, Sector-18, Udyog Vihar, Phase-IV,
Gurugram, Haryana-122016

Debenture Trustees Details

i) Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited)
GDA House, First Floor, Plot No. 85 S. No. 94 & 95,
Bhusari Colony (Right), Kothrud,
Pune - 411038, Maharashtra, India
Tel. Nos.: +91 (020) 25280081
Website: www.catalysttrustee.com
Email:- ComplianceCTL-Mumbai@ctltrustee.com

ii) Vardhman Trusteeship Private Limited
(formerly known as Ativir Stock Broking Pvt. Ltd.)
Turner Morrison Building, Unit No. 15,
6 Lyons Range, Kolkata-700001
Tel. Nos.: 022-42648335;
Website: www.vardhmantrustee.com
Email: compliance@vardhmantrustee.com

Registrar & Transfer Agent
(For Equity, Preference Shares & Non-Convertible Debentures)

i) Link Intime India Private Limited
C 101, 247 Park, 1st Floor, LBS Marg,
Vikhroli (W), Mumbai – 400083
Tel. No.: +91 22 2594 6970
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

ii) KFIN Technologies Limited
Selenium Building, Tower-B, Plot No.- 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana, India, 500032
Phone : +91 - 40 – 67162222, 7961 1000,
E-mail : venu.sp@kfintech.com
Website : www.kfintech.com

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

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CORPORATE IDENTITY

VISION

"To be catalyst for the socioeconomic upliftment of 5 million households by the year 2025."

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

MISSION

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

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

MOTTO

"May all be Happy."

“सर्वे भवन्तु सुखिनः”

SATYA
सर्वे भवन्तु सुखिनः

Great Place To Work Certified SEPT 2022 - SEPT 2023 INDIA

Best Workplaces in BFSI Great Place To Work INDIA 2023

With the Motto of

"सर्वे भवन्तु सुखिनः"

we promise happiness to everyone!

Established in October 2016, and headquartered in the capital city of New Delhi, SATYA initiated the course of its operational journey in January 2017. With the foremost and fundamental goal of empowering rural women, both digitally and financially, SATYA has come a long way since its incorporation. Since then, the company has registered impressive growth by achieving an Assets Under Management (AUM) value of over Rs. 4600 crores in less than 7 years, thus emerging as one of the fastest growing Highly Technology driven Micro Finance Institutions in the country. The organisation's firm belief in modern technology and its potential to increase efficiency, reduce risks, and enhance overall customer experience is apparent in its adoption of the most cutting-edge innovations to power its operations. SATYA has established its terrestrial footprints in more than 45,000 villages across 22 states.

At present, SATYA is furnishing its affordable micro credit services to 13.5 lakhs+ women entrepreneurs from rural and semi-urban areas who are excluded from traditional banking channels because of their low, irregular, and unpredictable income. The helm of SATYA's accessible services is to be a catalyst for the socio-economic upliftment of its clients via channelizing income growth and income generation. SATYA is integrally concentrated towards building their financial capacity and ability to grow to financial self-sufficiency. In addition to yielding financial aid to unbanked sections of the population, SATYA MicroCapital consistently associates with institutions of the same wavelength to disseminate the importance of digital and financial literacy in rural areas.
Through the use of innovative technology in the Microfinance sector, the company aims to bring social aspects to lending. SATYA is bridging the gap between the segments in terms of financial inclusion and societal upliftment by encouraging entrepreneurship and producing livelihood for the domestic and rural markets. This enables the people in these rural areas to generate employment and livelihood opportunities at the grassroots. SATYA, one of the fastest-growing microfinance organizations, is continually inventing and developing new technological solutions and has contributed a new dimension to the micro-lending field. We are committed to become a fully digital service provider and has been the pioneer organization for many landmark trends existing in the sector today. It is an institution built with a vision of transformation, and technical expertise and is a differentiator in the financial inclusion space.

SATYA is a group of individuals with substantial expertise in scaling up microfinance programmes in some of India's most economically deprived regions, led by the visionary leadership of Mr Vivek Tiwari (MD, CEO & CIO). Additionally, the company has the support of investors and partners that have a track record of fostering scalable and sustainable organisations. The institution SATYA was created with the goal of bringing about change and development, and it stands out in the field of financial inclusion. As a microfinance institution, we are rooted in creating a sustainable social impact through innumerable community development and financial literacy programs.

As stated in our Vision Statement, our aim is to be a catalyst for the Socio-economic upliftment of 5 million Households by 2025. Our growth and business strategies are focused upon realizing this vision through creation and promotion of entrepreneurship and livelihood creation. Our focus impact shall always remain on the holistic development of the marginalized and 'forgotten/neglected' section of society and as we grow through the coming years, we look forward to making a difference in more lives and households.

SOUL OF SATYA

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

TRANSPARENCY
Aiming to develop a transparent culture across the organization.

TEAM
To follow the values of "Team Strength" & promote "Coordination & Cooperation" in all verticals.

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

TRAINING
Capacity building & social awareness programs for all stakeholders of SATYA.

A Year of Demonstrated Growth From The Desk of MD, CEO & CIO

As a culmination of all diligent efforts, SATYA has been recognised as "Best Places to Work" and "Top 50 India's Best Workplaces in BFSI" by Great Place To Work Institution. We intend to continue our focus in digitalization and operational efficiencies to continue a long-term growth trajectory, wherein we endeavor to grow our assets and liabilities significantly margin. Moving forward, we will continue believing in our ability to rise to the situations and leverage the right platforms for bolstering customer services and experience.

Vivek Tiwari

Dear Shareholders and Stakeholders,

As we reflect upon another remarkable year at SATYA MicroCapital Ltd, I would like to take this opportunity to address you all with this Annual Report. I feel beyond elated to present the seventh edition of the SATYA MicroCapital's Annual Report for FY 2022-23. First and foremost, I extend my heartfelt appreciation to our shareholders for their unwavering trust and generous backing. Your confidence in our vision and mission has played an indispensable function in catapulting SATYA's success. I am also deeply grateful to our dedicated team, whose hard work and commitment have been integral to our growth trajectory.

Over the past year, SATYA has achieved significant milestones in its transformational journey toward financial and social inclusion. We at SATYA have expanded our reach, serving a larger number of underserved households having the potential to establish themselves as small businesses, which in turn played a significant role in strengthening the nation's economy. Additionally, to furnishing affordable micro credit services, SATYA also empowered them with access to essential and affordable financial services. Our efforts to bridge the gap between the unbanked population and mainstream banking have yielded impressive results, positively impacting the livelihood of countless individuals, and contributing to the economic development of our communities. In the FY 2022-23 SATYA expanded its reach to over 15 lakh clients across more than 50,000 villages in 22 states via operational presence in almost 500 branches.

Despite the challenges posed by an ever-changing global landscape, SATYA has demonstrated persistent resilience and adaptability. We have also embraced technological advancements backed with innovative solutions, streamlined our business operations, and enhanced our product service offerings. Comprehensive digitalization of end-to-end operations and functions formed the helm of this year's objective. Our endeavors have involved the integration of biometrically authorized e-signatures for client agreements. This implementation has resulted in a decrease in the necessity for clients to physically visit our branches and has significantly improved the speed at which loans are disbursed. By leveraging digital platforms, we have simplified the customer experience, making financial services more accessible and convenient. The approach of digitalization which SATYA has set in motion has not only given our clients experience an advanced level of customer experience and satisfaction but has also encouraged us to diminish environmental footprint. This is achieved by eliminating the need for paper usage throughout the processes of client enrollment and loan disbursement.

SATYA has demonstrated an unwavering commitment to technology, achieving complete digitization in disbursements and a significant 93% transition to cashless/digital collections. We have facilitated our clients in adopting cashless payment methods by offering training and the necessary infrastructure. This has led to a decrease in cash transactions, a reduction in fraudulent activities, and an enhancement in digital records for our clients.

Furthermore, technology has become a quintessential part of our operations across multiple areas. Our field operations have successfully eliminated the use of paper, embracing a fully paperless approach. Additionally, we have implemented technological solutions to streamline our HR processes and training programs.

At SATYA, we highly value the collaborative efforts of our employees, recognizing their significant contributions to our growth. Our objective is to foster an inclusive culture embraced with diversity, equity and accessibility where employees' professional aspirations align with the company's goals. Throughout the years, we have ingrained employee-centricity at the very core of our organizational culture.

In the previous fiscal year, we expanded our workforce, reaching a total of more than 5,000 employees as of March 31, 2023. During this period, our focus extended beyond investing in technology and improved processes for employee training. We also prioritized employee engagement initiatives, demonstrating our commitment to their overall well-being and satisfaction.

Our mission is to support and empower women, and we deeply value and recognize the female entrepreneurs who make a positive impact on society and contribute to the livelihoods of their communities. In line with this vision, we have successfully hosted the third edition of the Smt. Vijayalakshmi Das Entrepreneurship Award 2023 - an Awards & Recognition platform to felicitate Women Entrepreneurs at the grassroots level to honor the 'Mother of Indian Microfinance' – Late Vijaylakshmi Das. These awards act as a driving force to stimulate and inspire women's participation in entrepreneurial ventures. It is equally crucial to recognize and honor women entrepreneurs at the local level. SATYA has been acknowledging the accomplishments of women entrepreneurs who have overcome numerous challenges to achieve professional success for the past three years. Moreover, we are committed to continuing the tradition of the Vijayalakshmi Das Entrepreneurship Awards in the upcoming years as well.

To effectively address the educational requirements of our clients' children, we have successfully introduced a cutting-edge mobile application - VEDA. This innovative app has been meticulously designed to offer a wide array of meticulously curated courses in the domains of Mathematics, Science, and Language, ensuring that our young learners have access to excellent educational materials and resources that are tailored to their specific needs and preferences. Moreover, as part of our commitment to empowering not just the children but also the entire families of our valued clients, we have proudly launched another groundbreaking application called Drona. This remarkable app is dedicated to providing a diverse range of skill-enhancing courses to the family members of our clients. By enabling our clients' families to acquire new knowledge and develop invaluable skills, this groundbreaking initiative is poised to make a significant contribution to the broader skilling ecosystem within our country.

Through a strategic collaboration with esteemed entities like the National Skill Development Corporation (NSDC) and Opportunity Edufinance, we are currently engaged in an ambitious endeavor to create an innovative loan product specifically tailored to finance vocational training courses. Extensive research and market analysis have highlighted a substantial demand for such financial offerings among our valued clients, thereby underscoring the significance of bolstering the skilling ecosystem through this initiative.

In an impressively short span of time, we have already disbursed an amount of over Rs 69 million to support the educational journeys of 328 aspiring students. This notable achievement not only demonstrates our commitment to facilitating access to quality vocational training but also underscores our dedication to empowering individuals with the financial means necessary to pursue their educational aspirations and achieve their career goals.

Looking ahead, we remain committed to our vision "To be a catalyst for the socio-economic upliftment of 5 million households by the year 2025." We will continue to explore new opportunities and partnerships to expand our outreach and extend our services to underserved areas. Our focus will remain on empowering individuals and businesses, fostering entrepreneurship, and promoting financial literacy.

As we move forward, we recognize that our success depends on the trust and confidence of our stakeholders. Over the course of time, our organization has received invaluable liquidity support through a series of well-crafted policies implemented by the government and regulatory authorities. We are sincerely grateful for the timely and appropriate interventions undertaken, which have provided us with the necessary financial stability and resources to navigate through challenging times.

We are thrilled to share that in the past fiscal year, we have added new 21 lenders to our portfolio who have reaffirmed their trust and confidence in SATYA. This is evident from the remarkable achievement of successfully raising a substantial debt amounting to over INR 38,000 million. This noteworthy accomplishment not only reflects the strength of our financial position but also highlights the continued support we have garnered from our lenders.

Furthermore, we are pleased to acknowledge the unwavering commitment of our existing equity investors because of which we raised equity of more than INR 2,295 million. This infusion of capital has played a pivotal role in driving the growth and expansion of our portfolio throughout the financial year, further cementing our position as a leading player in the industry.

In closing, I want to express my sincere appreciation to everyone who has contributed to our journey. Together, we have made a significant difference in the lives of those who need it the most.

Let us continue to work together, driven by our shared values, towards a more inclusive and prosperous future.

Vivek Tiwari
Managing Director, CEO & CIO

Message From The Board

As I write this note, I am proud to share that SATYA MicroCapital has achieved a significant milestone of becoming a nearly Rs. 5000 crores company. The company began its journey on October 2016 and gradually piloted its systems and processes. By March 2019, it had achieved a remarkable feat of Rs. 1000 crore. Over the next four years, the company continued to gain momentum and is now considered the fastest-growing microfinance NBFC in India.

What makes the SATYA MicroCapital story special? The reason for SATYA MicroCapital's success lies in its multi-polar approach to excellence. The company has adopted a strategy that prioritizes high standards of good governance, compliance, technology, and operational efficiency. The Board of Directors is diverse and professional, and compliance is overseen by experienced professionals to ensure high secretarial standards. The company also has an additional internal audit by external audit firms to augment the rigor of audits. The company values employee training and has created a culture of empathy and team spirit with an appropriate incentive regime that motivates the field force. The top management team, led by founder MD Shri. Vivek Tiwari and talented professionals, ensures the best standards in management. The company's focus on excellence is reflected in its quality metrics. The GNPA and NPA stand at a low 1.30% and 0.44%, respectively. Overall, SATYA MicroCapital is evolving into an institution that prioritizes good standards while driving business success.

I extend my best wishes and congratulations to SATYA MicroCapital, Shri Vivek Tiwari, shareholders, and staff for continued success.

C.P Mohan (Independent Director)

I am pleased to convey this message and to be a part of SATYA's journey to become a nearly Rs. 5000 crores company. The company's trajectory is focused on providing fair and accessible financial products and services to underserved segments of society, promoting financial inclusion and equitable economic growth. Financial exclusion can hinder an individual's growth opportunities, economic output, and social welfare. SATYA's approach of including marginalized individuals as both producers and consumers of goods and services provides credit opportunities, income insurance, and resilience against unexpected events. In this way, Team SATYA is contributing to nation-building. I extend my best wishes to Team SATYA under the Charismatic and dynamic leadership of Shri. Vivek Tiwari in their mission of promoting economic growth through inclusion in the coming years.

Deepali Pant Joshi (Independent Director)

It is both encouraging and humbling to observe the progress made by the SATYA team over the past six years, under the leadership of Vivek Tiwari Ji and with the support of Gojo as a major investor. Despite facing several challenges during its formative years, including the COVID-19 pandemic, it is remarkable to see how SATYA has grown robustly in the last four years.

During my time with the company, I have witnessed significant growth in all key metrics, including customers, employees, company value, and overall Assets Under Management (AUM), which have increased four and five times, respectively. This growth is a testament to the exceptional leadership of the SATYA management team led by Shri. Vivek Tiwari and the fundamental values of the company, as encapsulated in the SATYA Soul of 5 Ts: Trust, Transparency, Teamwork, Technology, and Training.

These values have laid a strong foundation for the company and have contributed to its success in a short period. However, this is only the beginning of an exciting journey, and the company will continue to strive towards its vision, achieving important milestones and becoming more resilient along the way. My best wishes for the new financial year and let's continue to move towards our vision.

Naveen Surya (Independent Director)

I write this message with immense pride, happiness, and positivity. As we have completed six years of operations into serving with the financial services to the unserved section at base of the pyramid, we stand strong in our resolve to continuously create value for our customers and other stakeholders. Since our inception days in 2016, our aim was to support individual or small businesses in rural and semi-urban India with much-needed financial support. However, we have consistently upheld our mission and vision by prioritizing security, building trust, being compliance-oriented, and maintaining strong governance ecosystems. Our dedication to these core values has enabled us to build a strong, empowered team that upholds good governance as a way of life. I am humbled to say that with the support of our committed team and stakeholders, we have not only met but exceeded our targets. We achieved this by dynamically learning on the job, challenging the status quo, and building trust with our customers. We could do this through transformative measures such as process integration, customer focus, prioritizing quality over quantity, and adopting distinct approaches to tap into rural and semi-urban markets.

I extend my warm wishes and regards to MD, CIO & CEO of our organization – Shri. Vivek Tiwari and the entire team.

Ratnesh Tiwari (Director)

India is globally the largest microfinance market, and accordingly boasts of big names in the sector. When it comes to identifying "Best Tech Savvy Microfinance of the Year"; "Best MSME NBFC/MFI"; "Best Innovative NBFC-MFI" in the sector, one name that consistently appears year after year is that of SATYA MicroCapital Ltd. Ever since 2018, when Gojo & Company invested in SATYA MicroCapital, I have had the privilege of viewing SATYA's journey from close quarters. It has been a hugely satisfying journey that continues to get better year after year & the SATYA team, under the able leadership of Shri. Vivek Tiwari continues to achieve huge milestones with seemingly effortless ease. The AUM climb from Rs. 4,000 crores to nearly Rs. 5,000 crores in just 60 days (February-April 2023) is an astounding achievement, but the SATYA team made it happen in the blink of an eye.

After successfully navigating SATYA through the tough COVID days, Vivek and the SATYA team are now well positioned to reap the rewards of the large asset base. Wishing SATYA Micro Capital, the very best for the year ahead. May you continue to be the "Best of the Best"!!

Sanjay Gandhi (Nominee Director)

SATYA MicroCapital, one of the fastest growing MFIs, has shown a great deal of resilience during the last year. The company has adopted good governance and compliance standards and has reached an impressive and balanced growth trajectory combining equity and debt to maintain a comfortable average CRAR of 22% during the year and a CRAR of 19.5 % as of March 2023 to reach an asset size of nearly Rs. 5,000 crores. Adoption of technology has not only helped efficient operations but also enabled the company to offer credit plus services like tele-medicine and consultation to its customers who are mainly women during the pandemic. The company's tie up with National Skill Development Mission for funding training to the youth in professional skills and launching an Educational Application for high school students are also commendable initiatives.

I would also like to appreciate the drive and professionalism of founder Shri. Vivek and his team and wish them success in all their endeavors and managing all future challenges.

Surekha Marandi (Independent Director)

I am honored to write about SATYA MicroCapital as a board member.

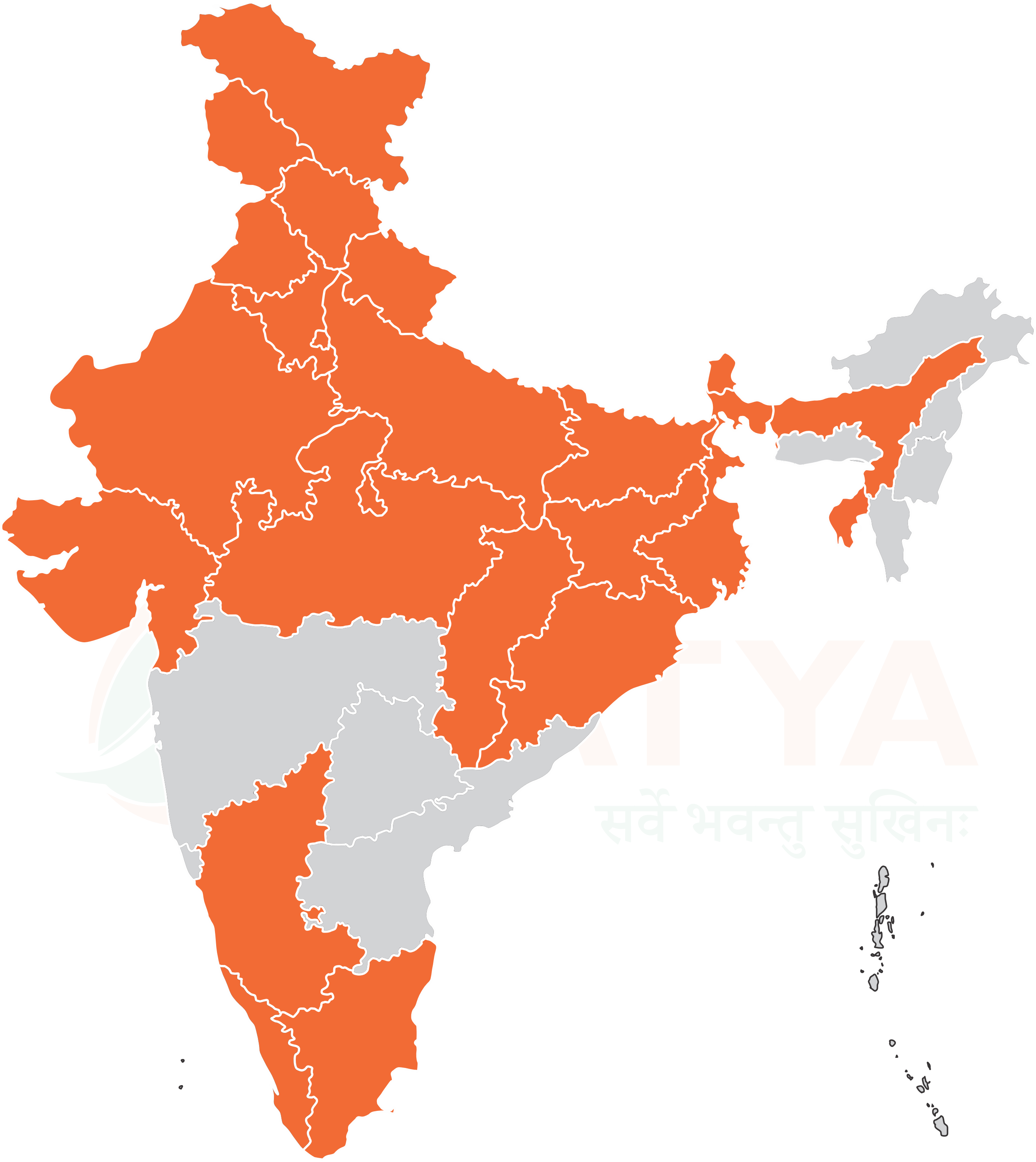
SATYA has grown at a record speed in the history of the Indian microfinance sector. Usually, breaking neck growth is considered risky because there usually are many Human Capital related challenges and operational chaos followed by rapid expansion. However, SATYA has managed the growth while maintaining sound operation quality and serving the clients with better and more impactful credit services. The cashless collection reached above 95%, compared with the 10%+ industry average. Undoubtedly, it is now one of the world's most progressive and advanced MFIs. I would like to convey my sincere congratulations to Shri. Vivek Tiwari and the team.

There still are many challenges for the sector. Many low-income households still don't have access to adequate and affordable financial services. Some are still struggling from the devastating economic impact of COVID. I hope SATYA keeps expanding its business and serving its clients better so that more people in the country can hope for a better future. Gojo will keep providing the necessary support for SATYA's journey to be the No.1 MFI in the continent.

Taejun Shin (Nominee Director)

Our Presence

(As On March 31, 2023)



Jammu & Kashmir	3	Assam	9	Chattisgarh	9
Himachal Pradesh	7	Bihar	18	Odisha	15
Punjab	13	Gujarat	11	Madhya Pradesh	20
Haryana	14	Rajasthan	12	Pondicherry	1
Delhi	1	Karnataka	22	Tamilnadu	13
Chandigarh	1	Tripura	4	Kerala	13
Uttar Pradesh	32	Jharkhand	9		
Uttarakhand	4	West Bengal	10		

Districts

SATYA MicroCapital started its journey from Western Uttar Pradesh and has gained a reputation as a rapidly growing NBFC-MFI. With operations spanning 22 states and serving over 1.50 million clients, SATYA has built a portfolio of nearly INR 50,000 million through its nearly 500 branches. The organization's primary focus has always been on positively influencing social norms and uplifting the socio-economic status of underserved households at the base of the economic pyramid. In accordance with our expansion strategy, SATYA MicroCapital successfully entered the state of Kerala in the fiscal year 2023. We have established operations in two branches, allowing us to establish a presence in this dynamic market. This strategic move enables us to extend our range of services to marginalized communities in Kerala, providing them with access to microcredit and other financial solutions designed to meet their specific needs.

CREATING LIVELIHOOD THROUGH ENTREPRENEURSHIP

Key Highlights

With the client-centric approach, the organization has not only expanded in terms of customer acquisition and portfolio size over the last six years but has also diversified its product and service offerings. Starting its journey from Bulandshahr, Uttar Pradesh, SATYA is known as one of the fastest growing NBFC-MFIs, having its operations expanded to **22 states** catering to approx. **15 Lac+ clients**, and standing at a portfolio of nearly **Rs. 5,000 Cr.** with nearly **500 branches**.

46,843.07

Loan Portfolio Outstanding Gross AUM (INR Millions)

(Excluding sale of portfolio to ARC)

98,071.66

Cumulative Disbursements Since Inception (INR Millions)

13,63,412

Active Loan

(Excluding sale of portfolio to ARC)

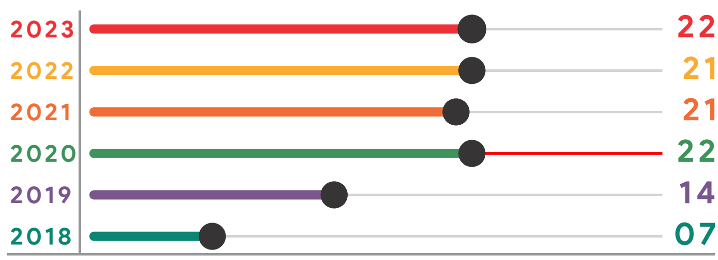
13,62,493

Active Clients

(Excluding sale of portfolio to ARC)

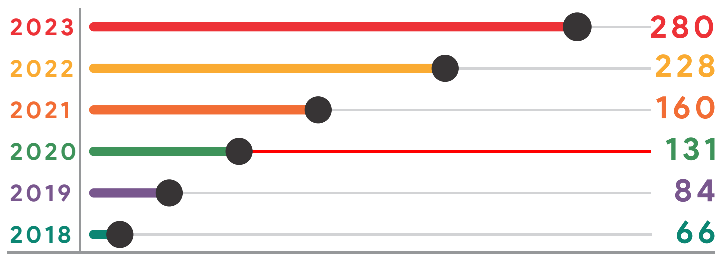
STATES

SATYA started its operations from UP West and has diversified its operations to evolve as a PAN-India player. The organization expanded from **7 states** in FY 2017-18 to **22 states** in FY 2022-23.



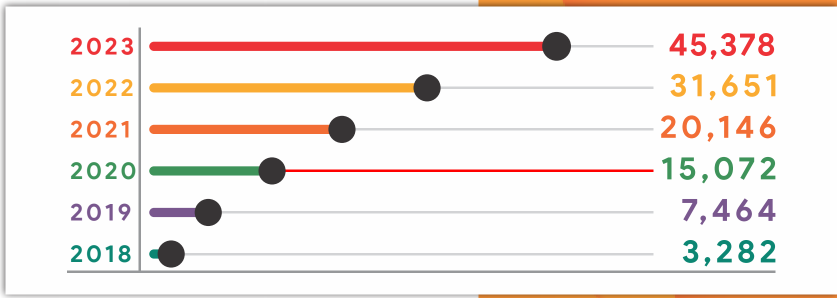
DISTRICT

By expanding to more than **280 districts**, SATYA rekindles its passion and courage. This also ensured that SATYA would continue to assist its clients in the most efficient manner possible.



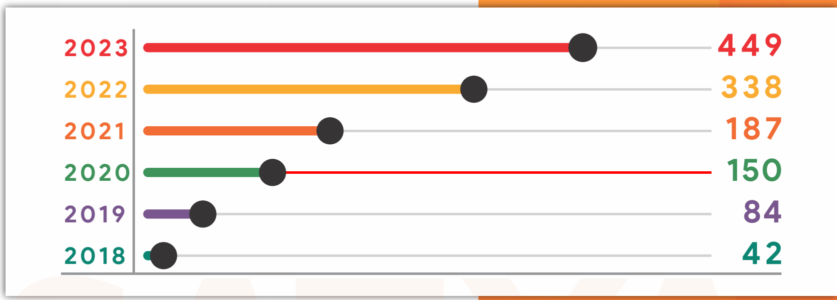
VILLAGES

In spite of the fact that FY 2022–23 will be remembered as a turning point, SATYA has proven its unwavering commitment to fully improving the community. With a growth of **43.37%** over the previous year, it has successfully expanded its terrestrial presence in **45,378 villages**.



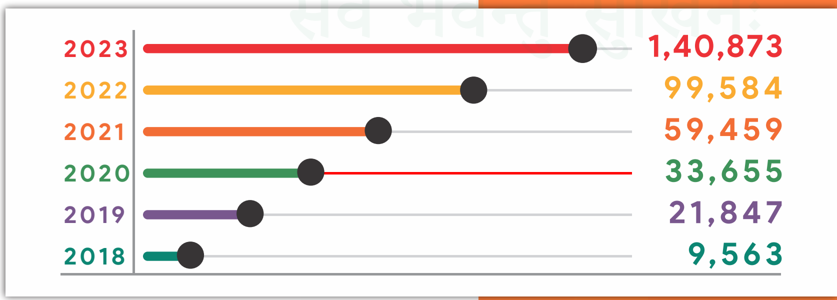
BRANCHES

During the FY 2022-23, SATYA grew in leaps and bounds as it expanded the total count of its branch operations to a whopping **449**.



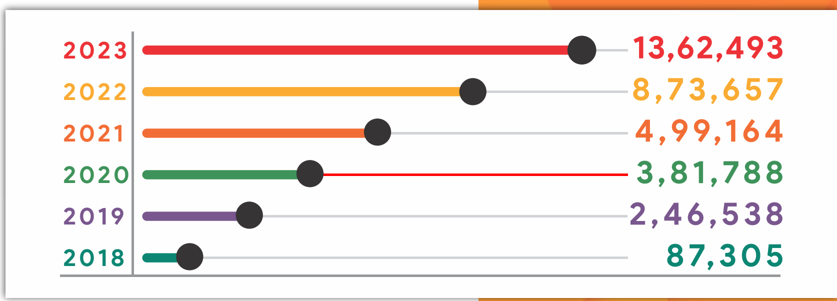
CENTERS

SATYA facilitated its affordable micro-credit services in over **1,40,873 centers**. With a lot of hard work, it has successfully registered **41.46%** growth over the previous year in the establishment of its centers.



ACTIVE CLIENTS

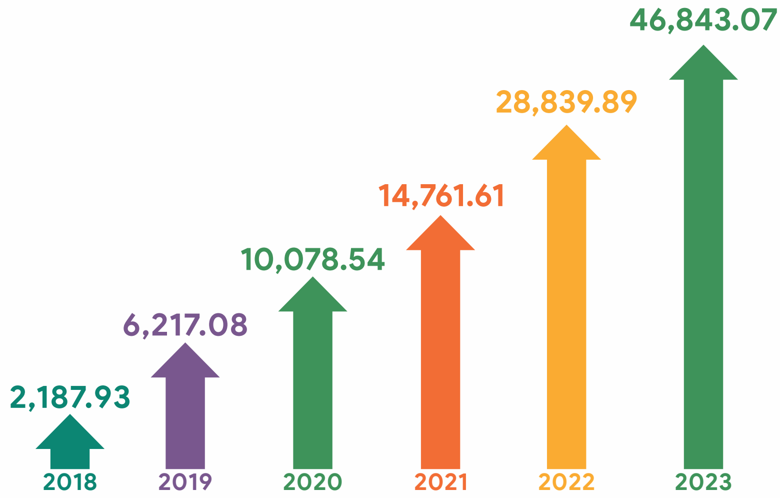
By providing services to more than **13,62,493** micro women entrepreneurs, SATYA salutes these driven and ambitious women who are improving their families, their surroundings, and therefore a significant portion of the economy. The number of active SATYA clients increased by **55.95%** over the previous year in the FY 2022–23.



Financial Highlights

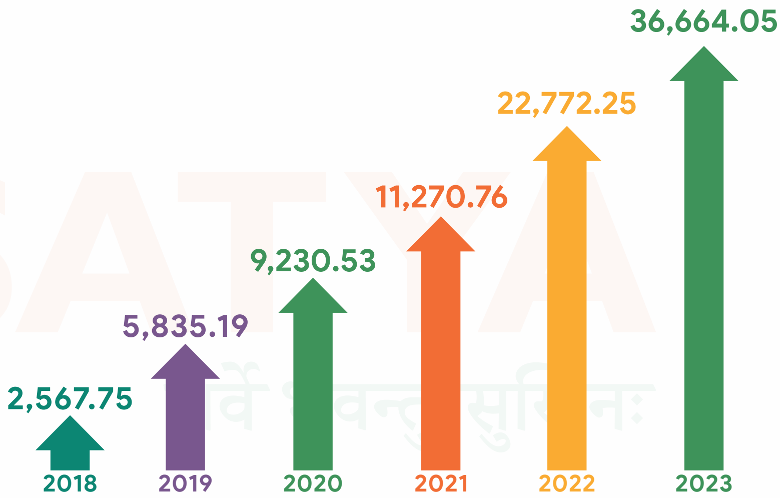
Assets Under Management
(Rupees in Millions)

Our vision of shared prosperity serves as our guide as SATYA has used its strong balance sheet to acquire assets under management of over **INR 46,843.07 million** and show **62.42%** growth over the previous year.



Borrowing
(Rupees in Millions)

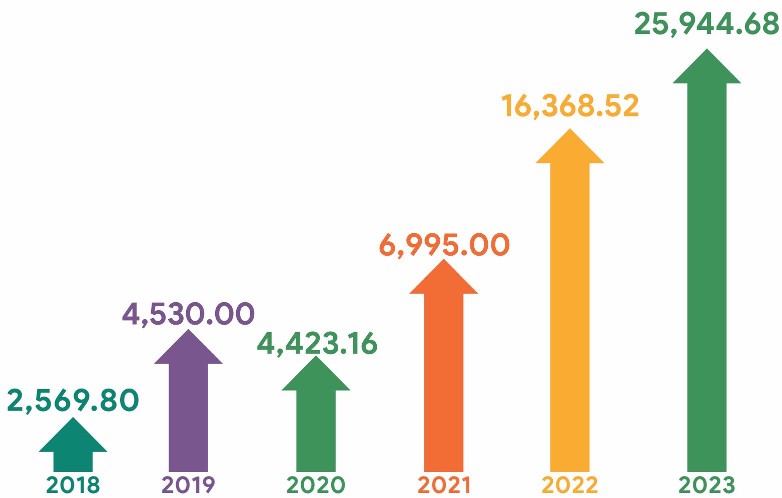
Despite confronting various challenges posed in the last 2-3 years, SATYA recorded borrowing of **INR 36,664.05 million** in FY 2022-23, which shows **61%** growth from the previous financial year.



Fund Raised
(Rupees in Millions)

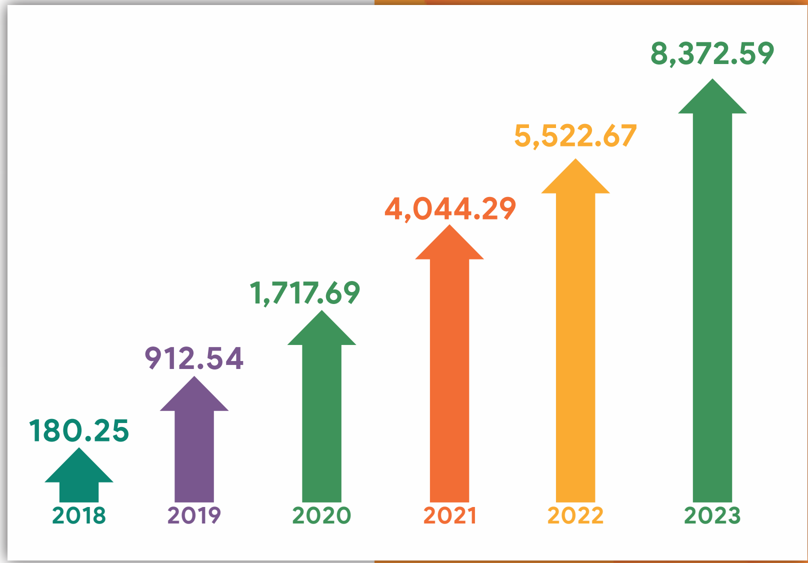
(Excluding Equity, Direct Assignment, Securitisation, Business Correspondents)

The valuable trust and belief shown by our investors enabled SATYA to successfully raise funds of more than **INR 25,944.68 million**, an astonishing increase of **58.50%** over the previous year.



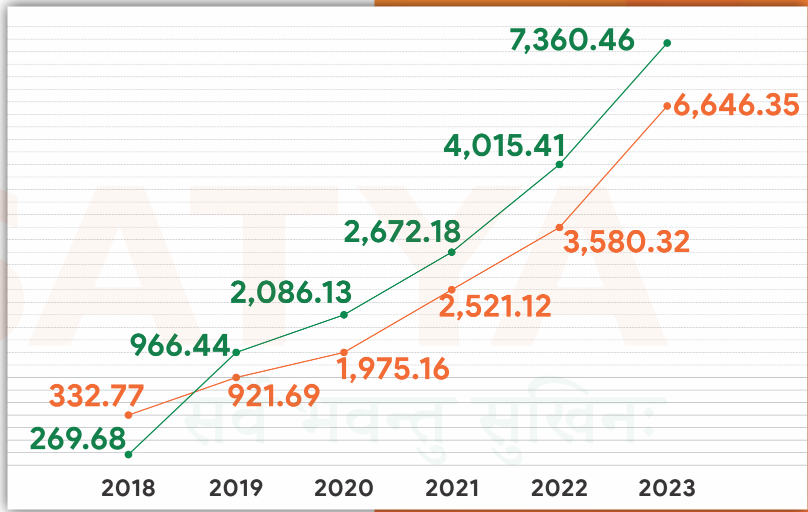
Net Worth
(Rupees in Millions)

SATYA is regarded as one of the most reliable sources of microloans. This could be seen by SATYA's net worth, which has increased by **51.60%** over the previous year to a value of **INR 8,372.59 million**.



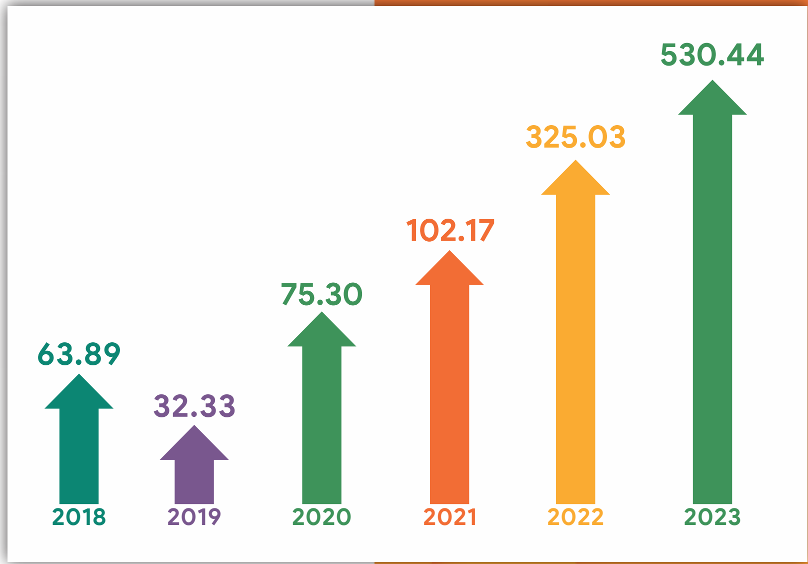
Revenue vs Expense
(Rupees in Millions)

SATYA's revenue for the FY 2022-23 reached **INR 7,360.46 million**, while expenses amounted to **INR 6,646.35 million**. Compared to previous year, year-over-year growth in both revenue and expenses stood at **83.31%** and **85.64%** respectively.



Net Profit
(Rupees in Millions)

Because of its significant expansion of business, SATYA has recorded a growth in net profit of **63.20%**. during FY 2022-23.



Our Products

LIMITED LIABILITY GROUP LOAN (LLG)

- **Loan Amount** Rs. 25,000 -75,000
- **Loan Term :** 2-3 Years
- **Interest Rate (p.a.)** 23.5% - 25.5%
- **Processing Fee** 0.5 to 1.5% + 18% GST
- **Repayment Frequency** Monthly/Four-weekly

Limited Liability Group Loan (LLG) offered by SATYA enable people to create and develop enterprises, build assets, and become entrepreneur as these loans fall under the category of Income Generating Loans.

INDIVIDUAL MICRO LOAN (IML)

- **Loan Amount** Rs. 45,000-1,25,000
- **Loan Term :** 2 – 3 Years
- **Interest Rate (p.a.)** 23.5% - 25.5%
- **Processing Fee** 1.5% + 18% GST
- **Repayment Frequency** Monthly

SATYA offers Individual Micro Loans to meet the diverse range of its client's financial needs, whether they are looking to renovate their house or expand their business. These are purpose-based loans, which are provided to individuals without any group guarantee.

CONSUMER DURABLE LOAN (CDL)

- **Loan Amount** Rs. 3,000 - 15,000
- **Loan Term :** 6-12 Month
- **Interest Rate (p.a.)** 23.5% - 25.5%
- **Processing Fee** 2% + 18% GST
- **Repayment Frequency** Monthly

Consumer Durable Loans furnished by SATYA, assist clients to pay for the purchase of consumer durable items. This class of products includes household appliances or electronics. The consumer durable loan can be availed at very affordable EMIs with hassle free repayment tenure.

MICRO BUSINESS LOAN (MBL)

- **Loan Amount** Rs. 25,000 - 2,00,000
- **Loan Term :** 1-3 Years
- **Interest Rate (p.a.)** 25% - 28%
- **Processing Fee** 1.5% + 18% GST
- **Repayment Frequency** Monthly

Micro Business Loan by SATYA is an offering for small businesses with big dreams. SATYA provides credit support to entrepreneurs to help them to upgrade or scale up their businesses. This loan is available to any new or existing small business that has an urgent need for cash flow.

WATER & SANITATION LOAN (WSL)

- **Loan Amount** Rs. 30,000-75,000
- **Loan Term :** 2-3 Years
- **Interest Rate (p.a.)** 23.90%
- **Processing Fee** 0.5 to 1.5% + 18% GST
- **Repayment Frequency** Monthly/Four-weekly

Water & Sanitation Loans are introduced by SATYA to provide sustainable solutions for the people at the bottom of the pyramid (BoP) to access affordable financing to access safe drinking and sanitation facilities.

PM SVANIDHI (PMS)

- **Loan Amount** Rs. 10,000 – 20,000
- **Loan Term :** 1 Year
- **Interest Rate (p.a.)** 23.5% - 25.5%
- **Processing Fee** 1.5% + 18% GST
- **Repayment Frequency** Monthly/Four-weekly

PM SVANIDHI provides collateral-free loans for working capital to the street vendors. This micro-credit facility is specially designed for Street Vendors who were severely impacted by the pandemic. It intends to establish a credit score for vendors and create a digital record of their socio-economic status.

SKILL LOANS

With a vision to help aspiring students pursue certifications, diplomas, degrees, and other skill development courses, SATYA has started offering Skill Loans. These loans are provided to the students enrolled with various training institutions which are engaged in providing the skilling and up-skilling courses to increase their employable skills. Skill loans will help in bridging the financing gaps for aspiring candidates thus making access to skill development programs convenient for the students. Underprivileged students, who do not have access to formal financing facilities can avail of this loan for pursuing various skilling and upskilling courses through our partner institutions.

By effective provision of microloans and facilitation of enumerable growth opportunities, SATYA has played a catalytic role in driving financial inclusion and poverty alleviation. We recognized that lack of availability of financial assistance is one of the biggest constraints to pursue technical and vocational education training (TVET) courses. Buoyed by the fact that investing in quality education pays the best, SATYA has created this product to offer a solution to address the gap between demand and supply of finance to these candidates. Bestowing the youth with skill development will certainly propel the nation's economic growth.

The product is a reiteration of SATYA's vision and mission to meet the entire life cycle needs of the customers. Promoting skills development will lead to increased employment opportunities for the candidates leading to an upgrade in the living standard of society. For this purpose, SATYA is poised to leverage its vast base of clients and the last milestone reach of its feet on the ground. This initiative will also effectively contribute to the Indian Government's Skill India Mission as the skill loans target the skilling and upskilling of the youth of the nation.

Till 31st March 2023, SATYA has disbursed 328 loans with a total disbursement amount of Rs. 6.96 Cr. These candidates have been enrolled with various training institutions across the country which SATYA has partnered with. The maximum ticket size for Skill Loans can be Rs. 5,00,000 which can be availed for a tenure of up to 48 months.

Key Product Features	
Loan Amount	10k -5 lac
Interest Rate (p.a.)	12% - 26%
Loan Term	Up to 48 months
Processing Fee	Up to 2%+18%GST
Repayment Frequency	Monthly

PRAYAAS Business Loan

During the FY 2022-23, SATYA introduced PRAYAAS Business Loan which is provided to self-employed individuals & people who have been operating small businesses for more than three years in a similar line of business. SATYA provides cheap and accessible loans to people who are engaged in earning a livelihood and are trying to expand or diversify their business.

SATYA MicroCapital in partnership with Small Industries Development Bank of India (SIDBI) is now furnishing financial assistance at an affordable rate to entrepreneurs at the bottom of the pyramid through its loan product **"PRAYAAS"**.

On 20th February 2023, SATYA disbursed its first Prayaas Business Loan in Noida, Uttar Pradesh. PRAYAAS loan is currently being disbursed in 5 states, and the organization aspires to add more states in the upcoming year.

Till date, an amount of around Rs. 85 lakhs have been disbursed which benefitted more than 50 small entrepreneurs who are at sustenance level and aspire to reach an enterprise level. It was very encouraging to note that this product has benefitted 50 plus micro entrepreneurs and aims to bring many more in its fold in coming years to meet the financing gap in this space.

Key Product Features	
Loan Amount	1 Lakh to 5 Lakh
Rate of Interest	18%
Processing Fee	1.18% (Including GST)
Tenure	3 Years
Hospicash	Rs. 1,100
Insurance	As per Insurance Calculator

MILESTONES

Ensuring SATYA's enduring legacy of achieving significant accomplishments involves proactively meeting industry standards. At SATYA, we strongly believe that these milestones are vital markers of our progress, guiding our implementation of business strategies and serving as a roadmap for our microfinance operations. Attaining these highly sought-after milestones is always a meaningful occasion for everyone at SATYA. We celebrate them with a genuine spirit of service, sincere reflection, and heartfelt gratitude. Let's now take a glimpse at the milestones SATYA has accomplished year by year since its inception.

2023

1 — **2nd Feb 2023**
Achieved INR **4000 Cr.** AUM

2022

1 — **25th Jan 2022**
Inauguration of **300th Branch**

2 — **31st Mar 2022**
INR 2900 Cr. AUM

3 — **27th July 2022**
AUM

4 — **22nd Aug 2022**
10 Lakh Clients

5 — **8th Sept 2022**
Great Place to Work® for the **2nd year** in a row

6 — **31st Dec 2022**
12 Lakh Clients

2021

1 — **14th Jan 2021**
Inauguration of **200th** Branch

2 — **3rd Feb 2021**
SATYA INR **153.25 Cr.** raised in Equity Funding

3 — **8th Mar 2021**
1st Vijayalakshmi Das Entrepreneurship Awards

4 — **18th Mar 2021**
Inauguration of SATYA शक्ति Foundation Office

5 — **3th Apr 2021**
5 Lakh Clients

6 — **6th July 2021**
SATYA's 1st **Great Place to Work** Certification

7 — **31st Dec 2021**
AUM

2020

1 — **15th Feb 2020**
Launched 6 month Internship Programme for Students of Shri Vishwakarma Skill University

2 — **7th Mar 2020**
INR 1000Cr. AUM

3 — **10th April 2020**
SATYA Donated **INR 21 Lac** to PM Covid-19 Relief Fund

4 — **25th April 2020**
SATYA Donated PPE Kits, Surgical Gloves & Mask In Assam

5 — **25th April 2020**
Launch of Free Digital OPD for SATYA's Clients, Employees & Their Family Members

2016

1 — 16th Oct 2016
Envisioning the concep of SATYA Geet

2 — 28th Oct 2016
Inauguration of SATYA

3 — 30th Oct 2016
1st Center Appraisal

4 — 1st Nov 2016
1st Disbursement of Center

5 — 30th-31th Dec 2016
Launch of Digitised Process & 1st Cashless Disbursement

2017

1 — 16th Jan 2017
1st Cashless Transaction

2 — 5th Feb 2017
100 Days of SATYA

3 — 6th Oct 2017
100 Cr. Disb. & Infusion of 1st Institution Equity - Dia VikasCapital

4 — 17th Oct 2017
100 Cr. Outstanding Celebration

2018

1 — 2nd Feb 2018
MFI License from RBI

2 — 21st May 2018
1 Lac Clients & INR 300 Cr. of Loan Disbursement

3 — 31st July 2018
Funding of 43 Cr. By Gojo & Co.

2019

1 — 25th Feb 2019
INR 500 Cr. Portfolio

2 — 1st July 2019
100th Branch of SATYA

3 — 30th July 2019
1st MFI to collect INR 100Cr. Through Cashless Transactions.

4 — 5th Sept 2019
Empowerment of 3,00,000 Micro Entrepreneurs

5 — 28th Sept 2019
1000 Days of SATYA'S Operational Journey

6 — 31st Oct 2019
Cumulative Disbursement INR 500 Cr.

6 — 12th May 2020
Upgrade In MFI Grading M2 To M2+ By ICRA

7 — 17th May 2020
Launch of SATYA रसोई Meal For Migrants

8 — 25th May 2020
1st MFI To Secure INR 105 Cr. Equity Funding During Covid-19

9 — 10th July 2020
Mr. Vivek Tiwari -MD,CEO & CIO Elected As MFIN Board Member

10 — 17th July2020
Launch of VIJAYALAKSHMI DAS ENTREPRENEURSHIP AWARDS

11 — 28th Oct 2020
Celebrating 4th ANNIVERSARY

Upskilling the Youth with E-Learning : VEDA

SATYA announced the launch of VEDA Application on 26th February 2023 which is an online learning platform for furnishing personalized learning for students studying in Grade 6 – 12. The application entails STEM, Spoken English, Ms- Excel & other skill-based courses for both Hindi and English medium students.

Overview

About 70% of Indian's i.e. 88 Crore lives in rural areas (6 Lakhs Indian villages) and at the Base of the Pyramid with the daily income of INR 205.00 only wherein the pandemic has accelerated the problem:

- 37% of children in rural areas are not studying at all or do not have access to basic formal education
- 8% only are studying online on a regular basis
- 48% children are unable to read more than a few words

Application Background

VEDA's vision is rooted in the belief that every student, regardless of their geographical location or socio-economic background, deserves equal access to quality education.

Where most of the Ed-tech platforms are targeting Tier 1 and Tier 2 cities and have expensive subscription, SATYA Microcapital with establishment of VEDA is committed to make a positive impact by providing free of cost quality education to its employees & customers in rural hinterlands. With a strong commitment to bridging the educational gap amidst Tier 1 and Tier 4 cities, VEDA intends to facilitate a comprehensive online learning platform which offers high- quality education to students across the country. Recognizing the financial constraints faced by many students in Tier 3 and Tier 4 cities, VEDA offers its courses at no cost, making quality education attainable for all.

The application courses are primarily divided into three main sections:

1. **Foundation :** Basics of Mathematics, Science, English, and other subjects
2. **Topic-Wise :** Specific topics and their comprehensive revision modules
3. **Live Sessions :** Interactive live sessions with top educators, instructors, trainers

VEDA embraces a myriad of interactive features which in turn makes learning fun and engaging, such as:

1. **OTP Sign Up and Sign In –** No need to remember passwords. Sign Up/In via OTP.
2. **Subject wise VEDA Shorts –** Short informative video on quick facts which are easy to retain.
3. **Quiz –** Encouraging a healthy competition, VEDA includes informative Quiz where students can participate with PAN India students to test their knowledge.
4. **Revision –** Revision of complete chapters supplemented with quick concepts summary.
5. **Bookmarking Classes and Notes –** Escaping the exhausting research of relevant classes and notes, the application has a facility to bookmark all those elements which are quintessential for consistent learning.
6. **Learning Reports –** The application also incorporates detailed analysis reports which not only assists in tracking the academical progress but also drills down details about completions, due dates, scores and much more .
7. **Multiple Profiles –** There is a provision for adding multiple students from same mobile number which urges more students to benefit from the platform.
8. **Ask a Doubt –** Students can ask a doubt anytime by just clicking a picture of the doubt in the application interface.
9. **Create Your Own Test –** There is an array of creating self-assessment for students in with highly customizable tests.
10. **Connected with Parent App –** All the progress can be tracked by a parent with VEDA – Parent application.

Way Forward

In near times to come, VEDA Academy aspired to improvise on the following areas to further bolster its growth:

- **Improving User Experience :** VEDA Academy will continue to improve the user experience by making the application more intuitive and user-friendly. This could include features such as a personalized dashboard, a more engaging learning experience, and better support for different devices.
- **Personalizing Learning Experience :** VEDA Academy will further personalize the learning experience for every enrolled student by utilizing analytical data to track their progress and interests. This would allow the application to further back each student with the content and support they require.
- **Making VEDA More Accessible :** VEDA Academy will make the application more accessible to students from diverse backgrounds by offering affordable pricing plans and course curriculum in vernacular languages. This would allow more students to benefit from the application's educational resources.

Moving forward, VEDA will continue to focus on its strengths and augment its reach into new territories. SATYA is also likely to continue leveraging technology and innovation, as this will be essential for maintaining competitive edge among students while using VEDA.

Free Mega Health Check-Up Drive

SATYA MicroCapital organized a Free Mega Health Check-Up Drive in association with SATYA Shakti Foundation with the noble purpose of creating public awareness for preventive healthcare and enabling a healthy society for people across the country.

Under this year-long Mega Health Check-Up Drive, more than 100 Health Camps were organized in 10 states covering a massive geographical network of approximately 200 villages. This initiative has served more than 18000 people across PAN India with medical supervision from Certified Doctors. It has also encouraged the beneficiaries to take care of their health and implement necessary lifestyle changes in accordance to prevailing pandemic conditions to live healthier lives.

The daylong Health Check-Up Camps were organized in the premises of nearby Temples or Gurudwaras from 10AM to 4PM under the guidance and leadership of doctors. People availed free health facilities entailing consultation from MBBS doctors for issues ranging from mother and childcare to diet & nutrition, availing generic medicines, vitals check like hypertension test, blood sugar test, blood pressure test etc. as well as ayurvedic assistance, during the health camp.

Sharing humble thoughts, Vivek Tiwari – MD, CEO & CIO, SATYA MicroCapital stated, “The health camp is one of the excellent ways of assisting people who need preventive health attention, and we feel privileged to be able to conduct these free health camps for the benefit of community we operate in. Considering the large turnout of people, we hope to organize many more such health camps in the future for enhancing the overall health of the citizens. Also, I am thankful to Shikha Sharma Ji – MD, SATYA Shakti Foundation for furnishing unparalleled support in the seamless and impactful implementation of this mega health camp drive. I feel a sense of gratitude when I realize that SATYA is making extra efforts in serving humanity by providing healthcare check-up services apart from facilitating micro loans to those living on the bottom of the pyramid and I am certain that we will continue making dynamic efforts in the same direction henceforth. We are also grateful to M-Insure Doctors for coming forward, collaborating with us and making this happen”.

These camps were designed with an eye to improving the health status and well-being of people living across the rural boundaries of Punjab, Harayana, Rajasthan, Bihar, Uttar Pradesh East Uttar Pradesh West, Himachal Pradesh, Odisha, West Bengal, Madhya Pradesh. Abiding by the COVID-19 preventive measures, the drive witnessed active participation of people from all age groups. Each camp was organized in supervision of staff of SATYA Shakti Foundation and SATYA MicroCapital Ltd. The medical camp embraced free of cost health consultation and counselling in collaboration with renowned doctors of M-Insure.

CLIENT SUCCESS STORIES

Empowering Lives with Inducing a Real Time Positive Impact !!!

When SATYA forayed into the world of microfinance six years back, we made a commitment to uplift the lives of our people socio-economically. The vision of the founding team was to channel holistic empowerment to women microentrepreneurs at the bottom of the pyramid by improving the quality of their lives and those of their families, providing access to better healthcare and educational opportunities for their children. SATYA has not only adhered to that vision, but its reach and impact have expanded multi-fold.

The following client success stories are a testimony of the impact which SATYA has successfully induced in the community it operates in. These narratives form the helm of success which SATYA's clients have achieved with amalgamation of their hard work, dedication, passion and financial backing received via affordable microcredit services of SATYA.

Ms. Kamla (Aasan, Rajasthan)

I am Kamla from Rajasthan, I had been running from one bank to another hoping to get a small loan for the expansion of my business, but everyone turned me down as I have nothing to provide them as collateral security. Until I was introduced to SATYA, I never thought that my dream of expanding my small saree shop in our area would come true. Since I started dealing with SATYA, I have found the staff very efficient and understanding, they listen to customers issues and try to solve them professionally. The terms and conditions for loans are also reasonable and the interest rates affordable. I availed my first microfinance loan from a leading microfinance company SATYA and started my business. My business grew rapidly, my daily income increased from Rs.500 to Rs.800 and hope to touch Rs.1000 mark soon. I am really grateful to SATYA for bringing happiness to me and my family. I recommend that SATYA open more branches countrywide so that more clients can access your services and products. All the best for changing many more lives.

Ms. Seema (Bulandshahr, Uttar Pradesh)

I am Seema, and I live in Bulandshahr, Uttar Pradesh with my son and husband. My husband works as a labourer in the nearby villages. My family has a total 5 members and like most of the Indian rural families, we have a small piece of land and cultivation was the only stable source of income. The income from farming was enough to provide our subsistence, but not for saving anything at the end of the month. It was through a village meeting that I came to know about SATYA and how it helps rural women. SATYA staffs imparted training on financial literacy and made me aware of the need of saving, household budgeting and importance of income generating activities. I applied for loan and got an amount of Rs 40,000, I bought a buffalo and started selling milk, which turned profitable.

SATYA has helped me in not only increasing my family income, but it has provided us the avenue for development in last few years. My family has improved our saving and credit habits as well, we no longer depend on the local money lender as our savings suffice for any emergency need. I consider SATYA as 'Mother' and wish to continue with this in long run for my family's development.

Ms. Soni Davi (Kangra, Himachal Pardesh)

I always wanted to do something on my own, I had a dream of opening my own business. Since I had experience in manufacturing bamboo products and my in-laws were also running same business, I decided to open an independent shop by the name of Bamboo Centre, where I started selling household decorative items such as Table Lamps, Mats, Show Pieces, Jars, Trays, etc. Everything was going well, but due to the sudden outbreak of the nationwide COVID pandemic, my business started collapsing. To revive my business, I took a loan from SATYA MicroCapital. Eventually, with time, I saw that my business sales started increasing, and Bamboo Center was scaling new heights of success day by day. I am extremely grateful to SATYA MicroCapital for helping me in becoming what I am today. If you're facing similar issues, I highly recommend giving SATYA MicroCapital a try.

Ms. V. Jeyanthi (Gollahalli, Tamil Nadu)

I am V. Jeyanthi from Gollahalli in Tamil Nadu, a 30-year-old mother of a daughter, strongly believe that determination and perseverance are the key drivers of success. Despite trying my best, I was unable to meet the basic needs of livelihood, then I decided to start a general store. I got to know about group loan facilitated by SATYA MicroCapital for the means of socio-economic upliftment of people in their area. I opted to take a loan of Rs.50000 and invested the amount in a general store. Initially I was earning Rs.500/- per day, but now I can proudly say that my minimum daily income is Rs.1000/- per day. I personally want to thank SATYA for the opportunity they have given to us. It was my dream to become an entrepreneur and just because of the help rendered by SATYA, I could do it. Their employees are very good in nature and possess sound knowledge about the loans and processes. This has indeed improved our decision making and has helped me to make our lifestyle better.

AWARDS & RECOGNITIONS

In Pursuit of Excellence

As a leader in the microfinance sector for the past six years, we are proud to be acknowledged for our achievements as a responsible company and a great employer. We are very proud to be acknowledged for our financial performance, brand value, and reputation within and across industries. As a financial service provider, we aim to be the employer of choice for India's most innovative people. Our position as a partner to many of India's and the world's leading corporations and organizations and as the workplace of more than 4500 individuals throughout the nation gives us amazing opportunities and the creative learning abilities to make a difference in society. Let us take a look at the Awards and Recognitions received by SATYA, which sets it apart in its own unique way:

FY 2022-23

Best Leadership Development Initiative SAFAL SUTRA by Banking Frontiers

Best API Initiative Client Onboarding API @ SATYA by Banking Frontiers

Best Mobile App Initiative SATYA E-Connect by Banking Frontiers

Best Women Customer Engagement Initiative HOSPICASH CLAIM by Banking Frontiers

Runner Up Category-Lending 17th Annual Summit & Awards 2022 by ASSOCHAM

"Best Branding NBFC/MFI" - MSME Banking Excellence Award 2022

"Best MSME NBFC/MFI" - MSME Banking Excellence Award 2022

Best Tech Savvy Microfinance of the Year"-"14th NBFC & Fintech Award 2023"

FY 2021-22

Winner 8th MSMEs Excellence Awards "Excellent Services of The Year"
Best Innovative NBFC-MFI at MSME Banking Excellence Awards
Best Branding NBFC-MFI at MSME Banking Excellence Awards
Best MSME NBFC-MFI at MSME Banking Excellence Awards
Best NBFC-MFI for promoting Social Schemes at MSME Banking Excellence Awards
Best MSME Friendly NBFC-MFI at MSME Banking Excellence Awards

FY 2020-21

The Promising Entrepreneurs of India 2021 By Economics Times - Mr. Vivek Tiwari
Winner - Best MFI in Digital Lending National E-Summit
Fastest Growing Brand (SATYA) & Fastest Growing Leader - Mr. Vivek Tiwari
Winner - Best Talent, Diversity & Culture Initiative ,Human Capital Dept.– SATYA's Got Talent
Winner - Micro Finance Cricket Tournament 2021 Organized By - UPMA

FY 2019-20

Best Micro Lending (NBFC) - ASSOCHAM's 7th MSMEs National Excellence Summit & Awards
The Most Promising Business Leaders of Asia (Mr. Vivek Tiwari)- Economic Times Asian Business Leaders Conclave
Winner - Most Trusted Micro finance Institutions In India - Atal Achievement Awards

FY 2018-19

Excellence Award - MINE (Microfinance & NBFCs Exhibition)
Winner - BFSI Leadership Award, Elets 6th NBFC100 Tech Summit
Best In Class Credit Underwriting Solution - Treasury, Risk & Compliance Summit
New Age Fast Moving MFI - 5th Eastern India Micro finance Summit
Winner - Micro finance Institution of the Year, Iconic Business Summit & Awards

FY 2017-18

Positive External Image Building - MFIN Microfinance Award 2018
Emerging Techsavvy Micro finance Company - MSME NBFC Excellence Awards
Micro Lending (NBFC) - 6th SMEs Excellence Award organized by ASSOCHAM INDIA
Top-Ranking Banking & Finance Projects In INDIA - 55th SKOCH Summit

SOCIAL PERFORMANCE MANAGEMENT

INTRODUCTION

Community welfare and sustainable social performance is an integral part of SATYA MicroCapital Limited's (SATYA) essence of doing business. SATYA has made fulfilment of responsibility towards its stakeholders, especially its borrowers, employees and the community it operates in, an integral part of the company's mandate. The social performance management (SPM) function at the company, zealously works to effectively translate SATYA's social mission into practice and is concentrated towards creating balanced performance on the financial and social fronts to promote the wellbeing of its clients and staff along with achieving financial sustainability.

SPM- Highlights of FY 2022-23

1. Initiation of ESG Adoption & Reporting
2. Third party Impact Assessment by M2i
3. SPI4 External Audit
4. AFISAR Rating on SATYA's performance on UNSDGs
5. Client surveys to capture their satisfaction, awareness, & dormancy
6. Plantation Drive Across 9 States
7. Endorsement of CPP Pathway & initiation of CPP Certification

OUTREACH

SATYA has presence across **22 states** with almost **500 branches, 5000+ employees and** more than **15 lakhs clients** as on 31st March 2023. It offers a wide range of financial products and non-financial services to the clients, ranging from Limited Liability Group Loan; Micro Business Loan; Individual Micro Loan; Cattle Loan; Hospicash and Covid Insurance; Loan for Consumer Durable Products, Clean Energy, Household Water and Sanitation facilities; Financial and Digital Literacy Workshops; Livelihood Trainings etc. By facilitating a myriad of affordable financial products and services, SATYA aspires to expand its reach to large number of financially underserved households in both rural and urban areas, for effective upliftment of their quality of life and living standard.

SG1 - To reach at the people at the bottom of the Pyramid.
SG2 - To be preferred choice of the people at the bottom of the Pyramid by providing holistic products & services.
SG3 - Enhancing the living standards of the family members.
SG4 - To be a responsible organization for the employees.

SATYA'S SOCIAL GOALS (SG)

Client Protection

SATYA implements its SPM programme through well formulated strategies, which is in accordance with the principles and industry standards such as Universal Standards for Social Performance Management (USSPM), RBI's Directions, Sa-Dhan and MFIN Code of Conduct and Client Protection Principles (CPP).

CLIENT PROTECTION PRINCIPLES (CPP) : SATYA has endorsed CPP Pathway and adopted the seven Client Protection Principles (CPPs) which are implemented and monitored through SATYA's social dashboard. CPPs are also comprehensively included in our training process for successful implementation of fair and respectful practices in the organization.

CODE OF CONDUCT AND RESPONSIBLE LENDING : SATYA has adopted MFIN-Sadhan Code of Conduct, RBI's Fair Practice Code (FPC) and Code for Responsible Leading (CRL) which are implemented and monitored periodically. SATYA has incorporated all the fair practices in its training modules for improved product diversification, client satisfaction, efficient process, and reasonable growth of SATYA.

SATYA AND THE UN-SUSTAINABLE DEVELOPMENT GOALS : SATYA is committed to contributing to the United Nations' Social Development Goals (UN-SDGs), by improving the living standards of low-income population across the country. The company offers a diversified suite of products and services to the financially under-served segments of society, contributing to the following UN-SDGs in the process.

- Almost 100 % of SATYA's clients are women, as we believe that women are the most effective medium for upliftment of a household, both socially and financially (SDG 1, 5 and 10).
- SATYA's focus is driving financial inclusion, underlined by its strong commitment to achieving socio- economic progress of Base of Pyramid population, which is also the low-income and financially under- served segment of the society (SDG 1, 8 and 10)
- SATYA regularly organizes free health check-up camps in partnership with industry associations (MFIN and Sa-Dhan), SATYA Shakti Foundation and local hospitals (SDG 3).
- SATYA is facilitating access to safe water and sanitation for its clients, through provision of credit for household level water and toilet facilities (SDG 6).
- SATYA has partnered with leading solar providers and is facilitating access to solar power driven home lighting systems for its clients (SDG 7).
- SATYA is committed to endorse or partner with externally developed economic, environmental and social charters/ principles for betterment of the communities, it works with, through provision of microfinance. It has endorsed Client Protection Principles and is member of Microfinance industry Associations of India (MFIN and Sa-Dhan), state microfinance associations etc (SDG 17).

RATINGS AND ASSESSMENTS

SATYA conducts both external and internal assessments to validate the scalability, sustainability and reliability of its processes and policies. During the FY23, SATYA received the following external ratings:

- C1 (highest grade)- COCA Grading by SMERA Gradings & Ratings Private Limited, April 2022
- Grade A – SDG Rating by Agent for Impact, March 2023
- Score- 85%,- SPI4 External Audit by Gojo Auditor, November 2022
- Great Place to Work Certification by Great Place to Work Institute, September 2022
- Third Party Impact Assessment Study by M2i

Impact Assessment Study

A third party impact assessment cum baseline study through M2i, was commissioned by SATYA in the year 2022, to track changes in the lives of the clients, along the following dimensions

A.) Livelihoods and economic well-being
B.) Financial inclusion and empowerment
C.) Water, sanitation and hygiene
D.) Health
E.) Education

This study interviewed 1,649 clients from 48 branches across all the major states in which the organization operates. Key findings of the study are as follows:

- The client's household income increased by 11% when compared to the income before taking the loan from SATYA.
- SATYA has been successful in reaching out to the hitherto unbanked segments of the population. For a significant proportion of clients, SATYA is the first MFI, the clients have taken loan from.
- 32% of respondents also reported that at the time of borrowing from SATYA, they did not have any prior relationship with any other MFI. This indicates a proactive strategy by SATYA to reach out to unserved clients.
- Most of the respondents (55%) reported taking loan from a group-based MFI for the past two to three years. Nearly half of the respondents (46%) also reported having loans from two MFIs, at the time of the interview.

Client Satisfaction and Feedback

In order to collect relevant and trustworthy socio-economic data to evaluate the achievement of social goals, client needs and preferences, service delivery quality, and take informed strategic decisions to modify our processes and products to fulfil clients' requirements, SATYA conducts several client surveys internally to collect clients' feedback and check their satisfaction and awareness levels.

Key findings of client surveys conducted in FY23 indicate that the majority of clients are satisfied with SATYA's staff conduct, loan products and services including its pricing and easy access. Clients are aware of the features of our financial products and processes. They also showed willingness to avail new loan and digital services from SATYA in future.

COMMUNITY INITIATIVES

In addition to financial sustainability, SATYA zealously works to achieve its social mandate of supporting the poor and less privileged, which helps the company to be socially accountable to itself, its stakeholders, and the community it operates in. Some of the social initiatives organized by SATYA in FY23 are as below:

Plantation Drive

SATYA organized plantation drive across locations in nine states and planted more than 5,000 trees, as a bid to save environment and to celebrate "Van Mahotsav"- festival of trees and forests in the monsoon season of 2022. Locations for this drive were Government Primary and Intermediate Schools, Colleges, Anganwadis, Hospitals, Government offices such as Panchayat, police station, BDO's office etc) at selected villages and towns in our operational states. Through these plantation drives, we aim to achieve multifarious objectives- make our surroundings green and to give back to the community we operate in.

Spreading warmth with Blanket Distribution Drive

A blanket distribution drive was organised by SATYA on 25th December 2022, with an objective to support homeless and most vulnerable people during the extreme winter season in the Northern and Eastern India. More than 4,000 blankets were distributed in Delhi and operational areas of SATYA.

Supporting Orphanages and Old Age Homes

A drive was organized on 28th October 2022, to celebrate SATYA's Foundation Day with Children and Senior Citizens living in Orphanages and Old Age Homes across locations. As part of this drive, essential items such as blankets, woolens, ration, medicines, stationary were distributed to more than 5,100 needy children and senior citizens living in these institutions.

GRIEVANCE REDRESSAL MECHANISM

Client Grievance Redressal Mechanism (CGRM)

A structured CGRM is in place to ensure that clients get proper resolution through timely escalation and follow-ups. During FY23, CGRM team received a total of 16,468 unique calls, which were resolved within specified Turn Around Time (TAT) with complete satisfaction of the clients.

Employee Grievance Redressal (EGRM)

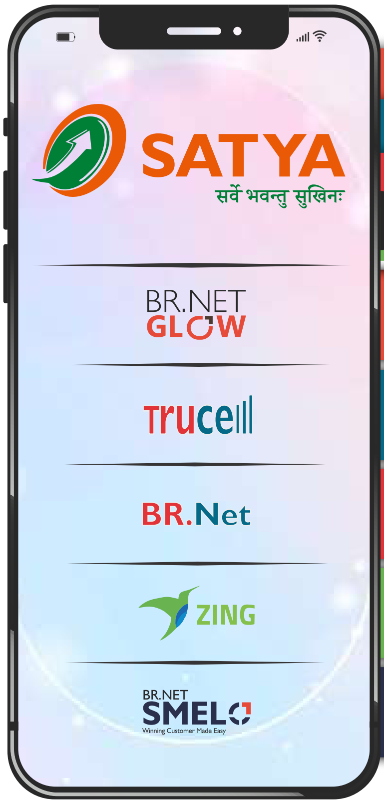
SATYA has established EGRM where employees can lodge their grievances by calling at the Toll-free number or sending an email to the designated EGRM mail id. During FY23, a total of 772 employees registered their grievances at the EGRM platform.

TECHNOLOGY INFRASTRUCTURE

SATYA has comprehensively leveraged the advent of digitization in its operations for harnessing enhanced customer experience, innovation, & accuracy. Over a period of five years, SATYA has developed an inhouse team of dedicated professionals for driving its digital strategies. It has effectively used technology to improve customer experience across all engagement points, maximise technology investment returns, & reduce operating expenses.

Our digitization initiatives are based on our aspiration to emerge as a "New Age Digital MFI", while also driving operational efficiencies, process optimisation, & productivity enhancements. Our process of technology transformation is in sync with our digital strategy to make our processes & delivery outcomes more agile. At present, SATYA is integrally focused towards digitising the present microcredit products & services & build for the future. Its approach involves ensuring prudently that the core technology is always 'ACTIVE'. SATYA's channels & partnership sites are intuitive using data analytics & a digital stack that is future ready.

Following Technical Applications Are Used In SATYA's Processes :



- Register Management
- Insurance Application
- SATYA Econnect
- SATYA Audit
- Group Loan Origination
- Loan Collection
- Loan Sanction
- Attendance & Payroll Management
- Individual Loan Appraisal

Technology is one of the core pillars of Soul of SATYA which directs the MFI towards paperless & cashless operations. To maintain uniformity across all loan products, SATYA has implemented complete end-to-end technology-driven business processes. Technological advancements have also aided in cost reduction & resource optimization. SATYA has applied best-in-class technology practises (&roid Tablet based Application with bio-metric authentication device available with complete field force) in all aspects of operations. From Village Selection, Client Identification & Assessment through Multi-tiered Credit Appraisal Structure, Loan Disbursements (100% cashless), to Loan Repayment by Clients through digital cashless transactions, technology is best applied in every process. The advent of technology has also automated the Attendance & Payroll processes through integration of ZingHR Application which has in return expedited the efficacy of Human Capital.

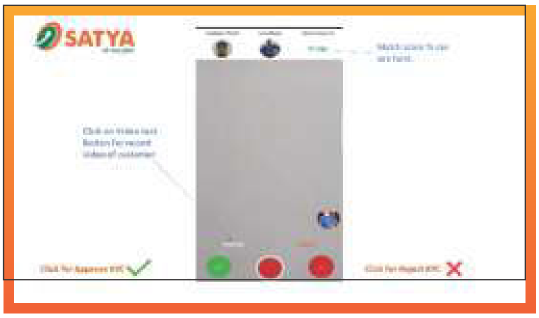
SATYA is among those first MFIs who started implementing National Automated Clearing House (NACH) – a mandate management process for monthly instalment's collection from IML/MBL clients. It is a more faster & accurate collection system where each step is designed to provide improved user interface for clients.

QUICK RESPONSE (QR) CODE BASED UPI PAYMENT

UPI QR Code is a unique and simplified solution for digital collections. It is the quickest and simplest method of cashless repayments. As each QR Code is unique and client-specific, it also aids in accurate payment identification and tracking. This innovation is fully automated and integrated with SATYA's LMS (Loan Management Solution). SATYA has started giving loan cards to its clients with printed Client-Specific QR Codes. The loan card also gets consistently updated with client details like current loan status, overdue amount, paid instalments etc. The loan card also contains clients' identification and personal details. In case of any cashless repayments, the client can scan the QR code printed on the loan card through their phone scanner and can make desired payment through their bank account linked with UPI. Similarly, the client can pay instalments during Collection Meetings, where SATYA's EDO (Entrepreneurship Development Officer) can scan the client's loan card with his/her code scanner machine.

Key Features

- Safe and Secure Transactions
- 99% Up-Time
- Fully Automated and Integrated System
- Easy Reconciliation
- After successful payment, details are automatically updated in client's loan account and EDOs can view it on Trucell
- No separate collection update needs to be made on Trucell by EDO
- Actual settlement in company's bank account and report can be viewed across Easy Pay Portal on real-time basis
- Geo Fencing to critically identify the areas of functionality



VIDEO KYC

Video KYC (VKYC) is an AI-driven Customer Identification cum Verification Process which is more accurate and accelerated. Through VKYC, facial matching with Client's Aadhar Card, automated data extraction and machine learning techniques are done in real-time. It has accelerated SATYA's Client Onboarding Process, reduced onboarding costs and minimized TAT effectively.

In line with RBI guidelines on Video-based Customer Identification process, SATYA has built a robust Video KYC solution for consent-based method of establishing the customer's identity, for onboarding. The customers can now complete KYC process with convenience and safety from the comfort of their home, a video KYC call with SATYA EDO involves the process of verification of Customer's Geographic location coordinates, Liveliness, Face Match and Document Verification.

HOSPICASH INSURANCE CLAIM PROCESS MODULE (APPLICATION/WEB)

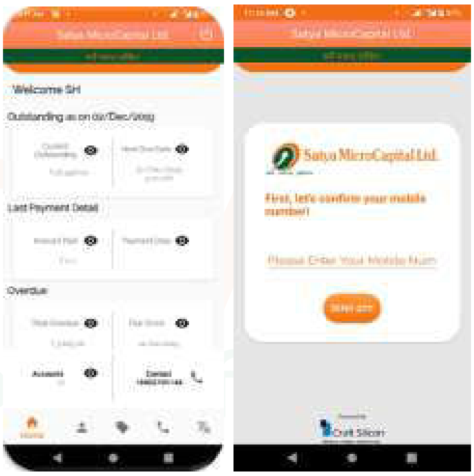
SATYA has always worked earnestly to facilitate its clients with quick, hassle-free, and best-in-class healthcare facilities. SATYA aspires to work towards achieving this goal through HospiCash Insurance Claim Process Module. HospiCash is a Health Insurance policy that provides the members a lump-sum amount in case of hospitalization due to any disease or accidental injury and the entire policy amount in case of the unfortunate death of the member or her co-applicant within the stipulated period of the insurance.

Key Features

- Integrated with BR.Net
- Auto-Populate Customer Information in Employee/User Window
- Auto Calculation of Claim Amount
- Auto Mailing to Insurance Companies
- Provision of Extensive Details on the Claims and Settlement Status.
- Resolve Query
- Facility of Updating Claim Documents through App
- Duplicate Check
- Paperless Process
- Maintenance of Documents
- User can also conduct queries and settlements in bulk

SATYA CLIENT CONNECT APPLICATION

SATYA Client Connect Application is developed to connect with the client so that they can get all critical information & updates about their loans on single platform. This App can be accessed anywhere & anytime. It has made dissemination of vital information much easier with rural customer base, especially the women segment. It makes the client independent & have real-time access on their loan features as well as have a hands-on experience regarding their daily transactional issues, reflecting any kind of operational queries they might have, which they can extract through the App.



(Mobile Application)

MOBILE DEVICE MANAGEMENT (MDM)

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

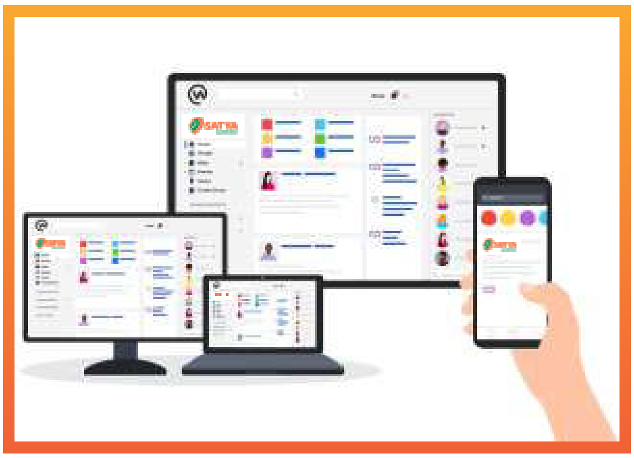
- Simplified Kiosk Management
- Remote Control Software for Android Devices with Voice Calling
- Unified Communication & Call Management for Enterprise
- Quick and Deep Insights into the Complete Device Inventory
- Mobile Content Management (MCM)
- Location Tracking
- Lockdown the Devices in Kiosk Mode in case of Device Being Lost
- Lock Android/iOS Devices to Business Apps, Prevent Unauthorized Access & Limit Excess Data Costs

WORKPLACE BY FACEBOOK

SATYA started using Workplace by Facebook as an intra-office communication platform, The use of Workplace as intra office billboard was started on SATYA's third annual day celebration. The main concept behind this initiative is to keep the entire workforce of more than 4,500 employees of SATYA on one single platform for official communication. This has eased out the flow of communication within various team working from across the country.

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

- Improvising the Work Culture
- Two-Way Communication within entire Organisation
- Employee Engagement to Drive Culture
- Group Chat & Facebook Office
- Increased adoption of existing work tools



E-SIGN INTEGRATION

SATYA has integrated E-sign across its process of paperless loan sanctioning for easier and quicker processing of the loans. The innovative approach to digital fulfilment with E-Sign thus in turn present an opportunity to eliminate the need for in-branch verification and signing. With loan disbursements been done successfully to more than 13,63,420 clients through E-Sign, it has now become an indispensable function of digitization strategy of SATYA.

With integration of E-sign, it is now feasible for SATYA to electronically collect an account holder's signature without printing paper versions of the documents and forms. After being E-signed, customer, member, and account documents are managed appropriately in accordance with the SATYA's document policies. This involves the use of an advanced document imaging and tracking system. Integrating an imaging system with E-sign and doc prep system offers additional efficiencies.

Employee Onboarding is done through e-sign as it ncreases efficiency, improves security & reduces costs.

SATYA have adopted E-sign in its operational processes see many potential rewards, including :

- Efficiency: reduces—or in some cases eliminates—the need to print, route, scan, store, and shred paper documents. Additionally, digital documents usually appear in a bank or credit union's imaging system overnight or sooner. Once imported, the imaging system may then be able to automatically attach the E-signed documents to the correct customer, member, or account record.
- Convenience: E-sign makes signing easier for loan operations employees, lenders, and the customer/member as well.
- Quality control: When properly configured, an E-sign workflow should not permit a signing session to end until all necessary signatures are obtained, ensuring fully executed documents and reducing risk of oversights.

REGULATED DIGITAL COLLECTIONS FRAMEWORK FOR LOAN REPAYMENTS

The most pressing challenge of our time – COVID-19 impacted the microfinance operations across the whole country. With the tumultuous outbreak of the pandemic, it became quite imperative to prioritize our collections efficiency, and the safety of our customers and teams. Conversely, SATYA established a new digital collections infrastructure which also enabled our technologically challenged customers to pay their loan EMIs with guidance.

SATYA has set up multiple CSPs and BC Network which are operational in all villages, regions in the vicinity of active branches. They are being used to facilitate SATYA's operations to become more robust and technologically advanced as well as giving an in-house access to all internal as well as external customers. – Making access easier for clients to make the repayments. SATYA has partnered with Fingpay, Airtel Payments Bank , ICICI Bank and PayNearby to empower the customers for engaging in digital repayments.

EMBRACING DIGITIZATION FOR IT AUDIT & INFORMATION SYSTEM SECURITY

Rapid changes in technology are a reality of the current business environment. With a considerable microfinance institution auditing their IT functions manually till date, examination, and evaluation of SATYA's information technology infrastructure, policies and operations is now being done digitally. This digitally determines to what extent IT controls protect corporate assets, ensure data integrity, and are aligned with the overall goals of SATYA. This in turn has expedited the audit process, minimized the potential risks, safeguarded assets, and increased the integrity of information currently in place.

LEVERAGING IN NEW AGE TECHNOLOGIES - WHATSAPP SERVICES

Leveraging WhatsApp business integration capabilities, SATYA is now implementing interactive information exchange for the purpose of generating customer awareness and sending timely reminders. Through WhatsApp, we intend to provide customers access to loan outstanding information, mapping of bank account details, checking top-up eligibility and doing a top-up transaction.

In time to come, we yearn to invigorate our end-to-end process digitalization efforts and use the power of technology as a new customer acquisition and service channel. We'll also use analytics to generate actionable insights for data-driven decision-making. SATYA will also continue to use full-stack API platforms for collaborating with fintech industry to provide our customers with faster time to market and affordable credit solutions.

DIGITIZATION OF MANUAL REGISTERS

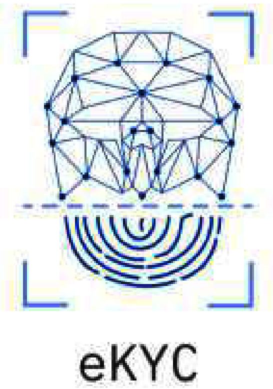
This fiscal year saw one major transformation in SATYA. All the paper based manual registers which were used for maintaining records, operational data like movement register, branch visitor register, petty cash register, employee grievance register, branch monitoring register, key register were digitized. This entails a countless benefits of data digitization, which embrace time savings, cost savings, and the sharing of information. By digitizing the registers, SATYA was enabled to extract, retain useful information quickly and easily.

Key Features

1. **Higher efficiency :** Working with physical registers affected the efficiency of team. As the EDOs has to go from record to record to find the customer data or any other form, and that will only happen if the documents are easy to see in the first place. The process becomes even more lengthy when a record is misfiled or lost. Furthermore, completing everything by hand exposed the process to human error. Also, it save time spent on paper by establishing a direct link between people and technology, allowing them to function more productively.
2. **Data security :** Paper based registers were easily misplaced, putting sensitive information like client information, financial reports, and so on at risk. Due to digitization, access to digital data is simple to define. As a result, data became more secure, and less prone to misplacement. Another compelling reason for digitizing these manual registers was that it is fully encrypted, and password protected. Third parties now can no longer illegally read or copy files without prior knowledge.
3. **Affordable alternative :** By adopting a digital solution, the need for physical storage space for paper records has also disappeared or reduced. SATYA now readily optimizes resources for cost reductions after digitizing the manual registers. Going paperless is evident as it eliminates the costs of physical paper, storage, and handling, resulting in significant operational savings. This in turn boosts productivity, real-time operation, and process optimization automatically.
4. **Simple access :** Document digitization enables SATYA to access data in digital form from any location, eliminating the barriers of place, time, and synchronized access. Easy access to information facilitates data flow within the industry, resulting in increased productivity. Data is available in real-time with a digital solution. This data is accessible through the team.

5. **Improved integration :** A digital solution is enabled to exchange data, tasks, and insights with other systems. SATYA can now make faster and more informed decisions with greater visibility and insights into its business operations. Because of the high quality of the data, schedules, inventory management, and other functional areas are now executed more quickly and confidently.

LATEST INNOVATIONS
During FY 2022-23



E-KYC

Strengthening its paperless approach, SATYA adopted E-KYC (electronic Know Your Customer) in this fiscal year, which is a validated, automated tool which helps field staff identify the right KYC process to use for their business and comply with AML regulations. By integrating E-KYC procedures, SATYA has effectively reduced the risk of manual errors, avoid missing out on additional clients, and reduce costs associated with manual processes. E-KYC also provides an audit trail that can be used as evidence in compliance-related disputes. It is a standard for identity verification through digital channels. It allows field staff to use their mobile phones as an authenticator, bypassing the need to provide traditional authentication documents.

Key Features

1. Process Optimization
2. Increased Security
3. Faster Transactions and Reduced Costs
4. Increased Customer Loyalty and Engagement

VERIFIED CALLER ID

SATYA also got in place its very own verified caller ID for enhanced security. It is an enhancement to Caller ID that helps protect customers against spoofing by identifying verified calls. Calls are verified when the incoming caller's phone company has verified that the phone number displayed on the Caller ID is accurate and has not been spoofed or falsified.

AUTOMATED DIALER FOR PRE-DISBURSEMENT VERIFICATION

One of the major latest innovations which happened in in technological infrastructure of SATYA during this financial year was introduction of automated dialler for pre-disbursement verification. This facility also furnished transactional support via a promotional automated dialler calling facility for pre-disbursement verification.

This auto dialer software is an outbound dialer which helps the concerned team automatically dial out a huge set of leads and saves significant time for calling agents. It enables SATYA to connect a customer to a live agent once the call has been patched up at the customer end. This leads to high productivity and efficiency.

BBPS

Through various mobile banking apps, UPI apps, and mobile wallets, SATYA clients now have the option to effortlessly pay their loan EMIs using BBPS. BBPS is a trustworthy and protected payment system available on multiple payment applications such as Airtel, Phonepe, Gpay (Google Pay), Paytm, and others.

CORPORATE OVERVIEW
STATUTORY REPORTS
FINANCIAL STATEMENTS

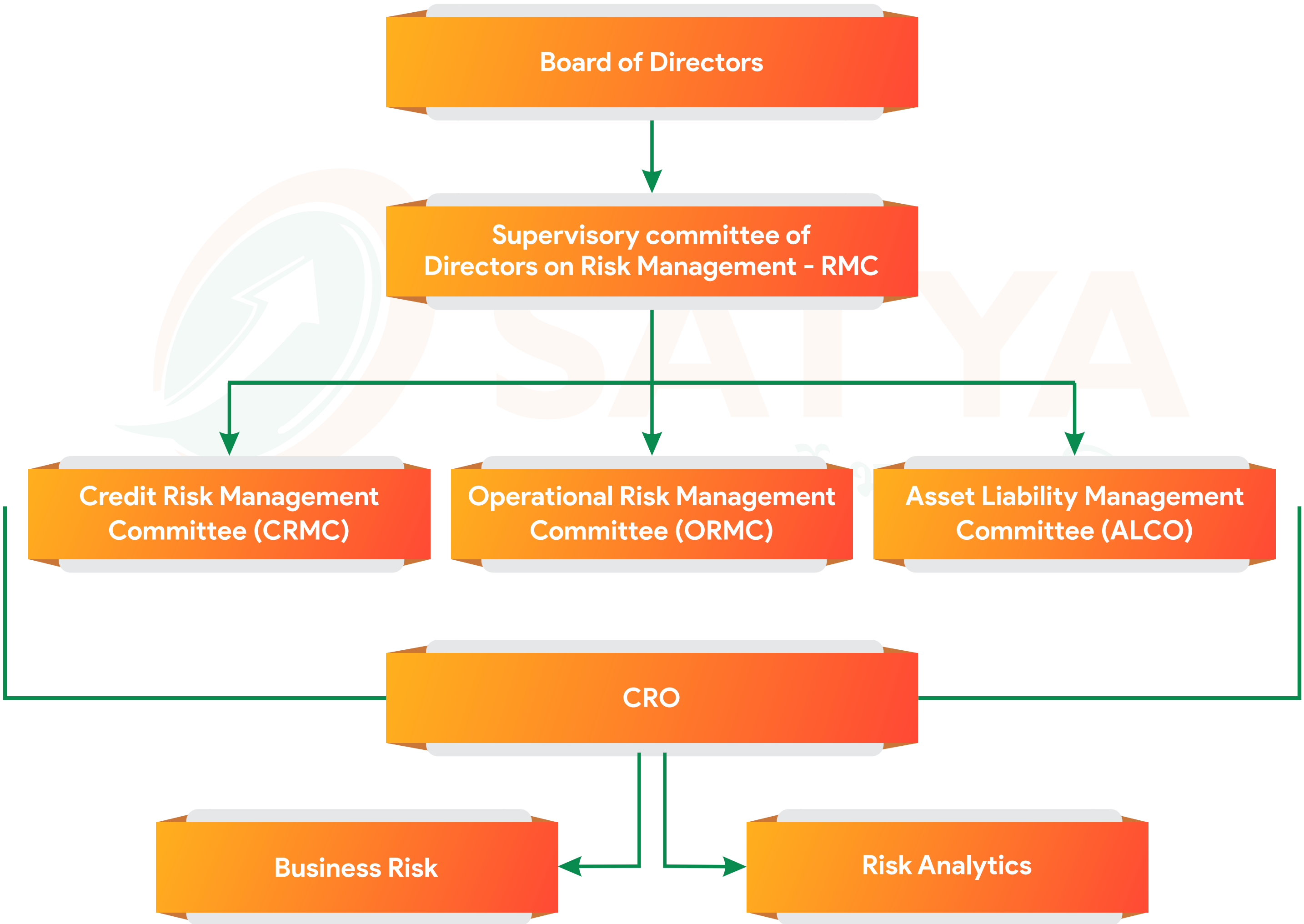
RISK MANAGEMENT

Risk management is fundamental to our operations and is critical to ensure sustained profitability and stability. At SATYA, we have an independent risk management department which works under the supervision of Chief Credit & Risk Officer. The vertical identifies, measures, monitors, and manages credit, market and operational risks including information security risk. To ensure integration of best risk management practices into SATYA's corporate governance framework, the vertical works with and across all departments of the company. It utilizes all significant information to improve the overall enterprise risk management and hence develops strong risk culture in the organizational workflow.

The risk management process is continuously reviewed and adapted in the context of changing risk scenarios that SATYA is facing and the agility of same is reviewed for its appropriateness in the dynamic risk landscape. The fitness of risk management process is assessed on an event-driven basis.

SATYA's risk management process is constituted majorly of three distinct components: the assessment of business risks, operational controls assessment and compliance processes. Risk observations are presented and discussed with the management during Management Risk Committee Meetings. Any unseen event is reported immediately to the management. Board Risk Management Committee also reviews the implementation of risk management activities periodically.

Precisely, the following hierarchical structure defines the risk management department at SATYA:



As a microfinance institution, we are exposed to different kinds of risks which are as given below:

1. Credit Risk
2. Operations Risk
3. IT Risk
4. Market Risk
5. Liquidity Risk
6. Political Risk
7. Catastrophic Risk

CREDIT RISK

Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. To assess and manage the risk of default, our assets (loan book) are classified as :

A) Low Credit Risk B) Moderate Credit Risk C) High Credit Risk

This classification of above categories is based on assumptions, inputs and data captured during customer enrolment. We have implemented a system driven risk - based KYC categorization for our all customers which is done at initial stage of collecting customer information by our Entrepreneurship Development Officers (EDOs).

To further mitigate the default risk and concentration risk, we follow stringent measures right from new geography selection to the customer on-boarding. We have well defined and documented operational process right from client sourcing till the repayment collections defining strict norms for client selection, assessment of household income and obligation, KYC collection and client repayment ensuring 100% compliance with the latest master Directions issued by RBI. Process implementation is monitored on a regular basis by the supervisory team which conducts surprise centre visits to observe the gaps in the defined operational process and interact with the clients to understand the alignment of SATYA products and process with the client's needs. As risk management practice, we have altogether separate operations and credit department to serve as maker and checker. Monitoring of operational processes and portfolio takes place on regular basis which helps in maintaining healthy asset quality. Updating the Board Risk Committee on the various risk observations, compliance with statutes, progress of risk management practices and the effectiveness of our control systems is done with utmost stringency. SATYA's effective credit risk management is reflected in its portfolio quality indicators such as robust repayment rates and stable portfolio quality which are best in class across the industry.

OPERATIONAL RISK

Operational discipline is the key determinant in making a sustainable business model. SATYA follows a calibrated approach in business expansion thereby striking a balance between growth and the risks arising from the concentration levels. Operational process is structured with an appropriate mix of people and technology to create a channel of activities that lead to standardization along with the flexibility of getting customized as per the customer needs. As a risk management practice, regular monitoring of operational activities is done by the risk management team. We have a comprehensive risk control matrix in place which defines the risk associated with all the activities of each functional department and the existing control measures which have been put in place to mitigate the inherent risks. Assessment of residual risk is done by the risk management department and heat maps are generated basis the likelihood of the residual risk and the impact of the same. This matrix is reviewed quarterly in the light of changing landscape. Comprehensive risk assessment is conducted for each department at different intervals to check compliance with internal and external regulations and identify areas of process improvement which is in line with the industry best practices. We have defined set of risk indicators through which we track operational risk across all functional departments on a regular basis and evaluates it against the tolerance limits of the organization. The findings of the evaluation exercise are reported to and discussed with the management during the Management Risk Committee Meetings. Various analytical reports related to portfolio quality, branch monitoring, client monitoring and cash management are generated by the department basis which proactive actionable alerts are sent to the operations team. As a risk control mechanism, SATYA has leveraged technology for unwavering centralised control and vigil mechanism to minimise the possibility of frauds. Our strong operational risk management is reflected in our compliance with the operational process and relatively fewer frauds as compared to our peers.

INFORMATION TECHNOLOGY RISK

IT and cyber risk is tracked through continuous monitoring of IT systems. To enlist a few, protection against malware attacks, data loss prevention measures, disaster recovery, data encryption, secured e – mail system, monitoring of system use by the users dispersed across the locations, applications security testing are existing control mechanisms which are used as a protective guard against cyber risk. Risk Management department conducts the risk assessment exercise to check the effectiveness of control measures and compliance with all the regulatory requirements.

MARKET RISK

As a financial organisation, we are subject to various kinds of adverse market changes like interest rate movement, credit spreads, market volatilities due to exchange rate movement. However, at SATYA, we are not having any significant exposure to the foreign borrowings therefore exchange rate movement and global capital market movement does not affect us. At Interest Rate risk side we are sufficiently cushioned after the announcement of deregulation of interest rates by the RBI in its latest Master Directions for NBFC – MFIs due to which we can now align our lending rate as per the cost of funds and operational expenses. Exact impact of interest rate risk will be measured in the times to come. However, considering the recent inflationary pressure across the globe and India, we have seen upward movement of interest rates due to the regulatory action to contain inflation, we may expect similar rising interest rate trend will continue till inflationary pressure eases out in local as well as global economy.

To monitor the residual market risk we have set limits on exposure to single lender, minimum exposure to banks & other FIs and track other critical factors Net Interest Margin to monitor the market and financial risk. All these indicators are reported to the management as well as Board Risk Management Committee.

LIQUIDITY RISK

This type of risk could arise due to non – availability of funds at appropriate cost or time. As a prudent liquidity risk management practice, we have a diversified set of funders including banks and other financial institutions which enables sourcing of funds from multiple sources without compromising on cost and reliability terms. In addition to this we also maintain additional liquidity which is planned as per the requirement of business and reviewed on a periodic basis. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents based on expected cash flows. Balance sheet liquidity ratios (CRAR, Liquid Ratio, Debt – Equity Ratio, Percentage of Qualifying Assets) are also monitored against the internal and external regulatory requirements by risk management department to deduce any trends and breach in the tolerance levels set by the organization.

POLITICAL RISK

Interference by the local political parties in the microfinance activities is another major risk that is faced by microfinance institutions. During the past few years, we have faced crisis in states like political agitations in Assam, Punjab, West Bengal raising the demand for loan waiver which seriously jolted the repayments etc. Focussed customer-connect, compliance with regulatory guidelines and geographical diversification of portfolio helped SATYA to cope with such kind of risk with favourable results on the front of repayment from customers.

CATASTROPHIC RISK

While planning a new expansion, SATYA has a policy to conduct a primary and secondary area survey, without completion of which, SATYA does not foray its operational expansion in such areas. This is done specifically to gauge the vulnerability of any geographic terrain towards natural disasters. However catastrophic incidents are unavoidable and can at best be managed by taking precautions in the initial stages of the business itself. SATYA has a district level portfolio capping which helps to avoid certain areas within a state or keep the impact of an unfavourable event limited. In the past, Cyclone in Odisha & West Bengal, floods in Chhattisgarh, Bihar and Assam have led to temporary suspension of operational activities in the affected areas. In such cases, SATYA always insures the client's, employee's and assets to limit the monetary impact due to such incidences. This also aids affected clients in resuming their activities back to normal life with enhanced resilience and moral boost.

RISING INFLATION & INTEREST RATES

Elevated inflation has been driven by increase in food prices coupled with rise in consumer demand. Rising urban and rural demand including demand for consumer non-durables, passenger vehicle sales and credit cards has posed an upside risk to inflation. Although recent action of Government on supply side front has led to releasing some pressure on food prices and looking ahead, the expectation of a record rabi harvest is also favourable for easing of food price pressures leading to some moderation in consumer price inflation. However, the rising uncertainty in international financial markets need to be monitored closely. During last few quarters, there has been hike in interest rates continuously by Reserve Bank of India, primarily to contain inflation. Therefore, in coming quarters, we may expect a relatively lesser hike or even status – quo in terms of rise in interest rates. Impact of RBI's monetary policy stance on our cost of funds is to be monitored.

RISK MONITORING

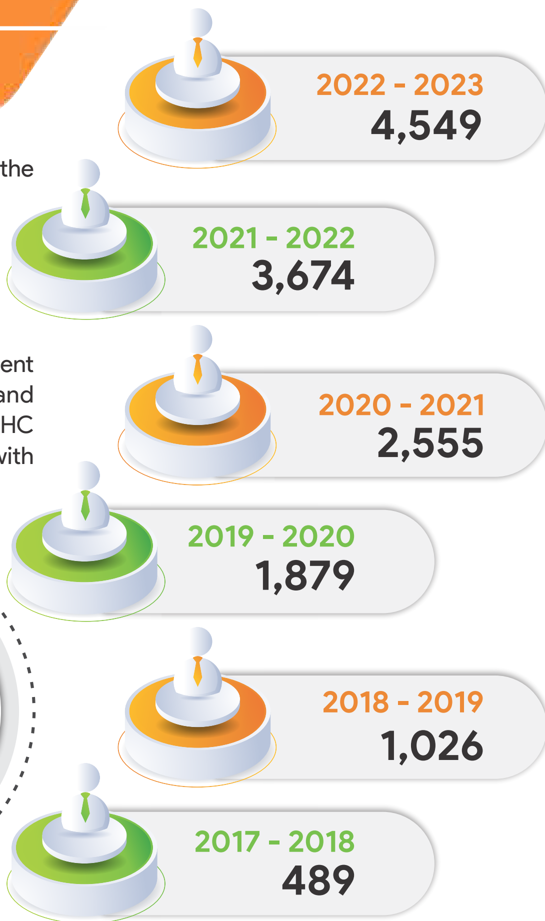
Company has established robust risk monitoring framework in place under the guidance of risk management department. All risk elements in our day-to-day operations are getting identified on timely basis and corrective and preventive measures are being undertaken to minimise their impact at company level. Risk identification, measurement and control mechanism is central theme of risk vertical at SATYA with adherence to established reporting and corrective/preventive framework for risk impact minimisation.

HUMAN CAPITAL

At SATYA, the Human Capital (hereafter HC) department plays an imperative role in the functioning of people management as finding the right people is critical. People are the biggest asset for an organization and providing an efficient workforce to SATYA for managing the rapidly evolving business environment and the rising need for qualified employees in the contemporary world is one of the elementary functions which is solitarily taken care by HC Department.

The department also implements the vital task of ensuring compliance with employment laws, creating a conducive work environment, facilitating employee training and development, and managing the organizational culture and change. Alongside, the HC team also intrinsically supports, develops, and maintains a cordial workplace culture with the objective of transforming SATYA's organizational process easier and more productive.

SATYA ardently believes that recognizing employee achievement furnishes them with a feeling of belongingness towards the company and helps them feel appreciated as a team member. The department's priorities entail encouragement, appealing, retaining and employing talent. SATYA endures a participatory culture which further enables employees to have an open conversation with the upper management, assisting them in having a clear idea of how the company is progressing, how they can participate, and develop a stronger sense of purpose.



Year-on-Year Employee Strength for last 6 years (as on 31st March of every FY)

EMPLOYEE WELFARE

The HC Department focused on prioritizing employee welfare and implemented various strategic initiatives in the fiscal year 2022-23 to ensure comprehensive employee development:

Subsidized Lunch

For all its employees at its head office, SATYA began a subsidized corporate food service. Offering employees subsidized lunches is a terrific way to keep them physically healthy, mentally satisfied, and more productive throughout the day. Every employee can benefit from these lunches, which can also increase staff retention. In addition, we have a team of experienced in-house chefs who prepare wholesome meals for our staff at the dormitories. A proven, affordable strategy to inspire, retain, and attract staff members is to provide delicious, high-quality, nutritional meals at discounted rates – or even for free.

Evening Snacks

March marks the beginning of extreme work targets which often lead to employees getting clung to their workstations. To break the monotonous routine and provide a savory treat to relish the taste buds of hardworking employees, SATYA organized a month-long evening snacks break. Despite SATYA offering a wide range of benefits to make its employees feel appreciated, nothing quite wins employees over like free food. Because SATYA believes when it comes to employee perks, few things are as simply satisfying as free food.

Festival Specific Meals (Iftari & Navratri)

HC Team at SATYA has always espoused Workplace Inclusivity within SATYA's corporate ecosystem. This approach is inherently associated with broadening the dialogue to embrace people who practice different faiths. To ensure that all the employees receive adequate support and empathy during times of spiritual significance, HC Team at SATYA are always well-versed in the customs and traditions of multifarious religions and cultures. This is exemplified by festival specific meals organized during Navratri and Ramadan in SATYA's offices situated across the country.

(Subsidized Lunch)

(Evening Snacks)

(Festival Specific Meals -Iftari & Navratri)

Medical Camp during Strategic Meet

Employee's health and wellness are never compromised at any cost in SATYA. An absolutely free of cost medical camp was organized during the strategy meet to promote healthcare and wellness among. Conducting medical camp benefitted in multifarious ways :

- Lower healthcare costs
- Attracting and retaining employees
- Increase in productivity
- Drop in absenteeism

(Medical Camp During Strategic Meet)

Support during Medical Emergencies

Medical emergencies or any sort of disruptive event are bound to create a host of problems for employees. In concern of the same, HC Team ascertains that everything from to lost productivity and employee assistance is handled simultaneously. Apart from providing financial aid and workplace flexibility, SATYA fathoms that although it may be unusual to crack the whip and get back to workplace as usual as quickly as possible, it's best to avoid rushing stressed, traumatized employees back to work. In such situations, employees are not able to focus on their jobs until they have a handle on their situation, and they deserve the time and support it takes to get there.

Wellness Centre

HC Team have constituted an employee wellness center where employees may relax and take short breaks to increase productivity. This is one of the creative ways HC Team has opted to boost employee productivity and increase job satisfaction. The wellness center is a private area of office where an employee can escape to avail a vital break from others in the open spaces of the office.

(Wellness Centre)

(Yoga Session)

(Gym Facility)

(Onsite Medical Room)

Yoga Session

SATYA continually redefines its staff wellness initiatives considering the need of the hour. To promote productivity, decrease sick days, improve memory, reduce weariness, raise mental clarity, strengthen muscles, reduce stress, and increase job happiness, multiple offline yoga sessions were organized in premises of SATYA at regular time intervals.

Gym Facility

Given the potential health issues which arise from sedentary lifestyle and working hours, SATYA offers its employees a completely free of cost gym facility at the headquarters so that they maintain a healthy lifestyle and meet their fitness objectives. By implementing this gym facility in the office, SATYA intends to help employees release this workplace stress which releases norepinephrine hormones. This in turn culminates in reduced stress, enhanced mood, and better brain function.

Onsite Medical Room

SATYA has a particularly constructed on-site medical facility which is supervised by a licensed doctor and furnished with a glucometer, blood pressure monitor, physiotherapy chair, and generic medications. This facility provides preventative health care and treatments to the whole SATYA task force, making it possible for workers to receive immediate attention for regular health issues. The on-site medical room has particularly proved beneficial in decreasing the number of off-site, health-related, patient care visits among employees of SATYA.

MONTHLY BIRTHDAY CELEBRATIONS

Age is one tangible measure of just how far a person has come. At SATYA, employee birthdays celebrations matter and HC Team in SATYA know how to channel power of birthdays to bolster employee morale and engagement. Monthly birthday celebrations are an absolute way of telling the employee that SATYA as a workplace care about them. On every last working day of the month, a celebration party of all those employees whose birthday falls in that particular month is organized and is celebrated with all the employees of at corporate office.

CRICKET TOURNAMENT

Talent is the only factor that matters, without any room for divisions based on geography, ethnicity, culture, gender, or other factors. With this belief, we at our organization organized the **"Late Vijay Lakshmi Das Memorial Cricket Championship"** during FY 2022-23. Additionally, we also organize other enjoyable cricket tournaments at regular intervals. The creation of this sports league has encouraged our employees to actively participate, boosting team engagement, identifying new leaders, and combating stress. The great thing about bonding through the Cricket Tournament is that it brings together not only the staff, but all members of the SATYA community, regardless of their job roles. We put aside any hierarchies and compete on the field. Over time, this event has evolved into a platform that allows everyone in the company to connect with each other in a more open and personal way.

SAFAL SUTRA

To create an internal employee capacity building and leadership development program that strives to discover the greatest human capital inside the firm, SATYA launched Safal Sutra. Employees at Safal Sutra are given a defined career path and the opportunity to advance within the business environment. This leadership development program's main objective is to give qualified personnel the skill sets they need to succeed in their existing positions. The current emphasis is on enhancing the Sr. EDOs' (Entrepreneurship Development Officers) competence in preparing for their competent advancement to the next designation as Branch Manager. Till date, SATYA has successfully conducted 8 batches of Safal Sutra program where a total of 284 employees participated, 258 qualified and 227 have been successfully promoted to Branch Manager. At the second edition of the Distinguished NBFC Awards in 2022, Banking Frontiers recognized SATYA as the "Winner" in Best Leadership Development Initiative in recognition of this innovative program.

CORPORATE CAR POLICY

SATYA MicroCapital furnished corporate cars to its hardworking employees so that they can carry out their professional and personal tasks. SATYA distributed as many as more than 7 cars to its employees along with drivers for their constant support and expendable contributions to the company. Along with the implementation of this initiative involving considerable economic savings, this car policy also enabled employee's mobility and sense of belongingness.

IMPLEMENTING IDEA (Inclusion, Diversity, Equity, & Accessibility)

At consistent time intervals, SATYA keeps modifying its comprehensive IDEA (Inclusion, Diversity, Equity, & Accessibility) strategy. The MFI (Micro Finance Institution) realizes the value of a workforce channeled by IDEA and makes it a point to foster a culture which supports it.

This yields in driving cohesive implementation and accountability across the organization which paves way for greater, more concentrated, and dedicated focus on compliance and mitigation, as well as IDEA accountability, competencies, and transparency.

In view of the same, SATYA launched SATYA's Got Talent acknowledging the presence of unity in diversity in its ecosystem. It is a unique platform for all employees to showcase their hidden talents like Dance, Singing, Mimicry, Poetry, Painting etc. It reinforced positivity and enthusiasm among employees along with inducing a sense of belongingness between SATYA and its employees.

Alongside, there is also a provision of extending leaves up to 2 months as per the requirement after taking maternity leaves for female employees. A woman employee might not be able to return to work as soon as expected after her maternity leave period. Motherhood seldom takes an emotional, physical, and mental toll on new mothers in particular. As stipulated by the Maternity Benefit Act 1961, SATYA as a responsible employer grant all its female employees additional leave days until she is able to return. This not only ensures that her wellbeing and her baby's are secured, but also that she is able to return to a workplace that supports and assists her on this big transition. Whether a woman is a first-time mother or a seasoned parent, it is always an added benefit to have the support of her employer.

FESTIVAL CELEBRATIONS

Festivals hold significance in both personal and professional settings, whether it's celebrated with families at home or colleagues at work. They offer a special chance for companies to foster motivation and boost employee morale. Through organizing events and celebrations, we aim to promote positivity and enthusiasm in our work culture. This increased motivation and sense of belongingness among employees contribute to improved productivity and team-building behaviors.

(Diwali Celebration)

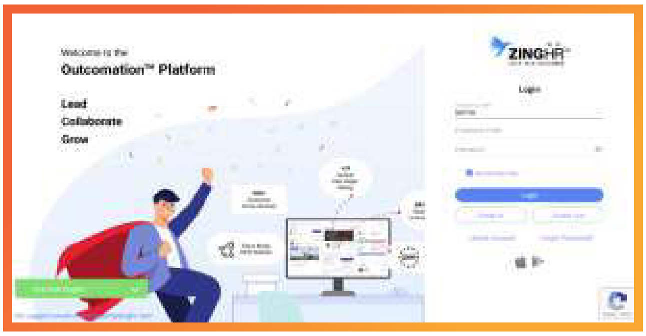
(Holi Celebration)

(Independence & Republic Day)

(Christmas Celebration)

(Women's Day)

DIGITIZING HC PROCESSES



SATYA has also leveraged the advent of technology for enhanced productivity, efficiency, and ease of implementation for its employees at a rapid pace. Processes that were once manual and time-consuming are now executed in a quick and efficient manner with digital tools, applications, and systems. Incorporating technology in the workplace helps the employees do more with fewer efforts. This saves both their time and energy, which they can confer upon some other work. Therefore, enabling them to take proper decisions to ensure an enhanced workforce.

SATYA reckons that efficient human capital management has become the need of the hour and it is an important element which makes an organization work efficiently. Aligning with this thought approach, SATYA has integrated Human Capital Management technology (hereafter HCM) via Zing HR software which aids HC departments in various tasks, such as capital management, data storage, analysis, and maintenance, and administrative support.

Furthermore, SATYA is also amidst the process of developing its in-house Human Capital Management software to streamline these processes by automating uniformly recognizable patterns of behavior and performing effectively for the employees. The HCM software will entail the capacity to carry out many of these functions and be accessible to all members tied to an organization: stakeholders, managers, employees, and, of course, HR personnel. This will also bolster employee experience, easy accessibility to data and cloud technology.

TOP 50 INDIA'S BEST WORKPLACES IN BFSI 2023

SATYA was also recognized as one of the Top 50 India's Best Workplaces in BFSI 2023. This is the sheer exemplification of SATYA's commitment to demonstrate responsible leadership and foster employee wellbeing. A total of 153 organizations in the BFSI sector undertook this assessment organized by Great Place to Work. Based on a rigorous evaluation, SATYA secured its position in the Top 50 organizations among India's Best Workplaces in BFSI 2023. This recognition indicates that SATYA excels both in robustness of its people's practices and act on feedback received to create a culture of trust. The Human Capital Department at SATYA has played an integral role in embarking and continuing this journey towards building and sustaining a High-Trust, High-Performance Culture.


Best Workplaces™ in BFSI
Great Place To Work. INDIA 2023

Top 50
India's Best
Workplaces™
in BFSI
2023

SATYA MicroCapital Ltd.

For inspiring trust among your people, instilling pride in them, creating an environment that promotes camaraderie, and delivering a great workplace experience for all your employees

Yeshasvini Ramaswamy
Chief Executive Officer
Great Place to Work® Institute, India

GPTW CERTIFICATION

We are delighted to announce that SATYA has earned the Great Place To Work (hereafter GPTW) certification for the past two years in a row. Having GPTW Certification is the first step towards understanding how your employee experience stacks up and in being acknowledged for the great workplace one has created. This is undoubtedly the most definitive Employer of Choice certification that firms seek to attain since it is regarded as the Gold Standard in discovering and recognizing Excellent Workplace Cultures. The annual certification recognizes SATYA's efforts to enhance employee's safety and well-being and to build a work culture of high performance, trust, and superior comfort. The esteemed certification is solely determined by what employees have to say about their work experience at SATYA.

The recognition reflects SATYA's extraordinary workplace environment, which cultivates a trusted work culture of excellent performance and instills qualities of credibility, respect, fairness, pride, and camaraderie among its employees. This accreditation reaffirms "TEAM," one of SATYA's basic ideals that serves as an essential part of its essence.


Great Place To Work®

Certified

SEPT 2022 - SEPT 2023

INDIA

TM

This is to certify that SATYA MICROCAPITAL LTD. has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.

This certificate is valid from Sep 2022 to Sep 2023.

Yeshasvini Ramaswamy
Chief Executive Officer
Great Place to Work® Institute, India

Note: The certificate is valid subject to the terms and conditions agreed to by the Organization.

EMPLOYEE SPEAKS

Prakashanand Yadav
(SH, Operations)

SATYA is exceptional due to its highly efficient top management and industry experts. People are dedicated and determined here to perform their duties and bring a positive change in the lives of underprivileged people, especially women. Employees get myriad opportunities to learn and grow as they receive guidance and support from experts. I am genuinely thankful to SATYA for providing me with such a brilliant platform for contributing to society and growing simultaneously.

Jay Prakash Pathak
(BM, Operations)

I have been part of SATYA since August 2019. I gained extensive industry exposure and am happy to work as a member of the SATYA family. As we conduct most of our operations in rural areas, I learned the significance of the "human touch" in understanding the ethos and socio-economic circumstances of the Clients. Our highly efficient top management is incredibly supportive and gives us the leeway to work independently.

Santosh Kumar Yadev
(Sr. EDO, Operations)

I joined SATYA as Sr. EDO in the Motihari branch, Bihar, and since then, I have been part of the SATYA family. I learned a lot and evolved as a seasoned employee of the organization. My association with SATYA has uplifted my life, and it has been an enriching journey both on my professional and personal fronts. I am financially independent, and my heart fills with joy to see the happy faces of my family members. I am grateful to SATYA for giving me a purpose in my life.

Arvind Narayan Tripathi
(ZM, Operations)

The best part of working at SATYA is its transparent and supportive work culture, where we can perform our duties in peace. SATYA offers work flexibility to employees, which is very relevant in the modern period. The collaborative environment of the enterprise takes away our stress and workload. I have always received support, guidance, and opportunities from the company to excel in my professional life. I am really grateful to be part of the SATYA family.

Ravina Tandon
(Dy. Manager, Secretarial)

In SATYA, I have gained good learning and hands-on experience in compliance, specifically in the secretarial department. As a compliance department we face many challenges with various regulatory authorities or shareholders, but SATYA as a company has provided us the independence to handle such matters with utmost diligence. The team and management at SATYA are very kind and helpful, working with them has truly been a game changer for me. I had left the organization in 2021 due to some personal reasons after gaining work experience of 2.5 years and thereafter the best part I really appreciate about the company is that they gave me the opportunity to rejoin this organization even after a gap of 6 months. I would be really grateful to SATYA for giving me this opportunity to work with such an enthusiastic and hard-working team. Working for this company is undoubtedly the best decision I have ever made.

Vivek Muskan
(RM, Operations)

My long and awesome journey with SATYA started in 2019. I joined as an ACM and steadily rose to my current position. At SATYA there is a strong emphasis on process, policies, and cost consciousness. The discipline and rigor helped me in building my professional and personal life. SATYA is a great place to work as the senior management and colleagues are very supportive. The work culture, respect for colleagues and emphasis on teamwork have all contributed to SATYA being recognized as one of the best companies to work for in India. On the personal front as an individual, working with SATYA has made me positive and more confident. The confidence has helped me become a strong and effective team leader.

RAVI KUMAR
(CH, Operations)

A home away from home is an apt description of SATYA. Employee friendly work environment, sense of belonging to a big family where everyone stands by you in critical situations and close bonding with colleagues are attributes that have kept me going in this organization. The training and learning programs conducted frequently instilled confidence in me to take up senior roles. With a wide presence across India and the reputation it enjoys among clients, SATYA is a place to be if one is interested in working in the rural heartland, where a vast majority of Indian population resides. I really cherish working with SATYA. It has helped shape my personality and made me what I am today – confident and an achiever. Thank you, SATYA!!

Varsha Kumari
(Sr. Manager, Human Capital)

Whatever I am today is because of SATYA. I too started from small like SATYA and today I am proud to have grown into a senior role. The company also by grew leaps and bounds to become one of India's largest financial services companies. The best thing I like about SATYA is that it helps the poor women break free from the vicious cycle of poverty and become financially independent. The company takes good care of women employees and I always felt that I was part of one big family. SATYA changed my life and transformed me as an individual. It gave me an identity and a purpose in life for which I will be eternally grateful.

SATYA
सर्वे भवन्तु सुखिनः

Vihangam 2023

&

Vijayalakshmi Das Entrepreneurship Awards 2023

26TH - 27TH FEBRUARY 2023

PLATINUM PARTNER

ICICI PRUDENTIAL LIFE INSURANCE | Aditya Birla Health Insurance Co. Ltd. (A part of Aditya Birla Capital Ltd.) ADITYA BIRLA CAPITAL

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she the people THE WOMEN'S CHANNEL

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Pullman, Aerocity
IGI Road, Airport, New Delhi 110037

@SatyaMicroCapital @SatyaMicro @SATYAMicroCapitalLimited @SATYAMicroCapital

SATYA Microcapital Ltd. celebrated its annual event "Vihangam 2023" on 27th Feb 2023 with over 1000 employees from across India. The event marked the successful completion of 6 years of SATYA's operations in the microfinance sector in 2022 and the achievement of a 4000 Cr. portfolio. On account of this achievement, SATYA honored its employees who have contributed to the organization's growth and success. It was a resounding success, bringing together employees from across India to celebrate their achievements, recognize outstanding performances, and foster a culture of appreciation and motivation.

However, with a task force of over 4500 employees, it becomes difficult to recognize each talent in one day, so SATYA organizes a unique one-day state-wise celebration called Pragati Path series to connect and celebrate the achievements of all its employees. The series aimed to strengthen the relationship between field staff, state office staff, and higher management to inspire employees to continue their excellent work while recognizing their valuable contributions to their teams and the company's success. In the FY 2022-23, Pragati Path was organised at 6 difference locations, starting on October 2022 and concluding on December 2022.

It was a resounding success, bringing together employees from across India to celebrate their achievements, recognize outstanding performances, and foster a culture of appreciation and motivation. The event demonstrated SATYA's commitment to recognizing and nurturing its employees' potential, as well as its dedication to creating a positive and inclusive work environment.

The festive event commenced with a ceremonial lighting of the lamp in reverence to Shri Sahibji Satguru Madhu Paramhans ji. Additionally, the evening was made special with an online spiritual session by him, during which he bestowed his blessings and shared profound insights on the authentic nature of a Soul.

The highlight of Vihangam 2023 was the "Rewards and Recognitions (R&R)" session, where the outstanding performances of employees throughout the year were acknowledged under more than 20 categories. SATYA Microcapital takes pride in recognizing the dedication and hard work of its employees and providing a supportive work culture that encourages personal and professional growth.

Navratna Awards

Mr. Mada Madhava Rao
(Circle Head - South)

Ms. Vandita Kaul
(Chief Financial Officer)

Mr. KK Mishra
(Head - SPM)

Adhering to the esteemed intellectual tradition set by SATYA, Vihangam 2023 saw Navratna Awards being bestowed upon Senior Management Team Members: Mr. Mada Madhava Rao, Ms. Vandita Kaul, and Mr. KK Mishra for their exceptional dedication and unwavering passion towards SATYA.

Department Of The Year

SATYA's employees, team, and workforce are its most valuable assets. Acknowledging the profound influence that a department has on SATYA's growth trajectory, the Finance, and Company Secretarial departments were honored with the prestigious Department of the Year award for FY 2022–23. Mr. Sanjay Goel, Deputy CFO & Head of Finance, and Mr. Choudhary Runveer Krishanan, Chief Compliance Officer & Head of Company Secretarial, were recognized and felicitated along with their respective departments.

Company Secretarial

Finance

SATYA places great importance on acknowledging and rewarding employees for their efficient operational performance, adherence to good governance, commitment to customer protection principles, and client-centric practices, all while driving financial inclusion nationwide. In recognition of their exceptional performance, Mr. Ravi Kumar was honored as the "Circle Head of the Year," while Mr. Prakashanand Yadav (Bihar), Mr. Rajesh M (Tamil Nadu & Puducherry), Mr. Vinay Kumar Pandey (UP East) and Mr. Raghwendra Singh (UP West & UK) were recognized as the "State of the Year" awardees.

Best Performance - State Head

Prakashanand Yadav	Rajesh M	Vinay Kumar Pandey	Raghwendra Singh
Bihar	Tamil Nadu & Puducherry	UP East	UP West & UK

Circle Head Of The Year

Ravi Kumar

Best Branch-Head

Upender Yadav

During the R&R session, employees who displayed exemplary leadership qualities, and went above and beyond in confronting challenges and seizing opportunities were felicitated. The event was attended by the employees' families as well, further reinforcing SATYA's commitment to acknowledging the contributions of employees and their loved ones. Recognizing the efforts and the loyalty they have exhibited towards the company, SATYA rewarded the staff under various categories: Best Performance-Circle Head, State Head, Zonal Manager, Regional Manager, Crisis Manager, Best Overall Performance- Branch, Champions Trophy- Digital Collection Branch, Branch Head, Achievers Trophy-Branch with highest OD reduction, SATYA's Future Leader, MD's Special Recognition, SATYA's Emerging Leaders Award, SATYA's High Flyer Award, Hidden Gems of SATAY, Top Collection in AM and CCM and Most Consistent Performer-SATYA Samvaad.

Best Performance - Zonal Business Head (ZBH)

Arvind Narayan Tripathi	Dharmendra Kumar Yadav	Sandeep Kumar Mishra	Manoj Kumar Singh	Biplab Bhattacharjee	Manish Kumar Singh
Begusarai	SO-Varanasi	SO-Varanasi	Chhapra	SO-Kolkata	Dhanbad

Pillars Of SATYA

Top 51 EDOs

SATYA recognizes the significance of EDOs (Entrepreneurship Development Officers) in ensuring seamless functioning as they act as crucial touchpoints between the organization and its customers, serving as representatives in the field and facilitating groundwork such as customer acquisition, retention, and satisfaction. In appreciation of their exceptional performance, SATYA rewards the top 51 EDOs across the country to acknowledge their hard work and contributions.

During the event, Mr. Vivek Tiwari, MD, CEO, and CIO, addressed the audience, summarizing the essence of the celebration as a representation of learning, enjoyment, and engagement. He highlighted the achievements of SATYA over the years and reiterated the company's comprehensive principles that have guided its growth in the microfinance sector. Mr. Tiwari also praised the team's high morale and team spirit, motivating them to continue their efforts in fulfilling the company's vision. He further emphasized SATYA's unwavering commitment to serving the people at the bottom of the pyramid in today's competitive market and acknowledged the crucial role played by the company's 4500+ employees in its growth over the past six years.

VIJAYALAKSHMI DAS
ENTREPRENEURSHIP AWARDS 2023

After organizing two successful editions, SATYA MicroCapital Ltd. recently organized third edition of Vijayalakshmi Das Entrepreneurship Awards on 26th February 2023 in New Delhi which felicitated women microentrepreneurs nestled across rural boundaries in nation. The awards primarily felicitated those women who contributed significantly towards scaling the national economy and gratifying the Government's vision of Aatmanirbhar Bharat. The ceremony took place at Pullman Hotel, Aerocity, New Delhi. The award function witnessed the magnanimous virtual presence of 4000+ attendees supplemented with the physical presence of 1200+ guests. The ceremony was organized in association with ICICI Prudential Life Insurance and Aditya Birla Health Insurance as Platinum Partners, 92.7 Big FM as Radio Partner, Pramerica Life Insurance as Associate Partner, and SheThePeople as Media Partner. The third edition of Vijayalakshmi Das Awards also saw the presence of esteemed Board of Directors – Mr. Taejun Shin, Mr. Navin Surya, Mr. CP Mohan, Ms. Surekha Marandi, Dr. Deepali Pant Joshi and Dr. Ratnesh Tiwari.

The extended theme of awards also lies at the epicenter of tribute to Mother of Indian Microfinance Industry - Late Mrs. Vijayalakshmi Das. She was a pioneer in Indian microfinance landscape and is acknowledged for her impeccable contribution to the sector. Also known as Madam Viji, not only broke substantial stereotypes affixed in the conventional Indian society suppressing women, but also served as the helm of inspiration for many women through her modest personality and holistic approach.

The ceremony had Sunil Ojha – Founder, Bal Kundan Foundation, Darhauli Dham Varanasi as Chief Guest. Among other eminent guests were Mr. G P Mishra, Mr. Sitaram Narnolia, Mr. Rajib Dandotia, Mr. Jitendra Chaudhary, Mr. Naresh Sharma and Mr. Rajesh Gautam.

The evening witnessed panel discussion on Reviving Rural Economy & Livelihoods through Power of Women Empowerment and Technology which was moderated by Dr. Alok Mishra (CEO – MFIN). This was indeed an insightful session which was presented by eminent women leaders like Ms. Poonam Shroti (Founder - Uddip Social Welfare Society), Ms. Rajalakshmi Srinivasan (Director – Site 24x7 and Zoho Corporation Pvt. Ltd.), Dr. Kirti Kale (renowned poetess and writer), Ms. Veena Gupta (Founder Seam Group and India's 1st female bodyguard) and Ms. Shaili Chopra (Founder – SheThePeople and Gytree).

The guestlist was not only limited to women trailblazers but also entailed the who's who from Indian BFSI space. The second panel discussion was attended by Mr. Manoj Nambiar (MD, Arohan Financial Services), Mr. Sadaf Sayeed (CEO, Muthoot Microfin), Mr. Mahesh Payannavar (Ex-Head NBFC Business, IDFC First Bank), Mr. Manoj Gulati (ED, Water.Org Inc), Mr. Rakesh Dubey (Founder, Sagacia Growth Partners LLP) and was moderated by the independent director of SATYA, Dr. Deepali Pant Joshi (Ex-Executive Director - RBI).

The evening hosted multifarious motivational sessions by notable personalities like Rachana Chaurasia - 8th Dan Black belt International Master Instructor and Secretary General- Taekwon-do Association of INDIA; Ms. Ranjana Kumari - Director of Centre for Social Research in Delhi. The event was also attended by the benign presence of eminent personalities from the world of sports, finance, Government of India including ex-RBI former directors, Google Icons, Padma Shree Awardees & many more.

The categories of these prestigious awards are specifically curated to feature the outstanding leadership and achievements demonstrated by women entrepreneurs across the Indian microfinance sector. The year's Vijayalakshmi Das Entrepreneurship Awards recognized women leaders and entrepreneurs across various business categories like Manufacturing, Agri Production, Textile, Information Technology Industries. Vijayalakshmi Das Entrepreneurship Awards 2023 were bagged by Suman Nainwal – Leader of the Year; Ms. Paluri. Padmavathi, Ms. Anita Kumari, Ms. Dibhya Rekha Mallick in the Medium Enterprise Category; Ms. Swapnali Satpute, Ms. Alka Sinha Soni, Ms. Anuradha in Small Enterprise Category; Ms. Jyothsna Karingula, Ms. Sarmista Ray, Ms. Ambika Bai Vaishnav in Micro Enterprise Category.

Underlining the essence of Vijayalakshmi Das Entrepreneurship Awards, Vivek Tiwari, MD, CEO & CIO, SATYA MicroCapital said, "It is a matter of extreme pride and privilege to honor women microentrepreneurs who are trailblazing our society like no other continuously for the third time in a row. Recognizing and applauding their triumphs will certainly catapult budding women entrepreneurs to face the challenges, establish their presence and achieve success with flying colors. Additionally, it will also instigate the aspiring women micro entrepreneurs to advance their fundamental code of business to conquer an extraordinary level of entrepreneurship. The change all these women are trying to channelize in the lives of all those associated with them is commendable. I extend our heartfelt congratulations to all the winners as SATYA salutes their fervor and dedication to successively operating their business ventures."

Winners of
Vijayalakshmi Das Entrepreneurship Awards 2023

LEADER OF THE YEAR - WINNER

Ms. Suman Nainwal, Uttarakhand
Winning Prize Rs 1,51,000/-
Owner - Gauraaj
Handmade organic products providing employement to 5 women & trading opportnities to nearly 150 women.

ENTREPRENEUR OF THE YEAR - MEDIUM

Winner

Ms. P.Padmavathi, Andhra Pradesh
Winning Prize Rs 1,00,000/-
Bhanodaya Kalamkari Paintings
Kalamkari Paintings providing training to 1,000 people, employment to 90 women & 10 men

1st Runner Up

Ms. Anita Kumari, Bihar
Winning Prize Rs 50,000/-
Madhopur Farmers Producers Company
Mushroom farming providing employment to 570 women

2nd Runner Up

Ms. Dibhya Rekha Mallick, Odisha
Winning Prize Rs 25,000/-
Typof Technologies
Cloud based SaaS for building e-commerce website site providing employment to 5 women & 11 men

ENTREPRENEUR OF THE YEAR - SMALL

Winner

Ms. Swapnali Satpute, Maharashtra
Winning Prize Rs 1,00,000/-
Swapnali Garments
Garment manufacturing business with inhouse tailoring unit providing employment to 20 women

1st Runner Up

Ms. Kumari Alka Sinha Soni, Jharkhand
Winning Prize Rs 50,000/-
Sharda Enterprises
Soap manufacturing factory providing employment to 9 women

2nd Runner Up

Ms. Anuradha, Uttar Pradesh
Winning Prize Rs 25,000/-
Lalitpur Mahila Kisan Producer Co. Ltd
Agricultural produce company supporting small farmers providing employment to 25 women

ENTREPRENEUR OF THE YEAR - MICRO

Winner

Ms. Jyothsna Karingula, Telangana
Winning Prize Rs 1,00,000/-
Satyavati Food Products
Manufacturing of natural chemical free, nutritional value added products providing employement to 5 women

1st Runner Up

Ms. Sarmishtha Ray, Odisha
Winning Prize Rs 50,000/-
Shree Enterprises
Badi & papd making factory providing employement to 2 women

2nd Runner Up

Ms. Ambika Bai Vaishnav, Chhattisgarh
Winning Prize Rs 25,000/-
Vomkatraman Kuteer Udyog
Manufacturing setup of disposable utensils & tableware providing employement to 2 women

TRAINING & DEVELOPMENT

In today's forward-thinking business environment, training and development are essential components. Employee performance is improved, new skills are acquired, performance is improved, and productivity is increased.

The fact that one of the 5Ts that form the foundation of SATYA's is training serves as an example of the significance of training. Every employee of the Head Office, State Offices, and Branch Offices receives in-depth training, which is facilitated by a qualified team of skilled instructors.

With adopting the PIE (Practical, Interactive, and Entertaining) paradigm, training has become more focused on learning through interactive games, group projects, and presentations. SATYA uses a hybrid method for assessment that emphasises group projects, presentations, and a written test at the end of the course. Each training is followed by an open feedback session where any adjustments needed to improve its efficacy are made.

INDUCTION TRAINING PROGRAM

A five-day induction training session is scheduled for all new hires, and only after the successful completion of the session their job role is assigned to them.

A detailed understanding of SATYA as an organisation, its culture and values, operational services model, loan products, and related procedures are provided to trainees during induction training, in addition to a thorough overview of the Microfinance industry. Our team is also trained to empower rural communities by guiding our clients on important subjects like financial literacy, financial discipline, financial inclusion, and maintaining a good credit history.

REFRESHER TRAINING PROGRAM

Refresher training sessions for employees are also often provided. Refresher training programmes are essentially a type of retraining that is taken by employees who are already qualified or have been found to be competent in the field with the goal of updating skills and/or knowledge to a changed standard or giving them the opportunity to ensure that no significant skills or knowledge have been lost due to lack of use.

This helps them with the following benefits :

1. Increased Employee Efficiency and Confidence
2. Reduced Mistakes
3. Fostering a Culture of Continuous Learning
4. Creating Parity in Employee Knowledge
5. Promoting Excellence
6. Achieving Compliance
7. Helping to Identify Skills Gaps
8. Increased Employee Retention (Less Turnover/Churn)
9. Increased Awareness of New Products, Trends, and Marketplace Information

Training of Trainers (TOT) is occasionally held at Head Office to continuously improve and update the abilities of State Office trainers.

CAPACITY BUILDING PROGRAM

In addition to monthly induction and refresher trainings, SATYA also conducts the following annual capacity building programmes :

1 POSH Training	2 CGRM Training	3 EGRM Training
4 Product Training	5 Code of Conduct Training	6 Risk Management Training
7 Excel Training	8 Disaster Management Training	9 Need based Training
10 Leadership Development Programme	11 Combating Financial Terrorism /Anti Money Laundering Training	12 Timely Product/Policy/ Process Update Training

SOFT SKILL TRAINING

There are many benefits of soft skills training for employees as it equips them with the confidence to communicate, speak in public, resolve challenges, and take advantage of all growth opportunities. These training enables professionals to work effectively in teams, delegate better, give feedback, accept feedback, and motivate each other to achieve organisational goals. It helps professionals work as a unit and be a leader at the same time. At SATYA, we train our staff on :

1. Behavioural Training	2. Dress Code	3. Time Management
4. Team Building	5. Anger/Stress Management	6. Conflict Management
	7. E - Mail Etiquette	

EMPLOYEES TRAINED UNDER VARIOUS PROGRAMMES DURING FY 2022 – 23:

At SATYA we ardently believe, "Number Speaks Louder Than Words".

Induction Training » 5,273

Refresher Training » 4,827

Capacity Building Programmes » 737

Soft Skill Training Programmes » 5,273

TRAINING INITIATIVES TO BE TAKEN DURING FY 2023 – 24

1. **Learning Management System :** SATYA has implemented advanced learning management system **"DAKSH"** that makes it simple to monitor staff skill development objectives, employee dashboards, and training programmes. It also meticulously monitors training records. It offers a tonne of advanced features, including training scheduling, Training Need Analysis Form, notification of recent updates and circulars, tagging for behavioural and performance concerns, automated reports etc.

2. **Knowledge Platform – Earn by Learn :** This initiative has been taken to make employee habitual of the continuous learning process. They receive daily stuff to read, following which they respond with polls. This is the daily learning exercise that they participate in.
3. **Deputation of Zonal Trainers :** We are employing a trainer in every zone (i.e., one trainer for every 8-10 branches) owing to the staff's ongoing training needs and to prepare them for SATYA's future ambitions. Furthermore, this satisfies the need for vernacular training of employees operating in different states and remote offices.

4. **Video Training Content :** The SATYA Training Team, in collaboration with the e-learning team, is in the process of transforming all training content to audio-visual format. Short videos of three to five minutes in duration are being created to cover a topic thoroughly and precisely in regional languages.
5. **External Trainings :** SATYA has enrolled its employees in a few renowned external training programmes from recognised organisations / institutes for enhanced comprehension, capacity building, skill growth, and exposure.

6. **Soft Skill programmes /Capacity Building Programs :** Like last financial year, the training team is concentrating on implementing an increasing number of soft skill programmes/Capacity Building Programs for the overall development of employees.
7. **Guest Speaker Sessions:** Every Quarter, SATYA Training Team intends to host a visitor from the outside, an industry peer, who will share their perspectives on a topic important to the employees and their professional requirements.

MARKETING & COMMUNICATIONS

Marketing and Communications department (hereafter MarComm) substantiates that SATYA always works in tandem with the industrial advancements by fostering an integrated narrative for bolstered brand value. SATYA uses advanced branding strategies for establishing a robust rapport with its internal and external stakeholders which in turn mutually benefits both parties and instigates the company to fulfil its vision at a much faster pace.

To maintain SATYA's progressive brand representation across the microfinance industry, media, and social media platforms, the MarComm team actively facilitates the efficient integration of promotional activities and branding projects. MarComm also functions as the principal voice of SATYA. The department works with all extrinsic aspects that may impact the organization's functionality, performance, profitability, and competitiveness. MarComm plays an intrinsic role in promoting SATYA's business values within and beyond the organizational dimensions.

Major responsibilities of the department embrace efficient acceleration of internal and external communications, branding & event management, media & public relations, website management, responsible social media engagement & outreach.

INTERNAL COMMUNICATIONS

The department assures that crucial information in comprehensive context reach the employees timely to establish and maintain a communication channel within the organization. Furthermore, the department also manages designing and developing content for multifarious digital and print publications, including company pamphlets, banners, regulatory policies, advisory notices, circulars, newsletters, emailers, important announcements, top management messages, and multimedia content.

EXTERNAL COMMUNICATIONS

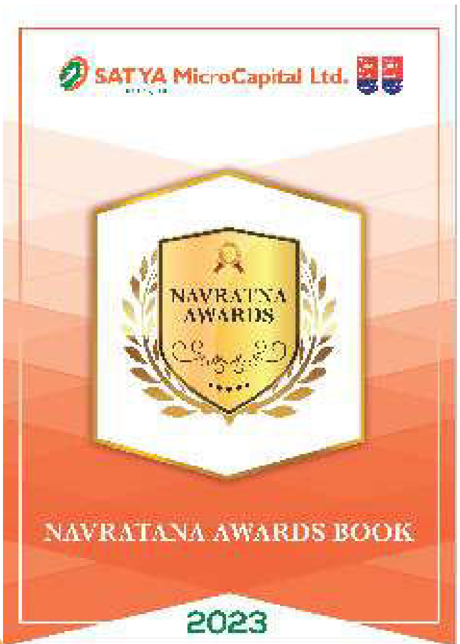
The department also serves as a communication nexus between the company and a multitude of external prospects, notably clients, investors, and the community at large. The team directly regulates and disseminates communication material like unified letters, reports, corporate & investor presentations, information memorandums, award nominations, questionnaires, surveys, case studies and much more. This enhances alignment of SATYA's image from inside out thereby fostering trust in the MFI space.

SOCIAL MEDIA MANAGEMENT

MarComm team is also integrally responsible for managing SATYA's online presence on social media platforms like Facebook, LinkedIn, Twitter, and YouTube by creating, publishing, and analysing content relevant for organization's publics. Managing social media of SATYA also includes engaging and interacting with its social media users, followers, and subscribers. This has indeed developed a stronger value proposition by enabling SATYA's presence in the world of social media and demonstrating prospects that SATYA cares.

BRANDING & EVENT MANAGEMENT

Branding at SATYA involves projection and maintenance of its cohesive image and designing all the corresponding collaterals to align with the same. By virtue of its finest and enriching branding techniques, the department takes the lead in organizing a vast multitude of events, webcasts, milestone & festive celebrations, cultural programs at SATYA, like - Annual Day, Vijayalakshmi Das Entrepreneurship Awards, Strategic Meet, Women's Day Celebrations, Business Review Meet, Holi, Diwali, etc.



Navratna Coffee Table Book – Edition 1

Acknowledging excellence in business and ethical landscape, SATYA launched Navratna Awards back in year FY2016-2017. Till date, SATYA has announced 5 editions of Navratna Awards which has honoured 25 employees for their outstanding work and exemplary behavior. Each awardee is a source of inspiration in its own emblematic way for other team members.

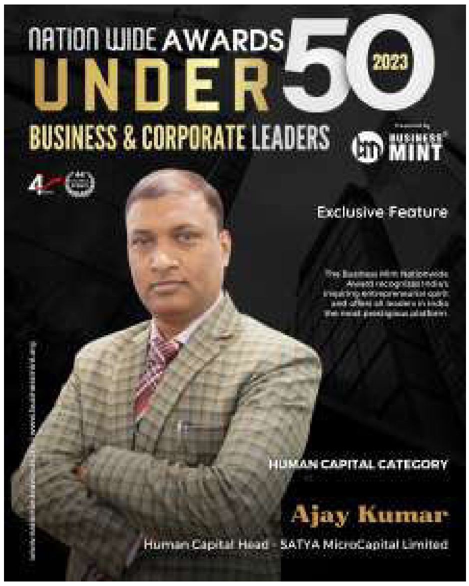
Navratna Coffee Table Book is SATYA's testimony of appreciation and gratitude towards these amazing employees who have made their mark in SATYA. This has channelled additional social and prosocial interaction across organizational hierarchy. The first edition of this niche coffee table book was unveiled during SATYA's gala annual day celebration - Vihangam thronged by who's and who of the industry on 26th February 2023 at Hotel Pullman, New Delhi.

This coffee table book is success story to emphasis the journey of featured leaders. From personal to professional attributes, this book is a perfect deep dive entailing fascinating insights of the awardees.

@SatyaMicroCapital @SatyaMicro @SATYAMicroCapitalLimited @SATYAMicroCapital

Leadership Profiling

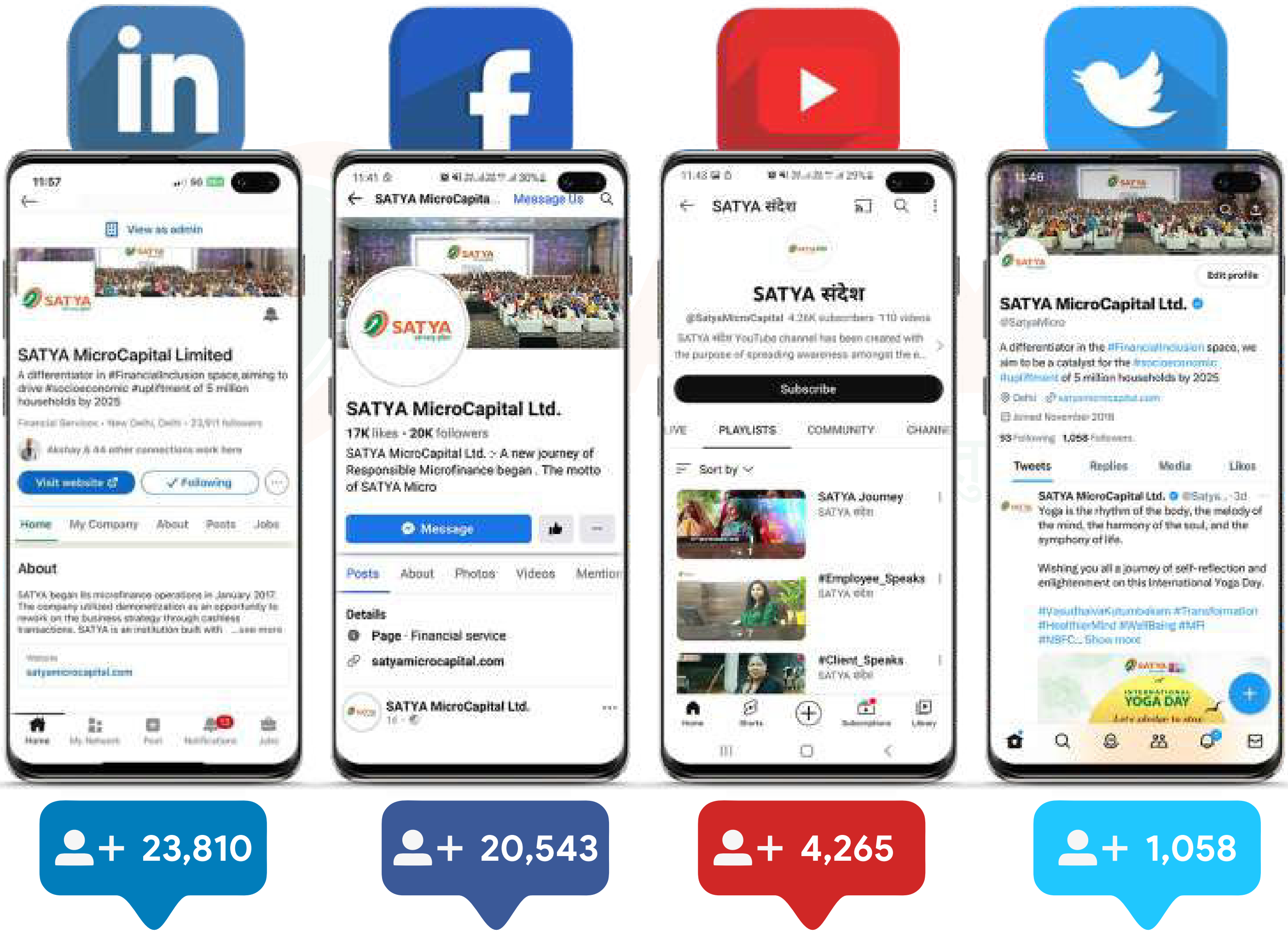
This year also the team continued its focus on profiling of leadership team. This ensured that everything they did and said support the organization and management. This however, cut through the noise and got the attention of our peers. It essentially also highlighted the commercial, rational, and holistic aspects of successful microfinance organization. Giving platform to those indispensable part of our organization who navigate the direction of each department boosts self-confidence, recognition, and camaraderie.

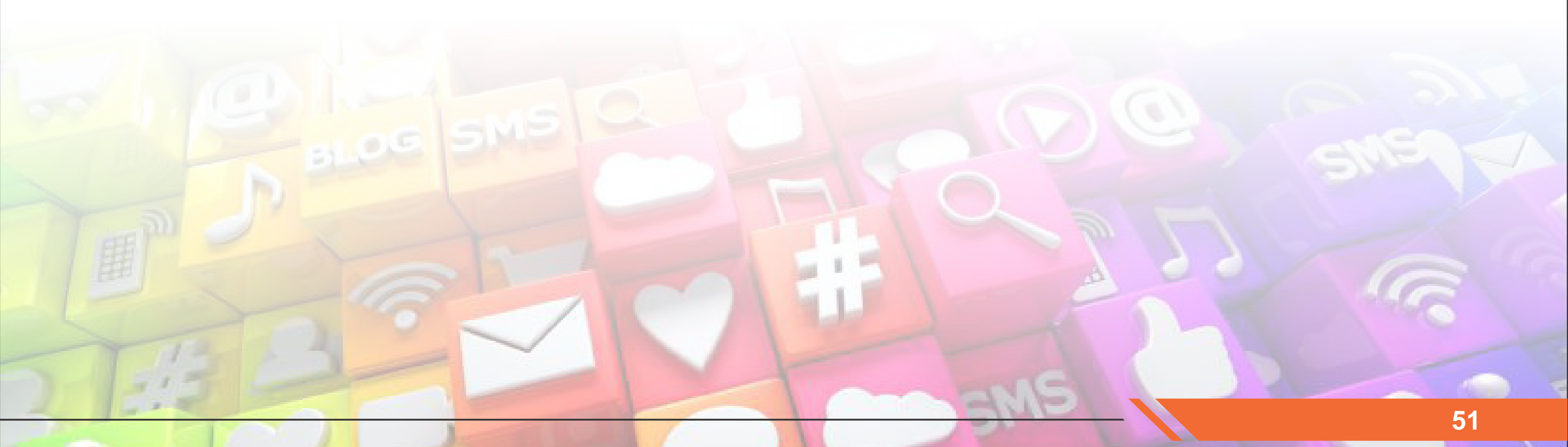


MEDIA & PUBLIC RELATIONS

The department conceptualizes and implements slew of public relations initiatives for maintaining, promoting, and protecting SATYA's reputation. This includes opinion articles, brand posts, awards & accolades, interviews, webinars, crisis management, distribution of press releases across conventional and contemporary media channels. MarComm constructively supervises and assesses public attitudes, maintains mutual relations and understanding between SATYA and its public. It advances channels of communication and institute new ways of disseminating information and ensuring comprehension.

Our Social Media Presence





CORPORATE OVERVIEW
STATUTORY REPORTS
FINANCIAL STATEMENTS

AUDIT

INTERNAL AUDIT FUNCTION

The Company has put in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective, and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control, and operations. Internal auditing at the Company involves the utilisation of a systematic methodology for analysing business processes or organisational problems and recommending solutions to add value and improve the organisation's operations. The audit approach verifies compliance with the regulatory, operational and system related procedures and controls.

AUDIT COVERAGE

With the expansion in SATYA's operational geography, the need for audit department to carry forward the governance process effectively has increased. The Audit team is responsible for the examination and evaluation of processes, policies, and internal controls both at head office and branches. Any observed deviations and gaps are reported to the Audit Committee and Management along with the recommendations for the compliances. In Q1 of FY2022-23, the department has audited 324 branches out of 338 active branches. In Q2 of FY2022-23, the department has audited 334 Branches out of 348 active branches. In Q3 of FY2022-23, the department has audited 340 branches out of 385 active branches. In Q4 of FY2022-23, the department has audited 413 branches out of 450 active branches. The coverage of the audit has been 100% (auditable branches) Quarter-On-Quarter for the FY 2022-23.

ROLE OF AUDIT COMMITTEE

The Audit Committee of the Board oversees the Internal Audit function of the Company. The Audit Committee reviews the adequacy and effectiveness of the Company's Internal Control System, including Internal Financial Controls and monitors the implementation of audit recommendations including those related to strengthening of the Company's risk management policies and systems. Internal Auditor presents the findings of Audit and Compliance Status on a Quarterly Basis for the scrutiny of Audit Committee of Board.

TECHNOLOGICAL INTERVENTION

With the technical upgradations in the organization, the Audit team has also started working on its software to shift from their old excel based platform. The software will assist in smooth functioning of both the desktop and mobile versions. We are affirmative to have this software on board and its implementation as Audit Tool.

SATYA IN THE NEWS

ANI

SATYA MicroCapital Ltd organizes Third Edition of Vijayalakshmi Das Entrepreneurship Awards 2023

New Delhi [India], March 1 (ANI/NewsVoir): After organizing two successful editions, SATYA MicroCapital Ltd. recently organized the third edition of the Vijayalakshmi Das Entrepreneurship Awards on 26th - 27th February 2023 in New Delhi which felicitated women micro-entrepreneurs nestled across rural boundaries in the nation. The awards primarily felicitated those women who contributed significantly towards scaling the national economy and gratifying the Government's vision of Aatmanirbhar Bharat. The ceremony took place at Pullman Hotel, Aerocity, New Delhi. As the award function was clubbed with SATYA's Annual Day celebration event - Vihangam for the very first time, it witnessed the magnanimous virtual presence of 4000+ attendees supplemented with the physical presence of 1200+ guests.

The ceremony was organized in association with ICICI Prudential Life Insurance and Aditya Birla Health Insurance as Platinum Partners, 92.7 Big FM as Radio Partner, Pramerica Life Insurance as Associate Partner, and SheThePeople as Media Partner. Third edition of the Vijayalakshmi Das Awards also saw the presence of esteemed Board of Directors - Tiejun Shi, Navin Surya, CP Mohan, Surekha Marandi, Dr Deepali Pant Joshi and Dr Ramesh Tiwari.

The extended theme of awards also lies at the epicenter of tribute to Mother of Indian Microfinance Industry - Late Mrs. Vijayalakshmi Das. She was a pioneer in Indian microfinance landscape and is acknowledged for her impeccable contribution to the sector. Also known as Madam Viji, not only broke substantial stereotypes affixed in the conventional Indian society suppressing women, but also served as the helm of inspiration for many women through her modest personality and holistic approach.

The ceremony had Sunil Ojha - Founder, Bal Kanshan Foundation, Darbaul Dham Varanasi as Chief Guest. Among other eminent guests were C.P Mohan, Sitaram Namolia, Rajib Danasalu, Jitendra Chaudhary, Naresh Sharma and Rajesh Gautam.

The evening witnessed panel discussion on Reviving Rural Economy & Livelihoods through Power of Women Empowerment and Technology which was moderated by Dr Alok Mishra (CEO - MFIN). This was indeed an insightful session which was presented by eminent women leaders like Poonam Shetti (Founder - Usha Social Welfare Society, Rajalakshmi Srinivasan (Director - Site Staff and Zoho Corporation Pvt. Ltd.), Dr Kirti Kale (renowned poetess and writer), Veena Gupta (Founder Seem Group and India's 1st female bodyguard) and Shaili Chopra (Founder - SheThePeople and Gytree).

The guestlist was not only limited to women trailblazers but also entailed the who's who from Indian BFSI space. The second panel discussion was attended by Manoj Nambiar (MD, Arohan Financial Services), Sadaf Sayeed (CEO, Muthoot Microfin), Mahesh Pajannavar (Ex-Head NBFC Business, IDFC First Bank), Manoj Gulati (ED, WaterOrg Inc), Rakesh Dubey (Founder, Sagacia Growth Partners LLP) and was moderated by the independent director of SATYA, Dr Deepali Pant Joshi (Ex-Executive Director - RBI).

The evening hosted multifarious motivational sessions by notable personalities like Rachana Chaurasia - 8th Dan Black belt International Master Instructor and Secretary General - Taekwon-do Association of INDIA; Ranjana Kumari - Director of Centre for Social Research in Delhi. The event was also attended by the benign presence of eminent personalities from the world of sports, finance, Government of India including ex-RBI former directors, Google Icons, Padma Shree Awardees & many more.

The categories of these prestigious awards are specifically curated to feature the outstanding leadership and achievements demonstrated by women entrepreneurs across the Indian microfinance sector. The year's Vijayalakshmi Das Entrepreneurship Awards recognised women leaders and entrepreneurs across various business categories like Manufacturing, Agri Production, Textile, Information Technology Industries. Vijayalakshmi Das Entrepreneurship Awards 2023 were bagged by Suman Nainwal - Leader of the Year, Paluri Padmavathi, Anita Kumari, Dibya Rekha Mallick in the Medium Enterprise Category; Swapnali Satpute, Alka Sinha Soni, Anuradha in Small Enterprise Category; Spethona Kelingula, Sarmista Ray, Ambika Bai Vaibhav in Micro Enterprise Category.

Underlining the essence of Vijayalakshmi Das Entrepreneurship Awards, Vivek Tiwari, MD, CIO & CEO, SATYA MicroCapital said, "It is a matter of extreme pride and privilege to honor women micro-entrepreneurs who are trailblazing our society like no other continuously for the third time in a row. Recognising and applauding their triumphs will certainly catapult budding women entrepreneurs to face the challenges, establish their presence and achieve success with flying colors. Additionally, it will also instigate aspiring women micro-entrepreneurs to advance their fundamental code of business to conquer an extraordinary level of entrepreneurship. The change all these women are trying to channelize in the lives of all those associated with them is commendable. I extend our heartfelt congratulations to all the winners as SATYA salutes their fervor and dedication to successfully operating their business ventures."

LOKMAT TIMES

Dia Vikas Capital, a subsidiary of Opportunity International Australia makes its exit from SATYA MicroCapital

Dia Vikas Capital Pvt. Ltd., the India based subsidiary of Opportunity International Australia Limited has exited from the RBI registered NBFC-MFI SATYA MicroCapital Ltd. Dia was the initial institutional investor in SATYA.

SATYA MicroCapital Ltd.
सर्वे भवन्तु सुखिनः

Dia Vikas Capital Pvt. Ltd., the India based subsidiary of Opportunity International Australia Limited has exited from the RBI registered NBFC-MFI SATYA MicroCapital Ltd. Dia was the initial institutional investor in SATYA.

The partnership lasted for 5 years, during which SATYA received equity infusion from Dia in three tranches.

It is also prudent to mention here that at present, SATYA is at the cusp of its expansion with strengthening of its business across corporate development, operations, customer success, marketing, and IT transformation. It is a testimony of SATYA's performance, and the faith imposed by investors that Dia Vikas Capital could make approximately 5X return on its investment.

Sharing his views, Vivek Tiwari (MD, CIO & CEO - SATYA MicroCapital) stated, "I extend my heartfelt wishes and gratitude to Dia Vikas Capital for the trust they have fostered in our organization since inception. This is indeed one of the most remarkable exits any investor has secured in Indian Microfinance Industry post outbreak of COVID-19 in 2020. Our ambition is to consistently keep making positive impact and make a difference in the lives of micro entrepreneurs. We are grateful to Dia Vikas Capital that it has always aligned and shared our vision of socio-economically uplifting the lives of people at the bottom of the pyramid."

Dia Vikas Capital's Chairman, Scott Walters, said, "We feel privileged to have been able to work with Vivek, his team, and the SATYA family as they've made a difference to micro entrepreneurs."

"To witness the enthusiasm and development of SATYA to become a major force has been an exciting journey. Moving forward, Dia Vikas whilst not being an equity partner, remains committed to supporting SATYA as it continues to empower those living in poverty and assist them in achieving economic self-sufficiency."

Headquartered in the capital city of New Delhi, with the first loan disbursement at the Sikandrabad branch in the Bulandshahr district of Uttar Pradesh, SATYA started its operational journey in January 2017. With the foremost and fundamental goal of empowering rural women, both digitally and financially, SATYA has come a long way since its incorporation.

SATYA has recently crossed the milestone of reaching 10 lakh active clients by offering collateral free micro credit services through cashless transactions to women entrepreneurs living in rural semi urban areas of India. Satya has achieved several milestones since its inception on 28th October 2016.

Having an impressive loan disbursement portfolio of worth more than Rs 6,800 Crores and currently having more than Rs 3,250 Crores Assets Under Management, SATYA aims to facilitate socio economic assistance to five million households by the year 2025. Till date, SATYA has established its terrestrial footprints in more than 37,000 villages across 21 states.

SATYA is integrally concentrated towards providing financial services to people generally excluded from traditional banking channels because of their low, irregular and unpredictable income. It aims to set up and boost the provision of easily accessible, cost effective and sustainable financial services to the impoverished to build their financial capacity and ability to grow to financial self-sufficiency.

In addition to yielding financial aid to unbanked sections of the population, SATYA MicroCapital consistently associates with institutions of the same wavelength to disseminate the importance of digital and financial literacy in rural areas.

Business Standard

SATYA MicroCapital launches third edition of Vijayalakshmi Das Entrepreneurship Awards 2023

SATYA MicroCapital opens nominations for Vijayalakshmi Das Entrepreneurship Awards 2023

Last Updated : Nov 01 2022 | 11:36 PM IST

New Delhi [India], November 1 (ANI/NewsVoir): SATYA MicroCapital Limited recently launched the third edition of Vijayalakshmi Das Entrepreneurship Awards 2023 - an Awards & Recognition platform to felicitate Women Entrepreneurs at the grassroots level to honor the 'Mother of Indian Microfinance' - Late Vijayalakshmi Das.

The momentous launch took place on the celebratory occasion of SATYA completing its 6 years of foundation at Eros Hotel, New Delhi.

Dr Alok Mishra (CEO & Director: MFIN) & Jiji Mammen (Executive Director & CEO: Sa-Dhan) during their keynote addresses shared their heartfelt feelings regarding the growth trajectory of SATYA and also motivated everyone to achieve a higher state of transformation.

Renowned Indian social activist who is working for empowerment of women since past three decades - Padma Shri 2021 Dr Nirru Kumar also attended the launch event and applauded SATYA for the remarkable impact it is inducing in lives of rural women entrepreneurs.

Dr Arun Kumar Pandey - Orthopedic Surgeon & Assistant professor in VMMC & Safdarjung Hospital who is also an acclaimed poet turned up as one of the proclaimed guests for the launch event of Vijayalakshmi Das Entrepreneurship Awards 2023.

Underlining the essence of the program more in detail, SATYA's Board Members - Surekha Marandi, Navin Surya, Dr Deepali Pant Joshi along with MD, CIO & CEO- SATYA, Vivek Tiwari also shared their heartfelt thoughts encompassing Madam Vijayalakshmi Das' poised and courteous personality. The event witnessed benign presence of an audience of more than 300 people consisting of SATYA employees and members from across the MFI & BFSI sector.

The Vijayalakshmi Das Entrepreneurship Awards are categorized into four sections: Leader of the Year (One Award), Entrepreneur of the Year Awards - Micro (3), Entrepreneur of the Year Awards - Small (3), and Entrepreneur of the Year Awards - Medium (3).

Nominations for the awards opened immediately after the launch. The nomination form is available on the official website of SATYA MicroCapital Limited. The last day of submission of the entries is 31st December 2022.

Nominees will be evaluated by a panel entailing prominent experienced members operating in the microfinance landscape in India. Winners shall be announced on 8th March 2023 - International Women's Day in a gala award ceremony.

Each of these prestigious awards is tailored to identify, recognize, influence, inspire, encourage, and celebrate the outstanding leadership and achievements demonstrated by women entrepreneurs across the Indian microfinance landscape. This initiative will not only motivate women entrepreneurs to reach greater heights with flying colours but will also encourage the aspiring women entrepreneurs to improve their standards of business practices to attain a high level of entrepreneurship.

Vivek Tiwari, MD & CEO, SATYA MicroCapital Limited said, "These awards will serve as impetus to promote and encourage women to take part in entrepreneurial endeavours. It is equally important to acknowledge and felicitate women entrepreneurs at the grassroots level. It's been 2 years that SATYA is recognizing the achievements made by women entrepreneurs who have surmounted so many obstacles to attain professional success. Furthermore, we are certain to carry forward this legacy of Vijayalakshmi Das Entrepreneurship Awards in coming years too."

The MFI is offering collateral free micro credit services through cashless transactions to more than 10 lakh active clients living in rural semi urban areas of India for their income generation and further expansion. SATYA has achieved several milestones since its inception on 28th October 2016. Having an impressive loan disbursement portfolio of worth more than Rs 6,800 Crores and currently having more than Rs 3,250 Crores Assets Under Management. SATYA aims to facilitate socio economic assistance to five million households by the year 2025. Till date, SATYA has established its terrestrial footprints in more than 37,000 villages across 21 states. Moving forward SATYA is also envisioning the target of 5000 Cr AUM by March 2023.

For more information, please visit: (https://satyamicrocapital.com).

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SATYA MicroCapital continues its rapid growth by reaching 10 lakh clients

SATYA MicroCapital celebrates landmark achievement of 10 Lakh Clients

Last Updated : Aug 23 2022 | 11:40 PM IST

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New Delhi [India], August 23 (ANI/NewsVoir): SATYA MicroCapital, one of India's fastest growing RBI registered NBFC-MFI has crossed the milestone of reaching 10 lakh active clients by offering collateral free micro credit services through cashless transactions to women entrepreneurs nestling in rural parts of the countries.

Illustrating a remarkable growth, the MFI has attained several milestones since its inception on 28th October 2016. Having an impressive loan disbursement portfolio of worth more than INR 6342 Crores, SATYA has also recently attained the feat of INR 3000 Crores Assets Under Management. SATYA aims to facilitate socio economic assistance to five million households by the year 2025.

Actively enabling financial inclusion for those nestling at the bottom of the pyramid, SATYA carries out cashless transactions by using biometric-based authentication through Aadhaar Enabled Payment Services (AEPS), which fulfils the objective of fraud prevention, efficient credit accessibility, all in one go.

Envisioning to make its clients financially empowered, SATYA also instigates distinct literacy campaigns at regular time intervals to educate them regarding digital payments, financial independence, importance of Unique Identity (Aadhaar Card, PAN) and saving habits.

Undoubtedly, the incredible growth rate with which MFI is leading the sectoral space amidst the present market is absolute reflection of its valor and vigor to make its mark against all odds. It's laudable adequacy to grow is clear exemplification to 10 Lakh women micro entrepreneurs it has empowered till date.

Commenting on achieving this landmark achievement, Vivek Tiwari-MD, CIO & CEO, SATYA MicroCapital Limited said, "I extend my sincere thanks to each member of SATYA family for letting this happen. Be it our Board of Directors, Investors, Lenders, or our employee base, each one of you have played a catalytic role in this journey. I applaud your perpetual and unwavering dedication towards the growth of the organization over these years. This is certainly a record in Indian MFI space wherein an institution has set such a grand benchmark within such a short time span of its origin".

Headquartered in the capital city of New Delhi, with the first loan disbursement at the Sikandrabad branch in the Bulandshahr district of Uttar Pradesh, SATYA initiated the course of its operational journey in January 2017.

With the foremost and fundamental goal of empowering rural women, both digitally and financially, SATYA has come a long way since its incorporation. MFI's portfolio comprises women entrepreneurs from rural and semi-urban areas whom it has rendered financial support for the purpose of income growth and income generation. Till date, SATYA has established it terrestrial footprints in more than 35,000 villages across 21 states.

SATYA is integrally concentrated towards providing financial services to people generally excluded from traditional banking channels because of their low, irregular and unpredictable income.

It aims to set up and boost the provision of easily accessible, cost effective and sustainable financial services to impoverished to build their financial capacity and ability to grow to financial self-sufficiency.

In addition to yielding financial aid to unbanked sections of the population, SATYA MicroCapital consistently associates with institutions of the same wavelength to disseminate the importance of digital and financial literacy in rural areas.

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SATYA MicroCapital achieves the feat of Rs 3000 crores loan outstanding portfolio

SATYA MicroCapital celebrating landmark achievement of 3000 Cr Loan Outstanding Portfolio

Last Updated : Jul 28 2022 | 12:00 AM IST

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New Delhi [India], July 27 (ANI/NewsVoir): Giving centre stage to its phenomenal growth, one of the fastest growing MFIs in India, SATYA MicroCapital has crossed several milestones since its inception on October 28, 2016. With a total loan disbursement of Rs 5900+ crores to its name, SATYA has achieved another feat by attaining Rs 3000 crores worth of Assets under Management.

Headquartered in the capital city of New Delhi, with the first loan disbursement at the Sikandrabad branch in the Bulandshahr district of Uttar Pradesh, SATYA initiated the course of its operational journey in January 2017. Since then, the MFI catalogued a remarkable growth rate, having achieved an Assets under Management (AUM) value of over Rs 3000 crores.

With the foremost and fundamental goal of empowering rural women, both digitally and financially, SATYA has come a long way since its incorporation. A majority of the MFIs portfolio comprises women entrepreneurs from rural and semi-urban areas whom SATYA MicroCapital has rendered financial support for setting up and developing their businesses. Till date, SATYA has its operational services active in more than 40,000 villages across 22 states.

Commenting on the company's success, Vivek Tiwari - MD and CEO, SATYA MicroCapital Limited, said, "Striving to stay committed for serving the people at the bottom of the pyramid, in today's tough market, SATYA is able to attain the best possible debt-to-equity ratio fuelled by remarkable efforts and hard work exhibited by our exemplary employees. Their attention to detail at work made it possible for us. Since its establishment, SATYA has been successfully providing financial services to more than 9,00,000 financially marginalised people for the sky-high development of their social and economic prospects. It is certainly a record in MFI Industry wherein an institution has attained such a grand slam within 5 years of its origin."

Speaking during the event, Vivek Tiwari also extolled the board of directors and all the esteemed investors who have played a catalytic role in this journey. He also applauded the entire employee base for their unwavering dedication towards the growth of the organization over these past five years. He recounted the challenges that the company faced at the early stages of the business and how they were able to surmount them.

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

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SATYA MicroCapital is all set to foray into affordable housing finance business

SATYA सर्वे भवन्तु सुखिनः

New Delhi [India], July 14 (ANI/NewsVoir): SATYA MicroCapital announced that it is foraying into affordable housing finance market through its soon to be launched subsidiary.

Post successful acquisition and renaming of Baid Housing Finance, NBFC-MFI intends to lay the foundation of its new arm which will integrally function in the Indian Housing Finance space.

In the present scenario, a significant gap is observed in housing demand and availability of Housing Finance to the marginalized sector of the population. To bridge this gap and realizing the need for and importance of this sector, SATYA is now marking its entry into the Housing Finance sector. The NBFC-MFI is now aiming to fulfill the dreams of people nestling at the bottom of the pyramid with momentum on affordable housing. In the next five years SATYA envisions to position itself as one of the prominent private Housing Finance companies in India.

The Housing Finance sector has been experiencing a tide of transformation in the recent times. The government is encouraging affordable housing to ensure shelter for everyone. SATYA's initiative in the Housing Finance sector falls in sync with the government housing policies and agendas. With the MFI's expertise, the company aspires to specifically tap informal segment of customers in rural landscapes for provision of hassle free and accessible Housing Finance solutions.

"We have received the regulatory approval from RBI for acquisition and company has completed acquisition related formalities, we are eagerly waiting to get the transition completed. We aim to create a loan book Rs 250 Crore in first year of operation. This step towards affordable housing finance is SATYA's natural extension towards financial inclusion. We are looking forward to building this business which will induce a positive social impact on the customer segment. Our foremost inclination will be towards financially backing the first-time homeowners to build their dream home," said Vivek Tiwari, MD, CEO & CIO – SATYA MicroCapital Ltd. With a mission to establish SATYA as one of the preferred Housing Finance institutions across the nation, we will provide attractive and customer-friendly schemes to our target group customers.

The announcement from SATYA as a business venture further lends to its philosophy of being a conglomerate by opening up a new asset category which will facilitate the company to explore both complementary geographies and customer segments.

Sharing his views on this new journey, Ranjeet Mishra, CEO Designate stated, "We have a once in a generation opportunity in front of us in terms of filling the gap of financing needs for home ownership of bare foot entrepreneurs. SATYA is looking forward to extending various tailor-made loan products for bridging the pucca homeownership gap for mass population. We can shape a future where all our communities are strong, healthy, vibrant, and having shelter on their head for a dignified life. Looking forward for exciting time ahead to participate in this mission and fulfilling the people's aspiration of home ownership through this acquisition."

Headquartered in New Delhi, SATYA currently has 350+ branches in more than 35000 villages of over 225 Districts in 21 states catering to more than 9 lac clients who seek credit help for their income generation and income growth purpose in sectors such as agriculture, animal husbandry, business/trade, production/services, and water sanitation purposes.

With its operational journey started in 2017, SATYA MicroCapital is addressing the financial inclusion opportunity emblematic approach to traditional microfinance by directing comprehensive emphasis on leveraging technology for improvising the customer experience along with reducing operational costs.

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[FUNDING ALERT] SATYA MICROCAPITAL RAISES $15M LED BY JAPAN-BASED GOJO AND COMPANY INC

SATYA MicroCapital Ltd said it plans to use these funds to expand its terrestrial footprint and expand its diverse product portfolio.

Delhi-based **Satya MicroCapital**, a micro-finance firm focused on underbanked population and micro-enterprises, recently raised fresh funding worth **$15 million** led by existing Japan-based investor **Gojo and Company Inc**. Of the total capital raised, debt raise constituted $8 million, while $7 million was allocated to equity.

SATYA said it plans to use these funds to expand its terrestrial footprint and magnify its diverse product portfolio. This is for the first time SATYA has received debt funding from Gojo and Company Inc.

Vivek Tiwari, MD, CIO and CEO, SATYA MicroCapital Ltd, said,

"We are certain that these funds will enable SATYA to accomplish its vision of reaching 50 lakh households by the year 2025. This will also propel SATYA to consistently grow and empower more entrepreneurs from the underserved sections of society."

Last year, SATYA MicroCapital Ltd Raised about Rs 135 crore.

"The pandemic has posed an inevitable threat to livelihoods of self-employed women in rural boundaries who majorly constitute our client base. We will be channelising this funding to provide essential and affordable credit services to women micro-entrepreneurs for the revival of their livelihood and businesses via our extensive operational network," he added.

Headquartered in Delhi, the RBI-registered NBFC-MFI raised about **Rs 135 crore** last year through Non-Convertible Debentures (NCDs) from impact investment fund manager responsAbility Investments and Swiss impact investor, BlueOrchard Finance Limited.

SATYA currently claims to have **350+ branches** in more than **35,000 villages** of over 225 districts in 21 states, catering to more than nine lakh clients for income generation and growth in sectors such as agriculture, animal husbandry, business/trade, production/services, and water sanitation purposes.

It said it works to uplift the rural sections by promoting financial independence and providing the appropriate resources in terms of manpower, operational area, client outreach, and credit products.

It does this by offering collateral-free credit to micro-enterprises based on strong credit assessment and a centralised approval system. The company has adopted a unique Limited Liability Group (LLG) model for extending loans and ensuring repayment.

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MD, CIO and CEO-Vivek Tiwari, SATYA MicroCapital Ltd. with Ved Mani Tiwari, COO and Officiating CEO of National Skill Development Corporation

INR 1000 Crore worth Skill Loans announced by SATYA MicroCapital Ltd. in association with NSDC

ANI | Updated: May 30, 2022 19:38 IST

New Delhi [India], May 30 (ANI/NewsVoir): SATYA MicroCapital Ltd., one of the leading RBI registered NBFC-MFIs in the country, announced their collaboration with National Skill Development Corporation (NSDC) for providing financial support to the students enrolled with NSDC's network of training partners.

The collaboration has an objective to offer loans to students at attractive interest rates, in addition to improving productivity and creating sustainability in rural geographies.
With a vision to help aspiring students pursue certifications, diplomas, degrees, and other skill development training courses, this initiative will enable them to explore higher chances of employment on merit basis.

Underprivileged students, who do not have access to such educational facilities, can avail this loan for skilling and upskilling through NSDC approved institutions. This initiative will also effectively contribute to the Indian Government's Skill India Mission as the skill loans target the skilling and upskilling of youth of the nation. Aspiring students can contact nearest SATYA branch office for details on the skill loans and offerings.

India boasts the world's largest youth population aged less than 25 years, with most of them living in the country's small towns and villages. With this association, SATYA plans to expand its microfinance outreach to the people at the bottom of the pyramid in the rural and semi-rural hinterlands. Over the course of next three years, SATYA aims to provide accessible credit services of worth INR 1000 crore for Skill loans, in tandem with developing a skilled India. This partnership will unequivocally empower people, safeguard their future, and endure the overall growth of an individual.

SATYA MicroCapital Ltd. and NSDC will also be encourage trainees to take up entrepreneurial roles resulting in the creation of more employment in their communities.

National Skill Development Corporation (NSDC) is a not-for-profit public limited company incorporated on July 31, 2008, under section 25 of the Companies Act, 1956 (corresponding to section 8 of the Companies Act, 2013). NSDC was set up by the Ministry of Finance as the Public Private Partnership (PPP) model. NSDC aims to promote skill development by catalyzing creation of large, quality, and for-profit vocational institutions. Further, the organization provides funding to build scalable and profitable vocational training initiatives. Its mandate is also to enable a support system which focuses on quality assurance, information systems and train the trainer academies either directly or through partnerships.

Sharing his views on the association, Ved Mani Tiwari, COO and Officiating CEO of NSDC stated, "NSDC has partnered with SATYA MicroCapital to provide Skill Loans to the students enrolled with NSDC accredited training partners, thereby promoting the skilling and up-skilling of the youth and increasing their employability skills. Skill loans will help in bridging the financing gaps and making the access to skill development programs convenient for the students. This is a great partnership leveraging on the last milestone reach of SATYA and presence of NSDC training institutions across the country to provide financial assistance to the aspiring students."

"By effective provision of microloans and facilitation of enumerable growth opportunities, SATYA has played a catalytic role in driving financial inclusion and poverty alleviation. However, we also cannot deny that acquiring education beyond higher secondary is still a dream for many in the rural India. There is a discernable gap in rural education system owing to which rural children face many difficulties. We recognized that lack of availability of financial assistance is one of the biggest constraints to pursue technical and vocational education training (TVET) courses. Buoyed by the fact that investing in quality education pays the best, we have created these products to offer a solution to the challenge. I ardently believe that it's the time for SATYA to foray in the educational segment. Bestowing the youth with skill development will certainly propel the nation's economic growth. I also extend my gratitude to NSDC for reposing their faith in our business and furnishing this opportunity to SATYA. The programme will not only train youths/women to build the skills but will also equip them with networking, time management, communication skills," said Vivek Tiwari, MD, CIO and CEO, SATYA MicroCapital Ltd.

SATYA has fostered an ecosystem for the growth of microfinance industry within India. It has also significantly generated comprehensive economic opportunities for around 9 lac microentrepreneurs by providing comprehensive loan disbursement worth approx.

INR 5600 crore, thereby serving as an impetus for inclusive growth and development of the marginalized sector of the population at the grass root level. Envisioning its future course of action, SATYA aims to act as a catalyst for the socio-economic upliftment of 5 million households by the year 2025.

Along with educating its clients about financial inclusion, digital banking, saving options, and government schemes, the company is earnestly imbibing a new dimension in the Indian microlending space.

BOARD'S REPORT

BOARD'S REPORT

Dear Shareholders,

Your Board of Directors (the "Board") take pleasure in presenting the 28th Annual Report of SATYA MicroCapital Limited (the "Company") together with the Audited Financial Statements of your Company for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended March 31, 2023, and for the previous year is summarized below: –

Amount (Rs. in millions)

Particulars	Standalone		Consolidated	
	March 31, 2023 (Audited)	March 31, 2022 (Audited)	March 31, 2023 (Audited)	March 31, 2022 (Audited)
Total Revenue	7,360.46	4,015.41	7,385.04	4,017.80
Total expenditure	6,646.35	3,580.32	6,669.17	3,582.71
Profit Before Tax	714.11	435.09	715.81	434.87
Tax Expense	183.67	110.06	184.53	110.06
Prior Period Adjustment	-	-	-	-
Profit after Tax	530.44	325.03	531.28	324.81
Transfer to Statutory Reserve Fund	106.09	65.01	106.25	65.01
Earnings Per Share (EPS)	10.56	7.05	10.57	7.05
Diluted EPS	9.60	6.94	9.61	6.94

During the FY 2022-23, the total revenue has shown a growth of 83.31% from Rs. 4,015.41 million in FY 2021-22 to Rs. 7,360.46 million in FY 2022-23. Profit before tax (PBT) increased by 64.13% from Rs. 435.09 million in FY 2021-22 to Rs. 714.11 million in FY 2022- 23, accordingly the Profit after tax (PAT) registered an increase of 63.20% from Rs. 325.03 million in FY 2021-22 to Rs. 530.44 million in FY 2022- 23. The Company had a very good year aided by strong volume growth.

OPERATIONAL HIGHLIGHTS

Particulars	March 31, 2023	March 31, 2022	% Increase
Number of Branches	449	338	32.84%
Number of Active Loans	13,63,412	8,79,967	54.94%
Number of Active Members	13,62,493	8,73,657	55.95%
Number of Employees	4,549	3,674	23.82%
Number of States	22	21	4.76%
Amount Disbursed (Rs. in Millions)	41,914.89	25,861.78	62.07%
Gross Loan Portfolio/AUM (Rs. in Millions)	46,843.07*	28,839.89	62.42%

*Excluding sale of portfolio to ARC

The Company attained business performance by reaching out to 13,63,412 active loan accounts as on March 31, 2023, which has grown from 8,79,967 as on March 31, 2022. The growth in active loan accounts during the year was 54.94%. The above was possible with the excellent efforts of 4,549 employees of the Company as on March 31, 2023, which was of 3,674 as on March 31, 2022, through 449 Branches, across 22 states/UT and 279 districts in India. During the year under review, the Company opened 115 new branches. The Company already has borrowing arrangement with large number of lenders and has started association with a few more institutions to diversify its sources of borrowing.

During FY 2022- 23, the Company had taken various measures to strengthen its business model and continue its growth momentum such as launching of various new products and variants. The Company has also undertaken initiatives with an objective to enhance customer reach and improve operating efficiencies by implementing cashless system in all Branches.

DIVIDEND

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

Further, during the FY2023, the Board of Directors of your Company has declared an Interim Dividend of Rs. 508.26/-(inclusive of applicable taxes) on 0.001% 57,00,000, Compulsorily Convertible Preference Shares(CCPS) of Face Value of Rs. 10/- each held by Gojo & Company, Inc, Holding Company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the period, the Company does not have any amount due to be credited to the Investor Education and Protection Fund as provided in the provisions of Section 125 of the Companies Act, 2013.

TRANSFER TO GENERAL AND STATUTORY RESERVE

During the FY'23, your Company has transferred Rs. 106.09 million to the statutory reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

SUBSIDIARY AND ASSOCIATE COMPANIES

SATYA Micro Housing Finance Private Limited

During the year under review pursuant to the RBI approval for change in Management & Control, SATYA Micro Housing Finance Pvt. Ltd. (SMHFPL) (formally known as Baid Housing Finance Private Limited), a Housing Finance Company registered with the Reserve Bank of India (RBI) in the exercise of the powers conferred under the National Housing Bank Act, 1987, was acquired by the Company on June 14, 2022 and consequently, SMHFPL became Subsidiary Company of the Company. SMHFPL is primarily engaged in addressing the housing finance needs of self employed, Low and Middle Income Families from semi urban and rural areas of India. SMHFPL strives to serve as a medium to fulfil the dream of owning a house, of the under-served segment of the society.

SATYA Shakti Foundation

SATYA Shakti Foundation ("the Foundation"), a section 8 company, limited by guarantee under the Companies Act 2013 ("the Act"), is an Associate Company and was also promoted by the Company in order to undertake & support the Corporate Social Activities of the Company. During the year under review, the Foundation has undertaken various activities of social importance & details of the same forming part of this Board Report.

RAISING OF FUNDS

A. Change in Capital Structure

As on the date of this Report, the Authorized Share Capital of the Company is Rs. 1,000 million comprising of 8,00,00,000 Equity Shares having a face value of Rs. 10 each aggregating to Rs. 800 million and 2,00,00,000 Preference Shares having face value of Rs. 10/- each aggregating to Rs. 200 million.

During the year under review, the Company has issued and allotted the following Shares on a Preferential Basis

- 27,14,900 (Twenty Seven Lakhs Fourteen Thousand Nine Hundred) 0.001% Non – Cumulative, Compulsorily Convertible Preference Shares ('CCPS') having face value of Rs. 10/- each at a premium of Rs.191/- per CCPS aggregating up to Rs. 545.69 million on Preferential and Private Placement basis to "Gojo & Company, Inc., Japan" (Gojo).
- 50,00,000 (Fifty Lakh) Partly Paid-Up Equity Shares of the Company, having a face value of Rs. 10 each, at a premium of Rs. 201/- per equity share, aggregating to Rs. 1055 million to Mr. Vivek Tiwari, Managing Director, CEO & CIO of the Company, by way of preferential allotment at different Partly Paid up Value per share aggregating to Rs. 6.37 million.
- 25,00,000 (Twenty Five Lakh) ,Partly Paid-Up 0.001% Non-Cumulative, Compulsorily Convertible Preference Shares ('CCPS') of the Company, having a face value of Rs. 10 each, at a premium of Rs. 201/- per CCPS, aggregating to Rs. 527.5 million to Mr. Vivek Tiwari, Managing Director, CEO & CIO of the Company, by way of preferential allotment at different Partly Paid up Value per share aggregating to Rs. 2.5 million.
- 46,50,000 (Forty-Six Lakh Fifty Thousand) 0.001% Non-Cumulative, Compulsorily Convertible Preference Shares ('CCPS') having face value of Rs. 10/- (Rupees Ten Only) each at a premium of Rs. 320/- per CCPS aggregating up to Rs.1534.5 Million to Gojo & Company, Inc. (Gojo) & Person(s) & Entity under promoter (Indian) Category.
- 47,73,750 (Forty-Seven Lakhs Seventy-Three Thousand Seven Hundred Fifty) Equity Share of Face Value of Rs. 10/- each to Gojo & Company, Inc., pursuant to the conversion of 0.001%, 57,00,000 Non-cumulative Compulsorily Convertible Preference Shares (CCPS) of Face Value of Rs. 10/- each/-.

During the year under review, the Company has received the 3rd and final call of Rs. 6/-per equity share on face value and Rs. 65/- per equity share as a premium on 25,00,000 Partly Paid Equity Shares of Rs. 75/- each (having face value of Rs. 10/- each) of the Company amounting to Rs. 177.5 million (including Rs. 162.5 million as Premium), held by Mr. Vivek Tiwari. Further, the Company has received 1st call of Rs. 6.50/-, Rs. 6.25/- & Rs. 6/- respectively, on 50,00,000 Partly Paid-Up Equity Shares on Face Value held by Mr. Vivek Tiwari amounting to Rs. 31.125 Million.

Consequent upon the aforesaid call made, allotment of Equity Shares and CCPS, the Paid-up Share Capital of the Company are as follows:

1.) Equity Share Capital – Rs. 598.98 million*

2.) Preference Share Capital- Rs. 49 million

*(including amount recoverable from SATYA Employee Welfare Trust)

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

During the year under purview, the borrowing powers of the Company have been increased from 5,000 million to 75,000 million on the recommendation of the Board of Directors & duly approved by the members of the Company in its Annual General Meeting held on July 06, 2022. Further, In view of expected growth in business of the Company and basis the projections as per the detailed Annual Business Plan of the Company which was approved by the Board at its meeting held on March 06, 2023, your Board recommends to members of the Company for their approval in their ensuing Annual General Meeting to increase borrowing power of the Company from 75,000 million to 1,00,000 million.

Apart from long-term loans and Equity, for diversification of the sources of funds and smooth operations, the Company raised a sum of Rs. 19081.6 million by way of issuance of Non-Convertible Debentures, External Commercial Borrowings, Securitization & Direct Assignments.

CAPITAL ADEQUACY RATIO

The Company continues to fulfill all the norms and standards laid down by the RBI pertaining to non–performing assets, capital adequacy, etc. The Company has been able to maintain a Capital-to-risk weighted assets ratio (CRAR) of 19.23% as on March 31, 2023, which is well above the RBI mandated norm of 15%.

RATINGS

During the year under review, ACUITE Ratings & Research Limited (ACUITE), ICRA Limited (ICRA), India Ratings & Research Private Limited (IND) and CRISIL Limited (CRISIL), rated the securities of the Company as follows:-

Amount(Rs. in Millions)

S. No.	Name of Instrument	Rating Agency	Date as per final letter	Rating Assigned	Valid up to	Amount Rated
1.	Long term Bank Facilities	Acuite Rating & Research Ltd	07-Dec-22	ACUITE BBB+/Stable	Refer Note 1	3,000.0
2.	Long term Bank Facilities	ICRA Limited	01-Feb-23	[ICRA]BBB/Positive	Refer Note 1	9,250.0
3.	Long term Bank Facilities	CRISIL Ratings Limited	30-Jan-23	CRISIL BBB/Stable	Refer Note 1	3,000.0
4.	Non-convertible debentures	Acuite Rating & Research Ltd	07-Dec-22	ACUITE BBB+/Stable	Refer Note 1	1,050.0
5.	Non-convertible debentures	Acuite Rating & Research Ltd	07-Dec-22	PP-MLD ACUITE BBB+ /Stable	Refer Note 1	1,000.0
6.	Non-convertible debentures	India Ratings & Research Pvt. Ltd.	13-Mar-23	IND BBB+/Stable	Refer Note 1	3,100.0
7.	Non-convertible debentures	CRISIL Ratings Limited	03-Jun-22	CRISIL BBB/Stable	Refer Note 1	1,830.0
8.	Non-convertible debentures	ICRA Limited	01-Feb-23	[ICRA]BBB/Positive	Refer Note 1	4,215.0
9.	Market Linked debentures	ICRA Limited	01-Feb-23	PP-MLD [ICRA]BBB/Positive	Refer Note 1	200.0
10.	Tier-II Bonds Programme	ICRA Limited	01-Feb-23	[ICRA]BBB/Positive	Refer Note 1	250.0
11.	Subordinated Debt	ICRA Limited	01-Feb-23	[ICRA]BBB/Positive	Refer Note 1	800.0

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

Ratings of Securitization transaction are as follows:-

S. No.	Name of Instrument	Rating Agency	Date as per final letter	Rating Assigned		Valid up to	Amount Rated
				Series 1	Series 2		(in million)
1.	Uchiha Trust 03 2022	ICRA Limited	23-May-2022	[ICRA]A(SO)		Dec 2023	202.5
2.	Nimbus 2022 MFI Donna	ICRA Limited	03-Oct-2022	[ICRA]A(SO)	[ICRA]A-(SO)	May 2024	445.8
3.	Slytherin Trust September 2222	ICRA Limited	25-Nov-2022	[ICRA]A(SO)		April 2024	980.2

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) (a) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantee given, or security provided or any investment made in the ordinary course of its business by a Non-Banking Financial Company (NBFC) registered with RBI is exempted from the applicability of provisions of Section 186 of the Act. Accordingly, the disclosures of the loans made, guarantee given, or security provided as required under the aforesaid section have not been given in this report.

RESERVE BANK OF INDIA (RBI) DIRECTIONS

In terms of RBI's Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021, your Company is classified as NBFC - Middle Layer (NBFC-ML). Your Company complies with the direction(s), circular(s), notification(s) and guideline(s) issued by the Reserve Bank of India as applicable to your company as a Systemically Important Non-Deposit taking Non-Banking Financial Company/ NBFC-Middle Layer and Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022.

Your Company has complied with the provision of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 with respect to the downstream investments made by it during the year under review and FEMA regulation.

The Company continues to fulfill all the norms and standards laid down by RBI pertaining to non–performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, the capital adequacy ratio of the Company was 19.23% as on March 31, 2023. In line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee, which meets on quarterly basis to review its ALM risks and opportunities. The Company is in compliance with the NBFC – Corporate Governance (Reserve Bank) Directions, 2015.

DEPOSITS

The Reserve Bank of India in exercise of its powers under The Reserve Bank of India Act, 1934, has granted NBFC-MFI (Registration no. 14.01513) status to the Company. During the FY 2022-23, the Company has not accepted any public deposits and the Board of Directors has passed the resolution that the Company will not accept or hold any public deposits in FY 2023-24.

LISTING

During the year, the Company has issued the following Listed Non-Convertible Debentures, and the said Debentures are listed on the BSE Limited.

S. No.	Debenture Holders	Amount (Rs. In million)
1.	Unifi AIF	240
2.	Hinduja Leyland Finance Limited	250
3.	(a) BlueOrchard Microfinance Fund (b) Microfinance Initiative for Asia Debt Fund SA, SICAV-SIF	375
4.	(a) S K FINANCE LIMITED (b) MAS Financial Services Limited	350
5.	(a)Northern Arc Income Builder Series B Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund as its scheme	300
6.	Northern Arc Income Builder Trust (Series II) with Northern Arc Income Builder Fund (Series II) as its scheme.	150
7.	Northern Arc Capital Limited	200
8.	Northern Arc Capital Limited	250
	Total	**2115**

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 read with Section 134(3)(a) thereof, the Annual Return of the Company for the year ended March 31, 2023, in the prescribed Form MGT-7 is available on the website of the Company and can be accessed through the weblink of the Company https://satyamicrocapital.com/annual-returns/

CORPORATE GOVERNANCE

In terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ("SEBI (LODR) Regulations, 2015"), the Company is High Value Debt Listed Entity, accordingly, the Report on Corporate Governance in terms of SEBI (LODR) Regulations, 2015, (Paragraph C of Schedule V - Annual Report) is annexed as **Annexure-1** and forms part of this Report. The Company is committed to maintain the high standards of corporate governance and is continuously striving to implement several best corporate governance practices.

INTERNAL FINANCIAL CONTROLS AND INTERNAL CONTROL SYSTEMS

As required under the applicable RBI & Listing Regulations, the Audit Committee of the Board of Directors periodically reviews to ensure that the adequacy of internal financial controls of the Company is commensurate with its size, scale, and complexity of operations. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.
During the financial year under review, no material or serious observation has been made regarding inefficacy or inadequacy of such controls. Assurance on the effectiveness of Internal Financial Controls is obtained through management reviews, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems by the internal auditors during the course of their audits. During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls. The Company maintains an adequate and effective internal control system, commensurate with its size and complexity. The Company believes that these internal control systems provide a reasonable assurance that the Company's transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or loss.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

INTERNAL AUDIT

The Company has put in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The framework is commensurate with the nature of the business and the size of its operations. Internal auditing at the Company involves the utilisation of a systematic methodology for analysing business processes or organisational problems and recommending solutions to add value and improve the organisation's operations. The audit approach verifies compliance with the regulatory, operational and system related procedures and controls. During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls.

DIRECTORS AND KEY MANAGEMENT PERSONNEL (KMP)

All the Directors have varied experience and specialized knowledge in various areas of relevance to the Company. The Board consists of directors appointed as per the provisions of the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and RBI Master Directions.

I. Change in the composition of Board of Directors :

- Mr. Mohan Chandanathil Pappachan (DIN: 02661757), ceased as an Independent Director w.e.f August 11, 2022, pursuant to completion of his 1st term of 5 years as an Independent Director and was re-appointed as an Independent Director for the 2nd Term of five years w.e.f December 13, 2022.
- Mr. Saneesh Singh (DIN: 02254868),ceased as Nominee Director in the category of Non-Executive Director of the Company, effective from July 11, 2022, pursuant to the withdrawal of nomination by Dia Vikas Capital Private Limited, Investor Shareholder of the Company. The Board places on record the contribution of Mr. Saneesh Singh as Nominee Director.

ii. Key Managerial Personnel ("KMP") of the Company :

- Choudhary Runveer Krishanan was appointed as the Company Secretary and Chief Compliance Officer of the Company w.e.f. April 18, 2022, pursuant to change in organisation structure and Mr. Amit Jain, Company Secretary & Head Legal was re-designated as Head-Legal with continuation in service w.e.f. April 18, 2022.

iii. Director liable to retire by rotation :

- Dr. Ratnesh Tiwari (DIN:- 07131331) will retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

BOARD MEETINGS

During the financial year 2022-23, your Board of Directors met 10 (Ten) times. The details of the Board Meetings and attendance thereof are provided in the Corporate Governance report.

PARTICULARS OF EMPLOYEES

The Company gives paramount importance to its employees. Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to achieve new milestones on a continual basis.

As of March 31, 2023, your Company had 4,549 employees on its roll. The Company has fair and transparent recruitment process and other policies which safeguard the interest of its employees. Your company has been awarded with "Top 50 India's Best Workplaces in BFSI 2023" with "GREAT PLACE TO WORK" certification twice in a row from 2021 which is recognized world over by employees and employers alike and is considered the Gold Standard in identifying and recognizing Great Workplace Cultures.

EMPLOYEE STOCK OPTION PLAN (ESOP)

During the year under review, there was no change in SATYA Employee Stock Option Plan, 2018 (SATYA ESOP 2018). The eligible employees of the Company were allotted equity shares pursuant to vesting of ESOP's as per SATYA ESOP 2018 via SATYA Employee Welfare Trust. ESOP disclosure pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the provisions of Section 62 of the Companies Act, 2012 read with rules framed thereunder is annexed at **Annexure- 2** to this report.

DECLARATION BY INDEPENDENT DIRECTOR(S)

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

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. Its' an optimum mix of expertise (including financial expertise), leadership and professionalism.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has a Board approved remuneration policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of Directors. The said Policy is directed to provide the framework that guides the remuneration strategy of the Company for its Directors, Key Managerial Personnel and other employees.

The said Policy is available on the website of the Company and can be accessed through the weblink of the Company https://satyamicrocapital.com/wp-content/uploads/2023/06/Nomination-Remuneration-Policy.pdf.

EVALUATION OF PERFORMANCE

In terms of the provisions of section 178 of the Companies Act, 2013 read with rules made thereunder, the Nomination and Remuneration Committee has recommended the manner for an effective annual evaluation of performance of Board, its committees and individual directors to the Board of Directors for its approval as well as reviewed the implementation and compliance of various regulatory provisions. The Board of Directors in pursuance to the statutory provisions and the recommendation of the Committee has accordingly carried out an annual performance evaluation of individual directors. The Board of Directors expressed their satisfaction with the evaluation process. The Board of Directors also evaluated the functioning/performance of Board and its Committees and expressed satisfaction with their functioning/performance.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors have prepared the annual accounts for the FY March 31, 2023 on a going concern basis;
5. That the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

6. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

MATERIAL CHANGES AFTER THE BALANCE SHEET DATE

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

RELATED PARTY TRANSACTIONS

All the related party transactions pursuant to Section 188(1) of the Companies Act, 2013 ("the Act") that were entered into by your Company during the year under review were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by your Company with its promoters, directors, key managerial personnel or other designated persons, which might have any conflict with the interest of the Company. Accordingly, there are no transactions that are required to be reported in AOC-2 and as such does not form part of this report. Details of related party transactions may be referred to in Note 36 of the Financial Statements.

The Company's policy on materiality of related party transactions, as approved by the Board, is available on the website of the Company and can be accessed through the weblink of the Company
https://satyamicrocapital.com/wp-content/uploads/2023/06/Related-Party-Transactions-Policy.pdf.

AUDITORS & THEIR REPORTS

Statutory Auditors

In accordance with Section 139(8) of the Companies Act, 2013 read with rules made thereunder and RBI's Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, the shareholders of the Company at the Annual General Meeting held on July 06, 2022, have appointed M/s S.N. Dhawan & CO LLP (Firm No. FRN 000050N/N500045) as the Statutory Auditors of the Company for a period of two years i.e. FY 2022-23 to FY2023-24 and to hold office till the conclusion of the 29th Annual General Meeting and the said appointment was in accordance with the applicable provisions of the Act and rules framed thereunder and the RBI Guidelines. In terms of the abovementioned RBI Guidelines, the Board has evaluated the performance of Statutory Auditors found it as satisfactory.

Your Directors do not observe any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor in its report. The Statutory Auditors have also confirmed their independence, which has been duly took on record by the Audit Committee.

Secretarial Auditors

In terms of section 204 of the Companies Act, 2013 and rules framed thereunder and on the recommendation of the Audit Committee, the Board of Directors of the Company had appointed M/s Vinod Kothari & Company, Company Secretaries (Unique Identification Code: P1996WB042300) as the Secretarial Auditors of the Company for the financial year 2022-23. Secretarial Audit Report as provided by M/s Vinod Kothari & Company is also annexed to this Report, in the prescribed Form MR-3, as **Annexure-3.**

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditors

In terms of section 138 of the Companies Act, 2013 and rules framed thereunder and on the recommendation of the Audit Committee, the Board of Directors of the Company had appointed Ms. Vasudha Goel as the Internal Auditors of the Company w.e.f. May 19, 2022.

The Internal Audit Report does not contain any material qualification or adverse remarks.

SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT POLICY

Your Company has complied with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Prevention of Sexual Harassment (POSH) Policy is in place and Internal Complaints Committee (ICC) has been re-constituted and is fully operational & functional. The constitution of ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external member with relevant experience. The Committee meets at regular intervals in order to ensure and enhance security of female employees.

The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for Financial Year 2022-23 is given below:

Number of complaints filed during the financial year: Nil
Number of complaints disposed of during the financial year: Nil
Number of complaints pending as on end of the financial year: Nil
The said Policy is available on the website of the Company and can be accessed through the weblink of the Company https://satyamicrocapital.com/wp-content/uploads/2023/06/POSH-Policy.pdf

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

Your Company has an effective Vigil Mechanism system/ Whistle Blower Policy for directors and employees to report their genuine concern or grievance and to adhere to the highest standards of ethical, moral and legal conduct of business operations. No complaints were received during the financial year 2022-23.

The said Policy is available on the website of the Company and can be accessed through the weblink of the Company https://satyamicrocapital.com/wp-content/uploads/2023/06/Wishtle-Blower-Policy-Final.pdf

Corporate Social Responsibility

As per the requirements of the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder, your Company had constituted a Corporate Social Responsibility (CSR) Committee. As on March 31, 2023, Members of the Committee were :-

1. Dr. Deepali Pant Joshi, Non- Executive Independent Director
2. Mr. Taejun Shin, Non-Executive Nominee Director; and
3. Dr. Ratnesh Tiwari, Non-Executive Director

The Committee has in place the CSR policy in accordance with provisions of Section 135 of the Companies Act, 2013, read with Rules made thereunder, indicating the activities to be undertaken by the Company from time to time. The Committee has been entrusted with the prime responsibility of implementation of the activities under the CSR Policy and recommend the amount to be spent on such CSR activities during the year. The Committee is also responsible for recommending to the Board such activities which could be undertaken as per CSR policy.

The CSR Policy of your Company, as adopted by the Board is available on the website of the Company and can be accessed through the weblink of the Company https://satyamicrocapital.com/wp-content/uploads/2023/06/CSR-Policy_2.0.pdf

Your Company has undertaken the CSR activities and complied with the provisions of Section 135 of the Companies Act, 2013.

During the Financial Year under review, your Company spent Rs. 13 million on its CSR activities towards Health & Welfare as against the required CSR liability amounting to Rs. 4.65 million, 2% of the average net profits of previous three financial years.

The CSR initiatives undertaken by your Company along with other CSR related details form part of the Annual Report on CSR activities for FY 2022-23, which is annexed as **Annexure- 4**.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed discussion on the Company's operational and financial performance are given in the Management Discussion and Analysis Report which is annexed to this Report as **Annexure-5**.

RISK MANAGEMENT

Effective risk management is essential to success and is an integral part of our culture. While we need to accept a level of risk in achieving our goals, sound risk management helps us to make the most of each business opportunity and enables us to be resilient and respond decisively to the changing environment. Our approach to risk management assists us in identifying risks early and addressing them in ways that manage uncertainties, minimize potential hazards, and maximize opportunities for the good of all our stakeholders including shareholders, customers, suppliers, regulators and employees. Risks can be broadly classified as strategic, operational, financial, legal and regulatory.

Risk Management Committee of the Board assist the Board in its oversight of various risks, review of compliance with risk policies, monitoring of risk tolerance limits, review and analyse the risk exposures related to specific issues and provides oversight of risk across the organization. The details of the Committee along with its terms of reference are set out in the Corporate Governance Report, forming part of this Report. The Board of Directors had also adopted Risk Management Policy for the Company which provides for identification, assessment and control of risks that in the opinion of the Board may threaten the existence of the Company. The management identifies and controls risks through proper operations, management & defined framework in terms of the aforesaid Policy. During the year under review, Mr. Ranjeet Mishra was the Chief Risk Officer of the Company.

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

Your Company, being engaged in financing business within the Country, does not have any activity relating to conservation of energy, technology absorption and export of materials, goods or services. The directors, therefore, have nothing to report on conservation of energy and technology absorption.

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are as follows:

- Parts A and B pertaining to conservation of energy and technology absorption - NIL
- Foreign exchange earnings and outgo :
  - Earnings – NIL
  - Outgo – Rs. 82.02 million (Previous year Rs. 13.51 million) on account of :-

Particulars	Amount (Rs. in Million)
Finance Cost	80.11
Director Sitting fees	1.04
Training Expense	0.54
Meeting and conference	0.18
Professional Charges	0.15
Total	**82.02**

CHANGE IN THE NATURE OF BUSINESS

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

MAINTENANCE OF COST RECORDS BY THE COMPANY

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

FINANCIAL YEAR OF THE COMPANY

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

FRAUD REPORTING

During the year there were few fraud cases amounting to Rs. 2.58 Million (Previous year Nil), which have been reported in accordance with applicable laws, and in all these matters, recovery and legal actions/proceedings are in progress.

DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Your Company has neither filed any application nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 during the reporting year, hence no disclosure is required under this section.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Since during the year under review, the Company has not done One-time settlement, against loan obtained by the Company with Bank/FI, hence the above is not applicable.

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

	sd/-	**sd/-**
Place: Gurugram **Date: May 24, 2023**	**Vivek Tiwari** **Managing Director, CEO & CIO** **DIN: 02174160**	**Ratnesh Tiwari** **Director** **DIN: 07131331**

ANNEXURE-1

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhancing shareholder/investor value and discharging of social responsibility. The Company does not view Corporate Governance principles as set of binding obligations, but believes in using it as a framework to be followed in spirit.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner SATYA MicroCapital Limited is committed to maintaining a high standard of corporate governance in complying with Master Circular on Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 issued by Reserve Bank of India (RBI) on July 3, 2015 and SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015(“SEBI (LODR), Regulations, 2015”) .

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

BOARD OF DIRECTORS (“BOARD”)

It is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. The Board is committed to the goal of sustainably elevating the Company's value creation. The Company has defined roles and responsibilities of the Board and Committees Members to systematize the decision-making process at the meetings of the Board and Committees in an informed and efficient manner.

As on March 31, 2023, your Board of Directors comprised of 8 (eight) directors which includes 4 (four) Non-Executive Independent Directors, 3 (three) Non-Executive & Non-Independent Directors (out of 2 are Nominee Directors, represented by Gojo & Company, Inc., Equity Investor) and 1 (one) Managing Director. The Composition of your Board is diverse, optimum and balanced in terms of specialization in one or more areas. The Board of Directors considers the interest of all stakeholders while discharging its responsibilities and provides leadership and guidance to the Company's management. Moreover, the Board while discharging its fiduciary responsibilities very well ensures that the management adheres to the high standards of ethics, transparency and disclosures. The Non-Executive Directors including Independent Directors bring objective and independent perspective in Board deliberations and decisions as they have a wider view of external factors affecting the Company and its business. They make a constructive contribution to the Company by ensuring fairness and transparency while considering the business plans devised by the management team. The profile of the Directors can be accessed on our website at https://satyamicrocapital.com/our-board/.

All the Independent Directors have requisite knowledge of business, in addition to the expertise in their area of specialization. The Independent Directors helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, corporate governance and standards of conduct. During the year under review, the Independent Directors held a separate meeting in pursuance of applicable statutory and regulatory provisions. The Company has received necessary declarations of independence from each of its Independent Directors under section 149(7) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR), Regulations, 2015, that he/she meets the criteria of Independent Directors envisaged in section 149(6) of the Companies Act, 2013 & Regulation 16 of SEBI (LODR), Regulations, 2015. During the reporting financial year, the Independent Directors of the Company met on March 28, 2023, wherein the items as enumerated under Schedule IV to the Companies Act, 2013 were discussed.

MEETINGS & ATTENDANCE

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. The Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspiration and societal expectations. In order to meet out the responsibilities, the Company holds a minimum of four Board meetings every year complying with the provisions of Companies Act, 2013, applicable Secretarial Standard for conduct of Board Meetings and SEBI (LODR), Regulations, 2015. Additional Board Meetings are held by the Company to address specific needs, as and when required. In case of urgency or business exigencies, matters are also approved by way of resolution by circulation as per the provisions of Companies Act, 2013, and subsequently noted in the next Board meeting. The Company circulates the agenda and related notes/ documents well in advance via e-mail and convene application to the Board and its Committee Members on their registered mail ids.

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

As a practice, the Company Secretary communicates all important action points as directed by the Board Members/ Committee Members to the functional head of the concerned departments, for their requisite report thereon in the subsequent meetings.

Number & Dates of Board Meeting :

During the Financial Year 2022-23, the Board met 10 (Ten) times on April 06, 2022, May 19, 2022, July 12, 2022, August 09, 2022, September 27, 2022, November 09, 2022, November 16, 2022, January 14, 2023, February 27, 2023 and March 06, 2023. The gap between two consecutive meetings did not exceed 120 days as stipulated under Section 173 of Companies Act 2013, Secretarial Standards - 1 as issued by the Institute of Company Secretaries of India (ICSI) and SEBI (LODR), Regulations, 2015.

Attendance of directors at board meetings and their directorships in other companies as on March 31, 2023, are given below:

Name of the Directors	Nature of Directorship	Number of Board Meetings		Whether attended the last AGM	No. of Directorships in other companies#		Number of Committee positions held in other Public Companies##		Directorship in other listed entity@	
		Held during the tenure	Attended		Chairman	Member	Chairman	Member	Name of Listed Entity	Category
Mr. Vivek Tiwari	Managing Director, CEO & CIO (Promoter)	10	10	Yes	-	-	-	-	-	-
Dr. Ratnesh Tiwari	Non-Executive Director (Promoter)	10	10	Yes	-	-	-	-	-	-
*Mr. Mohan Chandanathil Pappachan	Independent Director	7	7	Yes	-	-	-	-	-	-
Mr. Sanjay Gandhi	Nominee Director (on behalf of Gojo & Company, Inc, Equity Investor)	10	9	Yes	-	-	-	-	-	-
Mr. Naveen Surya	Independent Director	10	8	Yes	-	-	-	-	-	-
Ms. Surekha Marandi	Independent Director	10	10	Yes	-	1	2	-	-	-
Mr. Taejun Shin	Nominee Director (on behalf of Gojo & Company, Inc, Equity Investor)	10	8	No	-	-	-	-	-	-
Dr. Deepali Pant Joshi	Independent Director	10	10	Yes	-	3	-	1	Coromandel International Ltd.	Independent Director
DIRECTOR WHO CEASED TO BE ON THE BOARD OF DIRECTORS DURING FY 2022-23										
**Mr. Saneesh Singh	Nominee Director (on behalf of Dia Vikas Capital Pvt.Ltd., Equity Investor)	2	2	Yes	-	-	-	-	-	-

** Mr. Mohan Chandanathil Pappachan, Independent Director, ceased as an Independent Director w.e.f. August 11, 2022, due to expiry of his 1st term as Independent Director and he was re-appointed for 2nd term as an Independent Director w.e.f. December 13, 2022.*
***Mr. Saneesh Singh ceased as Nominee Director on the Board of the Company w.e.f. July 11, 2022.*
 # Excludes directorship in the private companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies (excluding the Company) as per Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).
Further, number of memberships in Audit/Stakeholder Committee includes Chairpersonship, wherever applicable.
@With reference to proviso to Regulation 17A(1) listed entity shall be only those whose equity shares are listed on a stock exchange.

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

There is no inter se relation between the Directors other than the following:

- Mr. Vivek Tiwari, MD, CEO & CIO and Dr. Ratnesh Tiwari are brothers.
- Mr. Taejun Shin and Mr. Sanjay Gandhi are Nominee Directors on behalf of Gojo & Company, Inc.

The Number of Share and Convertible instrument held by Non-Executive Director:

Name of Director	Number of Equity Shares (Face Value of Rs. 10/-)	Number of Compulosrily Convertible Preference Shares held (Face Value of Rs. 10/-)
Dr. Ratnesh Tiwari	51,500	25,000

Board Agenda

The notices of Board Meetings are given well in advance to all the Directors. The Board members are provided agenda setting out the business to be transacted at the Meeting, with well-structured and comprehensive notes on agenda, to enable them to take informed decisions. Agenda papers are generally circulated atleast seven days prior to the date of the Meeting. Additional/ supplementary items are taken up with the permission of Chair and requisite consent of the Directors. Where it is not practicable to attach any document to the agenda, the same is circulated in the Meeting/ placed before the Meeting.

MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are as follows:

Name of Directors	Knowledge of Financial Service Industry	Strategy and Planning	Governance, Ethics & Regulatory Oversight	Audit, Risk Management, Internal Control	Human Resource	Information Technology Knowledge
Mr. Vivek Tiwari	✓	✓	✓	✓	✓	✓
Dr. Ratnesh Tiwari	✓	✓	✓	✓	✓	✓
Mr. Mohan Chandanathil Pappachan	✓	✓	✓	✓	✓	✓
Mr. Sanjay Gandhi	✓	✓	✓	✓	✓	✓
Mr. Naveen Surya	✓	✓	✓	✓	✓	✓
Ms. Surekha Marandi	✓	✓	✓	✓	✓	✓
Mr. Taejun Shin	✓	✓	✓	✓	✓	✓
Dr. Deepali Pant Joshi	✓	✓	✓	✓	✓	✓

The Board is of the opinion that all the independent directors fulfil the conditions as specified in the SEBI (LODR), Regulations, 2015 and are independent of the management.

COMMITTEES OF THE BOARD

The Board of Directors has constituted various Board Committees with specific terms of reference to ensure timely and effective working of the Board and the Company in addition to comply with the provisions of the Companies Act, 2013, the SEBI (LODR) regulation 2015, other regulations/ guidelines of the Reserve Bank of India(RBI) and other statutory provisions. The Committees operate as empowered bodies of the Board. There are 8 (Eight) Committees of the Board of Directors, which have been delegated adequate powers to discharge their roles & responsibilities and urgent business of the Company. The composition and functioning of these Committees are in compliance with the applicable provisions of the Companies Act, 2013, SEBI (LODR) regulation 2015 and also in consonance with the Master Directions issued by the RBI for NBFC's. As on March 31, 2023, the following committees were in operation:

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

The Committees meet as often as required. The Minutes of Meetings of the Committees are circulated to the Board of Directors. The brief description of terms of reference and composition of these Committees are as follows :-

1. Audit Committee

As a measure of good Corporate Governance and also to meet the statutory provisions of the section 177 of the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015 and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Audit Committee has been constituted with the primary objective to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

Majority of the members of the Committee are Independent Directors. All the Members of the Audit Committee have the required qualification and expertise for appointment in the Committee and possess requisite knowledge of accounting and financial management.

During the year, all the recommendations made by the Audit Committee were accepted by the Board of Directors.

As on March 31, 2023, the Committee comprises of 5 (Five) members. The Company Secretary is the secretary of the Committee. The invitees include Chief Financial Officer. Further, the representative of Statutory Auditor, Internal Auditor and other executives of the Company are also invited in the Audit Committee Meetings, as and when required. The Chairman of the Audit Committee was present at the last Annual General Meeting. During the year under review, the Committee met 6 (Six) times on May 16, 2022, August 09, 2022, September 27, 2022, November 09, 2022, January 14, 2023 and March 06, 2023. The composition of the Committee as on March 31, 2023, and the attendance of members at the Meetings were as follows:

Name	Category	Number of Meetings	
		Held during the year	Attended
*Dr. Deepali Pant Joshi	Chairperson	6	6
** Mr. Mohan Chandanathil Pappachan	Member	4	4
Ms. Surekha Marandi	Member	6	6
Mr. Naveen Surya	Member	6	4
Mr. Sanjay Gandhi	Member	6	6
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2022-23			
*** Mr. Saneesh Singh	Member	1	1

**Dr. Deepali Pant Joshi, Member was appointed as the Chairperson of the Committee w.e.f. November 09, 2022.*
*** Mr. Mohan Chandanathil Pappachan, Chairperson of the Committee ceased to be the member of Committee w.e.f. August 11, 2022, in view of cessation of his 1st Terms as Independent Director on the Board of the Company and was inducted as Member of the Committee w.e.f December 13, 2022, pursuant to his re-appointment as Independent Director for 2nd term on the Board of the Company.*
**** Mr. Saneesh Singh ceased as Member of the Committee w.e.f. July 11, 2022, pursuant to his withdrawal of nomination on the Board of the Company by Dia Vikas Capital Pvt. Ltd., Investor shareholder.*

Terms of Reference

The Audit Committee has the following responsibilities:

- To take cognizance of the internal Audit Reports, independence of auditors and effectiveness of the audit report;
- To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, scope of audit and frequency of internal audit;
- To recommend appointment, remuneration and terms of appointment of auditors;
- To ensure adequacy of whistle blower policy;
- To look into cases of defaults, frauds done to or done by the organization;
- To periodically interact with the statutory auditor and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- To ensure that the financial statements are correct, sufficient and credible;
- To review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with reference to:
  a) Any matter required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013; (b) Any change in accounting policy; (c) Any significant transaction or financial irregularity; (d) Loan write-offs; (e) Related party transaction; (f) Capital expenditure; (g) Any significant accounting adjustment; (h) Any significant increase in liabilities; (i) Contingent liabilities
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Audit Committee ensures the rotation of partner/Chartered accountant firm in conducting the audit. The Audit firm need to be replaced after carrying out three consecutive audits and can be eligible for company audit after an interval of Six years as per the RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs).
- The Audit Committee mandatorily review the following information:
  a. Management discussion and analysis of financial condition and results of operations;
  b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  d. Internal audit reports relating to internal control weaknesses; and
  e. The appointment, removal and terms of remuneration of the internal auditor is subject to review by the audit committee.
- Such other role as covered under Part C of Schedule II of SEBI (LODR), Regulations, 2015.

2. Nomination and Remuneration Committee

The terms of reference of the Committee are in accordance with the provisions of the Companies Act, 2013, the regulations framed by Reserve Bank of India and Such other role as covered under Part D of Schedule II of SEBI (LODR), Regulations, 2015. It discharges such other functions as may be delegated by the Board of Directors from time to time. The Remuneration Policy is available at Company's website and can be accessed through the weblink of the Company https://satyamicrocapital.com/wp-content/uploads/2023/06/Nomination-Remuneration-Policy.pdf

The Committee has recommended to the Board of Directors, the manner for an effective annual performance evaluation of the Board, its Committees and individual directors. The Board has accordingly carried out an annual performance evaluation of individual directors. The Board expressed its satisfaction with the evaluation process. It also evaluated the functioning/ performance of Board and its Committees and expressed satisfaction with their functioning/performance.

As on March 31, 2023, the Committee comprised of 6 (Six) members. The Committee met 4 (four) times during the year on April 06, 2022, May 19, 2022, August 09, 2022 and November 09, 2022 and the attendance of members at the Meetings was as follows:

Name	Category	Number of Meetings	
		Held during the year	Attended
* Mr. Mohan Chandanathil Pappachan	Chairperson	3	3
Mr. Naveen Surya	Member	4	3
**Dr. Deepali Pant Joshi	Member	-	-
**Ms. Surekha Marandi	Member	-	-
**Dr. Ratnesh Tiwari	Member	-	-
**Mr. Taejun Shin	Member	-	-
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2022-23			
***Mr. Sanjay Gandhi	Member	4	4
***Mr. Vivek Tiwari	Member	4	4
****Mr. Saneesh Singh	Member	2	2

**Mr. Mohan Chandanathil Pappachan ceased as Member of the Committee w.e.f. August 11, 2022, pursuant to the cessation of his 1st Term as Independent Director of the Board of the Company and he was inducted as Chairperson of the Committee in view of his re-appointment on the Board of the Company w.e.f. December 13, 2022.*
*** Inducted as Member of the Committee w.e.f. December 13, 2022, pursuant to the reconstitution of Committees.*
**** Ceased as Member of the Committees w.e.f December 13, 2022, pursuant to the reconstitution of Committees.*
*****Mr. Saneesh Singh ceased as member of the Committee w.e.f July 11, 2022, pursuant to his withdrawal of nomination on the Board of the Company by Dia Vikas Capital Pvt. Ltd., Investor shareholder.*

The Committee has the following Terms of reference:

- Formulate criteria for determining qualifications with respect to appointment of directors for Board. This includes qualifications, positive attributes and independence of a Director;
- Ensure 'fit and proper' status of proposed/ existing Directors;
- To recommend the Board on the appointment, extension or removal of Directors/Senior Management in accordance with criteria laid down or on the basis of the report of performance evaluation of Directors / Senior Management;
- To recommend to the Board on
  (a). Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management, and (b). Executive Directors remuneration and incentive.

- To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company;
- Administer the ESOP Scheme/Plan of the Company :
- Such other role as covered under Part D of Schedule II of SEBI (LODR) Regulation, 2015.

The evaluation of Independent Directors shall be done by the Nomination & Remuneration Committee and Board of Directors which included performance of the Directors and fulfilment of the independence criteria as specified in these regulations and their independence from the management. However, in the above evaluation, the Directors who are subject to evaluation do not participate.

3. Risk Management Committee

The Company has an effective Risk Management Committee of the Board formed in accordance with SEBI(LODR), Regulations, 2015 and in terms of the directions framed by RBI for monitoring the risk and to strategize action to mitigate risks associated with the functioning of the Company. The Company has established effective risk assessment and minimization procedures, which are reviewed by the Risk Management Committee periodically. There is a structure in place to identify and mitigate various risks identified by the Company from time to time. At the meeting of the Risk Management Committee, the same is reviewed and new risks are identified and after their assessment, their controls are designed, put in place with specific responsibility of the concerned person for its timely achievement.

The Risk Management Committee of the Board, comprised of 8 (eight) members as on March 31, 2023. The Committee met 3 (Three) times during the year on May 16, 2022, August 09, 2022 and November 09, 2022, and the attendance of members at the Meetings was as follows:

Name	Category	Number of Meetings	
		Held during the year	Attended
Ms. Surekha Marandi	Chairperson	3	3
Mr. Vivek Tiwari	Member	3	3
Mr. Sanjay Gandhi	Member	3	3
Dr. Ratnesh Tiwari	Member	3	3
Dr. Deepali Pant Joshi	Member	3	3
Ms. Vandita Kaul	Member	3	3
Mr. Ranjeet Kumar Mishra	Member	3	2
Ms. Gaurangini Jain	Member	3	3
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2022-23			
* Mr. Saneesh Singh	Member	1	1

**Mr. Saneesh Singh ceased to be a Member of the Committee w.e.f. July 11, 2022, pursuant to his withdrawal of nomination on the Board of the Company by Dia Vikas Capital Pvt. Ltd., Investor shareholder*

Terms of Reference

The Risk Management Committee has the following responsibilities:

- To monitor and review the risk management plan.
- To review operational risk (including sub risk for operational risk), credit risk, market risk, interest rate risk and other risks associated with the business of the organization.
- To take Strategic actions to mitigate the risk associated with the nature of the business.
- To appraise the Board of directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy.
- To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws, and
- To lay down procedure to inform Board members about the risk assessment and minimization procedures.
- Such other role as covered under Part D of Schedule II of SEBI (LODR) Regulation, 2015.

4. Corporate Social Responsibility Committee

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

The Committee considers the impact of the Company's businesses, operations and programs from a social responsibility perspective, taking into account the interests of shareholders, clients, employees, communities and regulators. The Corporate Social Responsibility Committee of the Board, comprised of 3 (Three) members as on March 31, 2023. During the year, the Committee met twice on May 16, 2022 and May 18, 2022(adjourned meeting) with the requisite quorum and the attendance of members at the Meeting was as follows:

Name	Category	Number of Meetings	
		Held during the year	Attended
Dr. Ratnesh Tiwari	Member	2	2
Dr. Deepali Pant Joshi	Member	2	2
Mr. Taejun Shin	Member	2	1
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2022-23			
*Mr. Mohan Chandanathil Pappachan	Member	2	2

** Mr. Mohan Chandanathil Pappachan ceased to be a Member of the Committee w.e.f. August 11, 2022,, pursuant to the cessation of his 1st Term as Independent Director of the Board of the Company and he was inducted as Chairperson of the Committee in view of his re-appointment on the Board of the Company w.e.f. December 13, 2022.*

The terms of reference of the Committee includes formulating and recommending to the Board a Corporate Social Responsibility ("CSR") Policy indicating the activities to be undertaken by the Company as specified in the Companies Act, 2013, recommending the amount of expenditure to be incurred on such activities and monitoring the CSR Policy from time to time. It also reviews periodically the progress of CSR projects / programs / activities undertaken by the Company. CSR Policy is available on the website of the Company at https://satyamicrocapital.com/wp-content/uploads/2023/06/CSR-Policy_2.0.pdf

5. Asset & Liability Management Committee

Pursuant to guidelines issued by Reserve Bank of India (RBI) on Asset Liability Management (ALM) System for NBFCs, your Company had constituted an Asset Liability Management Committee (ALM Committee) to maintain proper & adequate ALM systems, check the Asset Liability mismatches, interest risk exposure and to help the Company to improve the overall system for effective risk management in various portfolios held by the Company. Mr. Vivek Tiwari, Managing Director, CEO & CIO of the Company is the Chairman of the Committee and possesses rich and varied experience and knowledge in the finance field. The other members as mentioned below are learned and eminent personalities in their respective fields. All members of the Committee are also experienced and are heading the industrial and service sectors. ALM Committee comprised 5 (Five) members as on March 31, 2023.

The Committee members met 4 (Four) times during the year on May 16, 2022; August 09, 2022; November 09, 2022 and January 14, 2023 and the attendance of members at the Meetings were as follows:

Name	Category	Number of Meetings	
		Held during the year	Attended
Mr. Vivek Tiwari	Chairperson	4	4
Dr. Deepali Pant Joshi	Member	4	4
Mr. Sanjay Gandhi	Member	4	4
Ms. Surekha Marandi	Member	4	4
Ms. Vandita Kaul	Member	4	4
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2022-23			
*Mr. Saneesh Singh	Member	1	1

**Saneesh Singh ceased to be member of the Committee w.e.f. July 11, 2022, pursuant to his withdrawal of nomination on the Board of the Company by Dia Vikas Capital Pvt. Ltd., Investor shareholder*

6. IT Strategy Committee

Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector dated June 08, 2017, the Company has constituted an IT Strategy Committee to review the IT strategies in line with the corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT governance. During the year under review, the members of the IT Strategy Committee met twice on May 16, 2022 and November 07, 2022. The constitution of the IT Strategy Committee and the attendance record of members in the Committee Meetings are as under:

Name	Category	Number of Meetings	
		Held during the year	Attended
Mr. Naveen Surya	Chairperson	2	2
Mr. Vivek Tiwari	Member	2	2
Dr. Ratnesh Tiwari	Member	2	2
Mr. Ashutosh Kumar Srivastava	Member	2	2
Mr. Ranjeet Kumar Mishra	Member	2	2
Mr. Taejun Shin	Member	2	2

7. Stakeholders Relationship Committee

The composition of the Stakeholder Relationship Committee (SRC) of the Board satisfies the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. SRC is headed by an Dr. Deepali Pant Joshi, Independent Director. The Company has constituted SRC to specifically look into various aspects of interest of shareholders, debenture holders and other security holders, to undertake and perform all functions of SRC, as referred under applicable laws, as amended from time to time and other terms of reference as specified in Part D of the Schedule II of SEBI LODR.

During the year under review, the SRC met once i.e. on February 27, 2023.

Name	Category	Number of Meetings	
		Held during the year	Attended
Dr. Deepali Pant Joshi	Chairperson	1	1
Mr. Vivek Tiwari	Member	1	1
Dr. Ratnesh Tiwari	Member	1	1

The Compliance Officer of the Company is Choudhary Runveer Krishanan, Company Secretary and Chief Compliance Officer. There were nil shareholders complaints received during the financial year.

8. Working Committee of Directors

The Working Committee of Directors deals with routine matters of the Company on day to day basis and the matters relating to borrowing, investment of surplus funds, opening and closure of Bank accounts, allotment of NCDs, issue of commercial paper (CP) & other debt instrument and all other matters as prescribed and delegated to the Committee by the Board from time to time. The Committee comprises of Mr. Vivek Tiwari and Dr. Ratnesh Tiwari as its members. The Company Secretary of the Company is the secretary of the Committee. This Committee generally meets as and when required to deal with day to day affairs of the Company. During the year under review, 60 (Sixty) meetings of the Committee were held.

REMUNERATION OF DIRECTORS

The remuneration paid to the Executive Director is recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, in line with the approval granted by the shareholders of the Company. At the Board Meeting, only the Non-Executive Directors participate in the business pertaining to the approval of the remuneration to be paid to the Executive Director. The remuneration is fixed considering various factors as defined in the Nomination and Remuneration Policy of the Company.

The Non-Executive Directors of the Company are paid sitting fees for attending each meeting of the Board and Committees of the Board, other than the Working Committee of Directors. However, for FY2023, subject to the approval of the members of the Company in their 28th Annual General Meeting, the Independents shall be paid commission/incentive("Remuneration") of Rs. 1 million each.

The details of the remuneration paid / payable to Mr. Vivek Tiwari, Managing Director, CEO and CIO of the Company for the financial year ended March 31, 2023, are given below:

(Amount in Million)

Particulars	Mr. Vivek Tiwari
Salary*	41.42
Contribution -Provident Fund	2.16
Variable Pay/Performance linked incentive/bonus	13.05
Total	**56.63**
Period of Contract	October 20, 2021 to October 19, 2026
Notice Period and Severance Fees	There is no separate provision for payment of Notice Period and Severance fees.
Employee Stock Options ("ESOP")	Nil

** Salary includes basic salary, perquisites and allowances, payment and expenses incurred on perquisites.*

The details of the remuneration paid to the Non-Executive Directors for the year ended March 31, 2023 are given below:

(Amount in Million)

Sr.No.	Name of Director	Sitting fees	Commission#	Total Remuneration
1.	Dr. Ratnesh Tiwari	1.27	-	1.27
2.	*Mr. Mohan Chandanathil Pappachan	1.17	1	2.17
3.	Mr. Sanjay Gandhi	1.62	-	1.62
4.	Mr. Naveen Surya	1.24	1	2.24
5.	Ms. Surekha Marandi	1.69	1	2.69
6.	Mr. Taejun Shin	1.04	-	1.04
7.	Dr. Deepali Pant Joshi	1.80	1	2.80
8.	**Mr. Saneesh Singh	0.32	-	0.32

** Mr. Mohan Chandanathil Pappachan, Independent Director, ceased as an Independent Director w.e.f. August 11, 2022, due to expiry of his 1st term as Independent Director and he was re-appointed for 2nd term as an Independent Director w.e.f. December 13, 2022.*
***Mr. Saneesh Singh ceased as Nominee Director on the Board of the Company w.e.f. July 11, 2022.*
#Commission is subject to the approval of members of the Company in the ensuing Annual General Meeting.

RELATED PARTY TRANSACTIONS

In terms of Section 188(1) of the Companies Act, 2013 and Regulation 23 of SEBI(Listing Obligation and Disclosure Requirements), 2015, wherever applicable, all related party transactions entered into by the Company during FY 2022-23 were duly approved by the Audit Committee and the Board of Directors. The transactions with the Related Parties are on arm's length basis and in the ordinary course of business of the Company and do not have any potential conflict with the interests of the Company at large. The policy on dealing with Related Party Transactions is disclosed on the Company' website and can be accessed through the weblink of the Company https://satyamicrocapital.com/wp-content/uploads/2023/06/Related-Party-Transactions-Policy.pdf

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In compliance with the applicable provisions of the Companies Act, 2013 and other applicable regulations, the Audit Committee of the Company approved the policy/ mechanism on dealing with whistle blowers. The Audit Committee reviews the same as and when required. During the year, no individual was denied access to the Audit Committee for reporting concerns, if any. The Company has put in place a Whistle Blower Policy to support the Code of Conduct. The said Policy/mechanism is disclosed on the Company' website, link for which is https://satyamicrocapital.com/wp-content/uploads/2023/06/Wishtle-Blower-Policy-Final.pdf During the year under review, no complaint has been received by the Company.

GENERAL BODY MEETINGS

Details of the Annual General Meeting (AGM) during last three financial year and Extra-ordinary General Meetings (EGMs) held during the financial year 2022-23 are given below:

Meeting	Date	Time	Location	No. of special resolutions passed	Whether any Special resolutions conducted through postal ballot*
AGM	July 06, 2022	11:30 A.M	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi -110020	04	No
AGM	June 28, 2021	3:00 P.M		03	No
AGM	August 27, 2020	2:00 P.M		05	No
EGM	September 29, 2022	5:00 P.M		02	No
EGM	December 13, 2022	3:00 P.M		01	No
EGM	March 28, 2023	10:30 A.M		03	No

**There is no special resolution proposed to be conducted through postal ballot*

DEBENTURE HOLDER DETAILS

The details regarding the Debenture Holders along with ISIN as on March 31, 2023 are given as under:-

ISIN	Name of Debenture Holder	Address	Amount (In Millions)	No of Debentures	Particulars
INE982X07267*	Microfinance Enhancement Facility SA, SICAV-SIF UTI International Wealth Creator 4	HSBC Securities Services 11th Floor, Bldg 3, Nesco - IT Park Nesco Complex, W.E. Highway Goregaon(East), Mumbai-400063 Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	400	400	Secured, Rated, Listed, Redeemable, Transferable, Non- Convertible Debentures
INE982X07184	UTI International Wealth Creator 4	Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	285	285	Secured, Rated, Listed, Redeemable, Transferable, Non- Convertible Debentures
INE982X08018	IFMR Fimpact Long Term Credit Fund	10th Floor Phase 1, IITM Research Park, Kanagam Village Taramani, Chennai-Tamilnadu 600113	200	200	Rated, Subordinated, Unsecured, Transferable, Redeemable, Non-Convertible Debentures
INE982X08034	Various Debenture-Holders in the category of Individuals, HUF, Companies etc	**	100	10000000	Rated, Listed, Unsecured, Subordinated, Redeemable, Taxable, Non-Convertible Debentures
INE982X08042	Various Debenture-Holders in the category of Individuals, HUF, Companies etc	**	150	15000000	Rated, Listed, Unsecured, Subordinated, Redeemable, Taxable, Non-Convertible Debentures
INE982X07093	JAPAN ASEAN Women Empowerment Fund	Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	345	345	Secured, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures
INE982X07101	InsuResilience Investment Fund, Debt-Sub Fund	Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	380	380	Secured, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures
INE982X07119	Vivriti India Impact Bond Fund	12th Floor, No. 471, Prestige Polygon, Anna Salai, Nandanam, Chennai, Tamil Nadu 600035	250	25000000	Secured, Rated, Unlisted, Redeemable, Taxable, Non-Convertible Debentures
INE982X07127	Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF	Citibank N.A. Custody Services Fifc- 9th Floor, G Block, Plot C-54 And C-55, Bkc Bandra - East, Mumbai 00098	260	260	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
INE982X07135	Northern Arc Income Builder Fund (Series II)	IITM Research Park Phase, 110th Floor No 1 Kan Agam Villagtaramani Chennai Tamilnadu	200	2000	Secured Rated Listed Redeemable Transferable Principal Protected Market Linked Non-Convertible Debentures
INE982X07150	Covid-19 Emerging and Frontier Markets MSME Support Fund SCSP SICAV-RAIF – AFRASIA	Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	221	221	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
INE982X07168	JAPAN ASEAN Women Empowerment Fund	Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	161	161	Secured Rated Listed Redeemable Non-Convertible Debentures
INE982X07143	Microfinance Initiative For Asia (MIFA) Debt Fund SA, SICAV-SIF	Citibank N.A. Custody Services Fifc- 9th Floor, G Block Plot C-54 And C-55, Bkc Bandra - East, Mumbai-400098	161	161	Secured Rated Listed Redeemable Non-Convertible Debentures
INE982X07176	UTI International Wealth Creator 4	Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	800	800	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures

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ISIN	Name of Debenture Holder	Address	Amount (In Millions)	No of Debentures	Particulars
INE982X08059	Vivriti India Impact Bond Fund	12th Floor No 471 Prestige Polygon Anna Salai Nandanam Chennai Tamil Nadu 600035	300	3000	Rated, Unlisted, Subordinated, Unsecured, Redeemable, Transferable, Dematerialised, Non-Convertible Debentures
INE982X07218	Microfinance Enhancement Facility SA, SICAV-SIF UTI International Wealth Creator 4	HSBC Securities Services 11th Floor, Bldg 3, Nesco - IT Park Nesco Complex, W.E. Highway Goregaon (East), Mumbai 400063 Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	420	420	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
INE982X08067	Northern Arc India Impact Trust	10th Floor Phase 1 IIT Madras Research Park Kangam Village Taramani Chennai Tamil Nadu India 600113	300	300	Rated, Subordinated, Unsecured, Taxable, Unlisted, Redeemable, Transferable, Non-Convertible Debentures
INE982X07234	BlueOrchard Microfinance Fund Japan ASEAN Women Empowerment Fund	Standard Chartered Bank Securities Services, 3rd Floor 23-25 Mahatma Gandhi Road Fort, Mumbai 400001 Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	450	450	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
INE982X07226	Creation Investments FPI, LLC	ICICI Bank Limited SMS Dept 1st Floor Empire Complex 414 SB Marg Lower Parel Mumbai, Maharashtra 400013	260	260	Rated, unlisted, senior, transferable, redeemable, taxable, non-convertible debentures
INE982X07259	Various Debenture Holders in the category of Individuals, AIF, Companies, etc	**	240	240	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
INE982X07275	Hinduja Leyland Finance Limited	No 27 A Developed Industrial Estate South Phase Guindy Chennai 600032	250	250	Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures
INE982X07283	BlueOrchard Microfinance Fund Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF	Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001 Citibank N.A. Custody Services Fifc- 9th Floor, G Block Plot C-54 And C-55, Bkc Bandra - East, Mumbai 400098	375	375	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
INE982X08075	Gojo and Company Inc	ICICI Bank Limited SMS Dept 1st Floor Empire Complex 414 SB Marg Lower Parel Mumbai, Maharashtra 400013	610	610	Unlisted, Unsecured, Transferable, Redeemable, Interest bearing Non-Convertible Debentures
INE982X07291	Global Access Fund LP	HDFC Bank Limited Custody Operations Empire Plaza 14th Floor Lbs Marg Chandan Nagar Vikhroli West Mumbai	467	467	Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures
INE982X07309	Various Debenture Holders in the category of Individuals, HUF, LLP Companies etc.	**	350	350	Fully Paid, Rated, Listed, Senior, Secured, Redeemable, Taxable Principal Protected Market Linked Non-Convertible Debentures
INE982X07317	Various Debenture Holders in the category of Trust, LLP, Individuals, Companies etc.	**	300	300	Secured, Listed, Rated, Unsubordinated, Transferable, Redeemable, Principal Protected, Market Linked Non-Convertible Debentures

Contd...

ISIN	Name of Debenture Holder	Address	Amount (In Millions)	No of Debentures	Particulars
INE982X07325	Northern Arc Income Builder Fund (Series II)	IITM Research Park Phase, 110th Floor, No 1 Kan Agam Villagtaramani, Chennai Tamilnadu, 600113	150	150	Secured, Listed, Rated, Unsubordinated, Transferable, Redeemable, Principal Protected, Market Linked Non-Convertible Debentures
INE982X07333	Unifi AIF	HDFC Bank Limited, Custody Operation Sempire Plaza Twr-1, 4th Floor, Chandan Nagarlbs Marg, Vikhroli West, Mumbai 400083	200	200	Senior, Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures
INE982X07341	Various Debenture Holders in the category of HUF, Individuals, Company etc.	**	250	250	Senior, Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures
INE982X07358	GMO-Z.Com Payment Gateway India Credit Fund	68 Filmcenter C-34 3rd Floor J Dadaji Road Tardeo Mumbai 400034	700	700	Unlisted, Secured, Rated, Redeemable, Transferable, Non-Convertible Debenture
INE982X07366	GMO-Z.Com Payment Gateway India Credit Fund	68 Filmcenter C-34 3rd Floor J Dadaji Road Tardeo Mumbai 400034	300	300	Unlisted, Secured, Rated, Redeemable, Transferable, Non-Convertible Debenture
INE982X07374	Nederlandse Financierings-Maatschappij Voor Ontwik Kelingslanden N.V. (FMO)	Standard Chartered Bank Securities Services, 3rd Floor 23-25, Mahatma Gandhi Road Fort, Mumbai-400001	2050	20500	Unlisted, Secured, Rated, Redeemable, Transferable, Non-Convertible Debenture

**ISIN changed from INE982X07085 to INE982X07267 pursuant to modifications in the terms of Non-Convertible Debentures.*
*** There are various debenture holders whose address as mentioned, are being maintained by RTAs/Depositories.*

REDEMPTION DURING THE FINANCIAL YEAR 2022-23

- On May 24, 2022, the Company redeemed 1500 Rated, Unsubordinated, Secured, Transferable, Redeemable, Principal Protected, Market Linked, Non-Convertible Debentures of face value of Rs. 1,00,000/- each.
- On September 30, 2022, the Company redeemed 49966 Secured, Redeemable, Non-Convertible Debentures of face value of Rs. 10,000/- each.
- On February 28, 2023, the Company redeemed 300 Secured, Rated, Redeemable, Transferable, Non-Convertible Debentures of face value of Rs. 10,00,000/- each.

REGISTRAR AND SHARE TRANSFER AGENT

In pursuance of Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all activities in relation to electronic transfer facility with respect to Non-Convertible Debentures (NCDs) are maintained by our Registrar & Transfer Agents (RTAs) i.e. Link Intime India Private limited having SEBI Registration No. INR000004058 and KFIN Technologies Limited having SEBI Registration No. INR000000221.

The transfers in relation to NCDs held in electronic form are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through their respective Depository Participants.

Code of Conduct

The Company had adopted Code of Conduct which is available on the website of the Company and can be accessed through the weblink of the Company https://satyamicrocapital.com/code-of-conduct/. The object of the Code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. This Code sets out a broad policy for one's conduct in dealing with the Company, fellow directors and employees and with the external environment in which the Company operates.

MEANS OF COMMUNICATION

a. Results

The Company publishes limited reviewed un-audited standalone financial results on Quarterly basis. In respect of the last Quarter, the Company published the audited Standalone & consolidated financial results for the complete financial year. The quarterly, half-yearly and annual financial results are also uploaded on the Company's website and intimated to Stock Exchange (BSE).

b. Newspapers wherein results normally published

The quarterly/ half-yearly/ annual financial results were published in 'Financial Express (English) Newspaper & Jansatta (Hindi) Newspaper. However, the annual financial results for the financial year ended March 31, 2023, were published in 'The Economics Times' and Dainik Jagran.

c. Website, where displayed

The Company has an operational website www.satyamicrocapital.com wherein inter alia quarterly, half-yearly and annual financials, regulatory disclosures, policies, etc. are placed.

d. Official news releases

All financial and other vital official news releases and documents under the SEBI Listing Regulations, wherever required, are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

e. Presentations made to institutional investors or to analysts.

The Company is High-Value Debt Listed entity and the Equity Share Capital of the Company is not Listed. Hence, not applicable.

GENERAL SHAREHOLDER INFORMATION

a. Company Registration details:

The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs is U74899DL1995PLC068688. Registration number allotted by RBI is 14.01513.

b. Ensuing Annual General Meeting –

Date: July 03, 2023
Time: 06:00 PM
Venue: 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020.

c. Financial Year : 1st April to 31st March

d. Dividend Payment Date : Not Applicable

e. Listing Fees:

The Debentures of the Company are listed on Bombay Stock Exchange (BSE) and the listing fees payable to the stock exchange for the financial year 2023-24 has been paid in full.

f. Stock Code : Not Applicable*

g. Market Price data- high, low during each month in the last financial year : Not Applicable*

h. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc : Not Applicable*

i. In case the securities are suspended from trading, the directors report shall explain the reason thereof : Not Applicable

j. Share transfer system:

The Stakeholders Relationship Committee is authorized to approve transfers of shares. The dematerialized shares are transferred directly to the beneficiaries by the depositories. The Company has an electronic connectivity with Link Intime Private Limited and the transfer of shares in physical form are maintained In-House.

Registrar and Transfer Agent :

Link Intime India Private Limited
C 101, 247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083
Tel. No.: +91 22 2594 6970; Fax No.: +91 22 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in Website: https://www.linkintime.co.in/

KFIN Technologies Limited
Selenium Building, Tower-B, Plot No.- 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India, 500032
Phone : +91 - 40 – 67162222, 7961 1000,
E-mail : venu.sp@kfintech.com
Website : www.kfintech.com

k. Distribution of Shareholding as on 31st March 2023:

Categories	No. of fully paid up Preference shares held	No. of partly paid up Preference shares held	Total no. of Preference shares Held	Percentage of Shareholding
Promoters' Holding				
Indian	1,38,61,900	50,00,000	1,88,61,900	30.85
Foreign	3,85,10,540	-	3,85,10,540	62.98
Non - Promoters' Holding				
Indian	37,75,816	-	37,75,816	6.17
Foreign	–	-	–	-
Grand Total	**5,61,48,256**	**50,00,000**	**6,11,48,256**	**100**

Note: The above percentage is calculated based on No. of Shares

Categories	No. of fully paid up Preference shares held	No. of partly paid up Preference shares held	Total no. of Preference shares Held	Percentage of Shareholding
Promoters' Holding				
Indian	2,00,000	25,00,000	27,00,000	37.76
Foreign	44,50,000	-	44,50,000	62.24
Non - Promoters' Holding				
Indian	-	-	-	-
Foreign	-	-	-	-
Grand Total	**46,50,000**	**25,00,000**	**71,50,000**	**100**

Note: The above percentage is calculated based on No. of Shares

During the year under review, Dia Vikas Capital Private Limited, Investor Shareholder exited from the Company pursuant to the transfer of its entire shareholding to Gojo & Company, Inc, Holding Company.

l. Dematerialization of Shares and liquidity:

a) As per the notification dated September 10, 2018 issued by Ministry of Corporate Affairs (MCA), the requests for effecting transfer of securities in physical mode shall not be processed by the Company on or after October 02, 2018 unless the securities are held in the dematerialized form with a depository. It is mandatory for every shareholder to get their shares dematerialized before the transfer or subscription to any securities of an unlisted public company.

b) As on March 31, 2023, 60,75,21,76 (99.35%) Equity Shares and 71,50,000(100%) Preference Shares were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shares allotted during the year under review were also admitted in the dematerialized mode with the depository. Further, all Non-Convertible Debenture(NCDs) are in dematerialised form and these securities are maintained with NSDL and CDSL.

m. Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity : Not Applicable

n. Plant locations : Not Applicable

o. Update your Correspondence address / Email Id :

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

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

Quote Folio No. / DP ID No.:

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

Registrar and Transfer Agent:

Link Intime India Private Limited
C 101, 247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083
Tel. No.: +91 22 2594 6970; Fax No.: +91 22 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in
Website: https://www.linkintime.co.in/

KFIN Technologies Limited
Selenium Building, Tower-B, Plot No.- 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India, 500032
Phone : +91 - 40 – 67162222, 7961 1000,
E-mail : venu.sp@kfintech.com
Website : https://www.kfintech.com

Debenture Trustees Details:

1. Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited)
Registered Office: GDA House, First Floor, Plot No. 85 S. No. 94 & 95,
Bhusari Colony (Right), Kothrud, Pune - 411038, Maharashtra, India
Tel. Nos.: +91 (020) 25280081
Website: www.catalysttrustee.com
Email:- ComplianceCTL-Mumbai@ctltrustee.com

2. Vardhman Trusteeship Private Limited (formerly known as Ativir Stock Broking Pvt. Ltd.)
Registered Office: Turner Morrison Building, Unit No. 15, 6 Lyons Range, Kolkata-700001
Tel. Nos.:+91 22 42648335/+91 22 4014 0832
Website: https://vardhmantrustee.com/
Email:- compliance@vardhmantrustee.com

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

p. Credit Rating

The list of credit ratings for all instruments has been provided in the Board's Report.

q. Dates of book closure : Not Applicable

During the period under review, the Board does not recommend payment of any Final Dividend on the Equity Shares for FY 2022-23.

*The equity shares of the Company are not listed on the stock exchange and hence certain details are not applicable to the Company.

OTHER DISCLOSURES

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.</td><td>There are no material related party transactions during the year under review that have potential conflict with the interest of the Company.</td></tr>
<tr><td>Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during he last three years</td><td>There were no penalties/strictures imposed on the Company except few pecuniary fines paid by the Company on account of delayed submission.</td></tr>
<tr><td>Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee.</td><td>In compliance with the applicable provisions of the Act and other applicable regulations, the Committee has Board approved policy/mechanism on dealing with whistle blowers. During the year, no individual was denied access to the Audit Committee for reporting concerns, if any. The said policy/mechanism is disclosed on the Company's website and can be accessed on Weblink https://satyamicrocapital.com/policies/. The Company has put in place a whistle blower policy to support the Code of Conduct. The details about the vigil mechanism forms part of the Board's report.</td></tr>
<tr><td>Web link where policy for determining 'Material' Subsidiaries is disclosed.</td><td>https://satyamicrocapital.com/policies/</td></tr>
<tr><td>Details of compliance with mandatory requirements and adoption of the non-mandatory requirements</td><td>The Company is in compliance with the requirement as applicable for High Value Debt Listed Company</td></tr>
<tr><td>Web link where policy on dealing with related party transactions</td><td>https://satyamicrocapital.com/policies/</td></tr>
<tr><td>Disclosure of commodity price risks and commodity hedging activities.</td><td>Not Applicable</td></tr>
<tr><td>Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).</td><td>Not Applicable</td></tr>
<tr><td>Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).</td><td>Not Applicable</td></tr>
<tr><td>A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.</td><td>The Company has obtained a certificate from M/s Vinod Kothari & Company, Practising Company Secretaries, Secretarial Auditors, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is reproduced at the end of this report and marked as Annexure 1A.</td></tr>
<tr><td>Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.</td><td>During FY 2022-23, all the recommendations which were mandatorily required, of the various Committees of the Board were accepted by the Board.</td></tr>
<tr><td>Total fees for all services paid by the listed entity and its subsidiaries to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.</td><td>
<table>
<tr><th>Particulars</th><th colspan="2">For year ended March 31, 2023</th></tr>
<tr><th></th><th>SATYA MicroCapital Limited</th><th>SATYA Micro Housing Finance Private Limited</th></tr>
<tr><th>Payment to auditors</th><td>(Rs in Million)</td><td>(Rs in Million)</td></tr>
<tr><td>Audit fees</td><td>5.10</td><td>0.50</td></tr>
<tr><td>Certification fees</td><td>0.33</td><td>-</td></tr>
<tr><td>Out of pocket expenses</td><td>0.23</td><td>-</td></tr>
<tr><td>Total</td><td>5.66</td><td>0.50</td></tr>
</table>
</td></tr>
<tr><td>Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.</td><td>
<table>
<tr><th>Number of complaints filed during the Year</th><th>Number of complaints disposed off during the year</th><th>Number of complaints pending as on end of the year</th></tr>
<tr><td>0</td><td>0</td><td>0</td></tr>
</table>
</td></tr>
<tr><td>Disclosure by the Company of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.</td><td>
<table>
<tr><th>Nature of Transactions</th><th>Related Party</th><th>For year ended March 31, 2023</th><th>As at March 31, 2023 (Payable)/Receivable)</th></tr>
<tr><td>Advance given</td><td>Credentia Finclusion Pvt. Ltd.</td><td>Rs. 25 Million</td><td>Rs. 16.72 Million</td></tr>
</table>
</td></tr>
<tr><td>Familiarization Program</td><td>Details of familiarisation programmes imparted to Independent Directors is disclosed on the website of the Company and can be accessed through the weblink of the Company https://satyamicrocapital.com/stock-exchange-intimations-and-compliance-3/.</td></tr>
</table>

NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED

The Company became high-Value Debt Listed Company w.e.f. May 31, 2022, the Company is in compliance with the requirement specified in regulations 17 to 27 of SEBI (Listing Obligation and Disclosure Requirements), 2015.

DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS), 2015

The Company became high-Value Debt Listed Company w.e.f. May 31, 2022, the Company is in compliance with the requirement specified in regulations 17 to 27 of SEBI (Listing Obligation and Disclosure Requirements), 2015, however, the Company has not adopted discretionary requirements as specified in Part E of Schedule II.

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF REGULATION 46(2) OF SEBI LISTING REGULATIONS SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT

As on March 31, 2023, the Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. However, clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements, 2015 is not applicable to the Company being High Value Debt Listed Entity.

DECLARATION SIGNED BY THE MANAGING DIRECTOR STATING THAT THE MEMBERS OF BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Code of Conduct of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is reviewed on annual basis and the latest Code is available on the website of the Company (https://satyamicrocapital.com/policies/). Pursuant to SEBI(Listing Obligation and Disclosure Requirements), Regulation, 2015, a confirmation from the Managing Director, CEO & CIO regarding compliance with the Code by all the Directors, Key Managerial Personnel and Senior Management of the Company is enclosed as **Annexure- 1B.**

COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE SHALL BE ANNEXED WITH THE DIRECTORS' REPORT

The Company has obtained a compliance certificate from the Practising Company Secretaries M/s Vinod Kothari & Company on Corporate Governance. The same is part of the Annual Report as **Annexure 1C.**

ANNUAL SECRETARIAL COMPLIANCE REPORT

Your Company has undertaken an audit for FY 2023 for all applicable compliances as per SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s Vinod Kothari & Company, Company Secretaries, Secretarial Auditor for FY 2023 has been submitted to the Stock Exchange (BSE) and is annexed as **Annexure 1D.**

CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the CEO and CFO of the Company have certified the accuracy of the Financial Statements, the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the year ended March 31, 2023.

ANNEXURE-1A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to BSE Circular dated January 07, 2022 and Para C (10)(I) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
SATYA MicroCapital Limited

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of SATYA MicroCapital Limited having CIN U74899DL1995PLC068688 and having registered office at 519 5th floor DLF Prime Towers, Okhla Industrial Area, Phase-1 Delhi-110020 (hereinafter referred to as Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with BSE Circular dated January 07, 2022 read with clause 10(i) of Para C of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or by the Reserve Bank of India.

Sl. No.	Name of the Director as on March 31, 2023	DIN	Category of Directorship as on March 31, 2023	Date of first Appointment
1.	Mr. Vivek Tiwari	02174160	Managing Director	February 18, 2016
2.	Dr. Ratnesh Tiwari	07131331	Non-Executive Director	October 28, 2016
3.	Mr. Sanjay Gandhi	02234298	Nominee Director	August 1, 2018
4.	Mr. Taejun Shin	08056236	Nominee Director	January 18, 2021
5.	Mr. Naveen Surya	00094514	Independent Director	August 29, 2019
6.	Mr. Mohan Chandanathil Pappachan	02661757	Independent Director	August 11, 2017
7.	Ms. Surekha Marandi	06952573	Independent Director	February 28, 2020
8.	Dr. Deepali Pant Joshi	07139051	Independent Director	September 24, 2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

sd/-

Nitu Poddar
Partner
Membership No.: A37398
C P No.: 15113
UDIN: A037398E000360644
Peer Review Certificate No.: 781/2020

Place: New Delhi
Date: May 23, 2023

ANNEXURE-1B

DECLARATION PURSUANT TO PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Member of
SATYA MicroCapital Limited

Sub: Affirmation of Compliance with Code of Conduct for the Company's Board of Directors, Key Managerial Personnel and Senior Managerial Personnel

I hereby declare that all the Board members, Key Managerial Personnel and Senior Management Personnel as on March 31, 2023, have affirmed compliance with the Code of Conduct for the Company's Board of Directors, Key Managerial Personnel and Senior Managerial Personnel.

sd/-

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Place : New Delhi
Date : May 22, 2023

ANNEXURE-1C

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
SATYA MicroCapital Limited

We have examined the compliance of Corporate Governance by SATYA MicroCapital Limited **("Company")** for the financial year ending on March 31, 2023, as stipulated in Regulations 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")**, applicable on 'comply or explain basis' to the Company, being a high value debt listed entity, on the basis of the examination of documents provided in **Annexure 1.**

Compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs.

For Vinod Kothari & Company
Practising Company Secretaries

sd/-

Nitu Poddar
Partner
Membership No.: A37398
CP No.: 15113
UDIN: A037398E000361040
Peer Review Certificate No.: 781/2020

Date: May 23, 2023
Place: New Delhi

ANNEXURE I

List of Documents

1. Minutes for the meetings of the following held during the Audit Period:
   a) Board of Directors;
   b) Audit Committee;
   c) Risk Management Committee;
   d) Nomination and Remuneration Committee;
   e) Corporate Social Responsibility Committee;
   f) Annual General Meeting and Extraordinary General Meeting;
2. Resolutions by circulation passed during FY 2022-23;
3. Proof of circulation of draft and signed minutes of the Board Committee meetings' minutes;
4. Annual Report for financial year 2021-22;
5. Financial Statements and Auditor's Report for financial year 2021-22;
6. Director disclosures under the Act and rules made thereunder;
7. Policies framed under Act and the Listing Regulations;
8. Draft Financial Statements for the period April 1, 2022 - March 31, 2023.

ANNEXURE-1D

Secretarial compliance report of SATYA MicroCapital Limited for the financial year ended March 31, 2023

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by SATYA MicroCapital Limited (hereinafter referred as '**Company**'), having its Registered Office at 519, 5th floor DLF Prime Towers, Okhla Industrial Area, Phase-1 Delhi -110020. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our observations thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the Company has, during the review period covering the financial year ended on March 31, 2023 ('**Review Period**'), complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We have examined:

(a) all the documents and records made available to us and explanation provided by the Company,

(b) the filings/ submissions made by the Company to the stock exchanges,

(c) website of the Company,

for the Review Period in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 **("SEBI Act")** and the Regulations, circulars, guidelines issued there under; and

(b) the Securities Contracts (Regulation) Act, 1956 **("SCRA")**, rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India **("SEBI")**;

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations');

(c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(d) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (in relation to obligations of Issuer Company);

(e) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018; and

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 (in relation to obligations of Issuer Company)

and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ circular no.	Deviations	Action taken by	Type of action	Details of violation	Fine amount	Observations / remark of the PCS	Management response	Remarks
1.	None									

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ circular no. relating to Listing Regulations	Deviations	Action taken by	Type of action	Details of violation	Fine amount	Observations / remark of the PCS	Management response	Remarks
Not Applicable										

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	NONE

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
2	**Other conditions relating to resignation of statutory auditor**		
	I. Reporting of any concerns by Auditor with respect to the listed entity/ its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/ explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	NONE
3	The listed entity/ its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI circular CIR/CFD/CMD1/114/2019 dated 18th October 2019.	NA	NONE

III. We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	None
2	Adoption and timely updation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity. • All the policies are in conformity with SEBI Regulations and have been reviewed & updated as per the regulations /circulars /guidelines issued by SEBI.	Yes Yes	
3	Maintenance and disclosure on website: • The listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website.	Yes Yes NA	With respect to the web-links, the listed entity is a HVDLE and is only required to submit corporate governance reports to the extent provided in Annexure I of SEBI Circular May 31, 2021 as per BSE Circular dated January 7, 2022[1].
4	Disqualification of Directors: None of the Directors of the Company are disqualified under section 164 of the Companies Act, 2013, as confirmed by the listed entity.	Yes	We have verified the same basis the declarations furnished by Directors, details of filing on MCA website and list of disqualified directors as uploaded by the Registrar of Companies from time to time.

[1] https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220107-16

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
5	Details related to Subsidiaries of listed entities have been examined w.r.t.: a. Identification of material subsidiary companies b. Disclosure requirement of material as well as other subsidiaries.	a. Yes b. Yes	The Company has no material subsidiary as on March 31, 2022. Further the Company has not identified any material subsidiary during the Review Period.
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under the Listing Regulations.	Yes	We have verified the same basis the checking carried out on sample basis.
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations	Yes	None
8	Related Party Transactions ('RPTs'): a. The listed entity has obtained prior approval of Audit Committee for all RPTs; or b. The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	a. Yes b. NA	None
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 51 along with Schedule III of Listing Regulations within the time limits prescribed thereunder.	Yes	None

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
			Companies from time to time.
10	Prohibition of Insider Trading: The listed entity is in compliance with the Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes NA	Until Q4 of the Review Period, the Company maintained Structured Digital Database (SDD) internally. From Q4 onwards, the Company has started maintaining SDD on a software with the requisite specifications as stipulated by SEBI.
11	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by the Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	NA	The Company is not in receipt of any such notices from SEBI or Stock Exchange (including under the Standard Operation Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.
12	Additional Non-Compliances, if any: No additional non-compliance observed for any SEBI regulation/ circular/guidance note etc.	NA	We did not come across any such instance.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the Listing Regulations and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

sd/-

Nitu Poddar
Partner
Membership No.:A37398
CP No.:15113
UDIN: A037398E000418053
Peer Review Certificate No.:781/2020

ANNEXURE-2

ESOP disclosure pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the provisions of Section 62 of the Companies Act, 2012 read with rules framed thereunder.

		2023
S. No	**Particulars**	**SATYA ESOP 2018**
1	options granted*	14,24,000
2	options vested	7,44,038
3	options exercised	4,30,371
4	the total no. of shares arising as a result of exercise of option	4,30,371
5	options lapsed**	4,95,575
6	the exercise price	Rs. 45/-
7	variation of terms of options	NA
8	money realized by exercise of options	1,93,66,695
9	total number of options in force	4,98,054
10	employee wise details of options granted to	
	i. key managerial personnel;	120000
	ii. any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year (Enclosed details below) 1. Mr. Tahir Zafar 20000 2. Mr. Mada Madhava Rao 10000 3. Mr. Vinay Kumar Pandey 10000 4. Mr. Maan Singh 10000	50000
	iii. identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

**Options granted up to March 31, 2023 since inception of ESOP Plan*

***Options lapsed pursuant to resignation of employees till March 31, 2023*

ANNEXURE-3

Form No. MR-3
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

SATYA MicroCapital Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SATYA MicroCapital Limited (hereinafter called "Company") for the financial year ended March 31, 2023 ("Audit Period") in terms of the engagement letter dated May 25, 2022. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable: -
   a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
   b. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
   c. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
   d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
6. The Reserve Bank of India Act, 1934;
7. The following Regulations and Guidelines prescribed under the RBI Act, along with amendments thereto, to the extent applicable: -
   a. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('RBI Master Directions');
   b. Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 ('MFI Directions');
   c. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 ('Returns Directions');
   d. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 ('Fraud Directions');
   e. Master Direction - Information Technology Framework for the NBFC Sector ('IT Directions');
   f. Master Direction - Know Your Customer (KYC) Direction, 2016 ('KYC Directions');
   g. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('Auditor Directions');
   h. Master Direction- Non-Banking Financial Companies- Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
8. The following circulars/notifications issued by the RBI, along with the amendments introduced thereto from time to time:
   a. Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021;
   b. Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications dated November 12, 2021;
   c. Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs read with other applicable circular issued thereunder;
   d. Other specific circulars or notifications issued by RBI from time to time and applicable on the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings and agenda with detailed notes were sent at least seven days in advance except for a few meetings which were held at shorter notice in due compliance with the Act and applicable laws. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no minuted instance of dissent in Board or Committee Meetings.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has undertaken following specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. **Receipt of approval from the Reserve Bank of India (RBI) for the proposed change in control of Baid Housing Finance Limited ('BHFL'):**
   The RBI vide letter dated April 22, 2022, granted its approval to BHFL for change in shareholding by a way of acquisition/transfer of 26% or more equity shares of BHFL. Further, consequent to the approval, the Company and BHFL had given Joint Public Notice dated April 25, 2022, for a period of 30 days post which the Company proceeded with the acquisition of remaining shareholding in BHFL, making the same its wholly owned subsidiary. Further, with effect from 10th November, 2022, the name of BHFL was changed to SATYA Micro Housing Finance Pvt. Ltd.

2. **Private Placement of partly paid-up equity shares and Compulsorily Convertible Preference Shares ('CCPS') to the Managing Director of the Company**
   The Company has issued 50,00,000 (Fifty Lakhs) partly paid-up equity shares (paid up to the extent of Rs. 7.5 per share, face value per share – Rs. 10) and 25,00,000 (Twenty-Five Lakhs) 0.001% CCPS (partly paid to the extent of Rs. 1 per share, face value per share – Rs. 10) to Mr. Vivek Tiwari, Promoter, Managing Director, CEO & CIO of the Company by way of preferential allotment on a private placement basis pursuant to the special resolution dated September 29, 2022.

3. **Issue and allotment of equity shares upon conversion of CCPS to Gojo & Company, Inc.**
   The Company has issued 47,73,750 (Forty-Seven Lakh Seventy-Three Thousand Seven Hundred Fifty) Equity Shares of face value of Rs. 10/- (Rupees Ten) each to Gojo & Company, Inc, holding company, pursuant to the conversion of 0.001%, 57,00,000 Non – Cumulative, Compulsorily Convertible Preference Shares ('CCPS') of face value of Rs. 10/- each CCPS.

4. **Issuance of CCPS to Gojo & Company, Inc.**
   In two separate issuances during the year, the Company has issued the following CCPS to Gojo & Company, Inc.:
   a. The Company 27,14,900 (Twenty-Seven Lakh Fourteen Thousand Nine Hundred) 0.001% CCPS having face value of Rs. 10/- (Rupees Ten) each CCPS aggregating to Rs. 54.569 crores (Rupees Fifty-Four Crore Fifty-Six Lakh Nine Thousand Only) by way of preferential allotment on a private placement basis to Gojo & Company, Inc, the holding company.
   b. The Company has issued 44,50,000 (Forty-Four Lakh Fifty Thousand) 0.001% CCPS having a face value of Rs. 10/- (Rupees Ten) each CCPS aggregating to Rs. 146.85 Crores (Rupees One Hundred Forty-Six Crores Eight Five Lakhs Only) by way of preferential allotment on a private placement basis to Gojo & Company, Inc, the holding company.

5. **Issuance of CCPS to Person(s)/Entity under promoter (Indian) Category**
   The Company has issued 2,00,000 (Two Lakhs) 0.001% CCPS having a face value of Rs. 10/- (Rupees Ten) each CCPS aggregating to Rs. 6.6 crores (Rupees Six Crores Sixty Lakhs Only) by way of preferential allotment on a private placement basis to person(s)/entity under promoter (Indian) Category.

6. **Issuance of Non-Convertible Debentures ('NCDs')**
   The Company has issued NCDs aggregating to Rs. 624.2 crores (Rupees Six Hundred Twenty-Four Crores and Twenty Lakhs Only) (figure includes both listed and unlisted).

Particulars	Listed NCDs	Unlisted NCDs
No. of issues	8	5
Amount (in crores) (in Rs)	211.5	412.7

7. **Increase in borrowing limits under Section 180(1)(c) of the Act**
   The Company has increased the borrowing limits of the Company to Rs. 7,500 crores (Rupees Seven Thousand Five Hundred Crores Only) pursuant to the special resolution passed in terms of section 180(1)(c) of the Act in the Annual General Meeting held on 6th July, 2022.

8. Declaration of interim dividend for FY 2022-23

The Board of Directors declared an interim dividend payable on conversion/ redemption (i.e., March 31, 2023) on 0.001%, 57,00,000 CCPS of face value of Rs. 10 each held by Gojo & Company, Inc.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

sd/-

Abhirup Ghosh
Partner
Membership No.: A39076
CP No.: 21571
UDIN: A039076E000356932
Peer Review Certificate No.: 781/2020

Place: Kolkata
Date: 23.05.2023

The report is to be read with our letter of even date which is annexed as Annexure 'I' and forms an integral part of this report.

Annexure I

Auditor and Management Responsibility

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,

SATYA MicroCapital Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Given the challenges and limitations posed by Covid-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.;
7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II
List of Documents

1. Minutes for the meetings of the following held during the Audit Period:
    a. Board of Directors;
    b. Audit Committee;
    c. Risk Management Committee;
    d. Nomination and Remuneration Committee;
    e. Corporate Social Responsibility Committee;
    f. Annual General Meeting and Extraordinary General Meeting;
    g. IT Strategy Committee;
    h. IT Steering Committee;
    i. Asset-Liability Management Committee.
2. Resolutions by circulation passed during FY 2022-23;
3. Proof of circulation of draft and signed minutes of the Board Committee meetings' minutes;
4. Annual Report for financial year 2021-22;
5. Financial Statements and Auditor's Report for financial year 2021-22;
6. Director disclosures under the Act and rules made thereunder;
7. Statutory Registers maintained under the Act;
8. Forms filed with the Registrar;
9. Policies framed under Act and the Listing Regulations;
10. Draft Financial Statements for the period April 1, 2022 - March 31, 2023;
11. Submissions and communications with the RBI;
12 Agreements pertaining to securitisation transactions executed during the FY 2022-2023;
13. Agreements pertaining to external commercial borrowings availed by the Company;
14. Documentation (memorandum of understanding and process note) pertaining to insurance arrangements with insurer;
15. Sample loan agreements executed by the Company with the customers (including agreements pertaining to restructuring facility provided to the borrowers);
16. Acknowledgment of returns filed to the RBI;
17. Agreements pertaining to debentures issued by the Company on a sample basis;
18. Agreements pertaining to loans availed by the Company;
19. Memorandum of Association and Articles of Association of the Company

ANNEXURE-4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company.

   The Company has formulated the CSR policy indicating the activities to be undertaken by the Company from time to time. The Company has also constituted a Corporate Social Responsibility (CSR) Committee which functions under direct supervision of the Board of Directors of the Company. The Company aims to work towards inclusive and sustainable development of the community in and around its areas of operations and other parts of the country. The objective of the CSR projects / programmes of the Company is to improve the quality of life of people and build lasting social capital through interventions in social initiatives for the benefit of the community.

2. Composition of CSR Committee:

Name	Designation / Nature of Directorship	Number of CSR Committee meetings	
		held during the year	attended during the year
Dr. Ratnesh Tiwari	Director	2	2
Dr. Deepali Pant Joshi	Independent Director	2	2
Mr. Taejun Shin	Nominee Director	2	1
DIRECTOR WHO CEASED TO BE A MEMBER DURING F.Y. 2022-23			
*Mr. Mohan Chandanathil Pappachan	Independent Director	2	2

** Mr. Mohan Chandanathil Pappachan ceased to be a Member of the Committee w.e.f. August 11, 2022.*

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. The latest CSR Policy can be accessed at the below link on our website:

   https://satyamicrocapital.com/reports/Composition%20of%20Committees/Committee%20Composition.pdf

   https://satyamicrocapital.com/wp-content/uploads/2023/06/CSR-Policy_2.0.pdf

   https://satyamicrocapital.com/reports/CSR%20Projects%20-FY%202022-23.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **N.A.**

5. (a) Average net profit of the company as per section 135(5): **Rs. 232.59 Mn**

   (b) Two percent of average net profit of the company as per section 135(5): **Rs. 4.65 Mn**

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NA**

   (d) Amount required to be set off for the financial year, if any: **NIL**

   (e) Total CSR obligation for the financial year (5b+5c-5d): **Rs. 4.65 Mn**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):**Rs. 13 Mn***

   (b) Amount spent in Administrative Overheads: Nil

   (c) Amount spent on Impact Assessment, if applicable: NA

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs.13 Mn***

   (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in millions.)	Amount Unspent (Rs. in millions)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13*	NA	NA	NA	NA	NA

(f) Excess amount for set-off, if any:

Particular	Particular	Amount (Rs.in Millions)
(1)	(2)	(3)
I.	Two percent of average net profit of the company as per sub-section (5) of section 135	4.65
ii	Total amount spent for the Financial Year	13*
iii.	Excess amount spent for the Financial Year [(ii)-(I)]	8.34
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	8.34

**aforesaid amount is exclusive of CSR amount pertaining to FY 2021-22 amounting to Rs.5.61 Million*

7. Excess amount for set-off, if any:

1	2	3	4	5	6	7	8
	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount Remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
1	FY-1	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☐ No ☑

If Yes, enter the number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-		--	-	-	-

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

sd/- Vivek Tiwari (Managing Director, CEO & CIO)	sd/- C. P. Mohan (Chairman CSR Committee).

Place: Gurugram
Date: May 24,2023

Management Discussion and Analysis

ANNEXURE-5

ECONOMIC SCENARIO

In this turbulent global economic environment, India has experienced macroeconomic and financial stability with a steady pick-up in the momentum of growth. This reflects a sound macroeconomic policy environment and the innate resilience of the economy which fortified it against recurring global shocks. India has remained among the fastest growing major economies of the world, contributing more than 12 per cent to global growth on average during the last five years.

Amidst strong global headwinds, the Indian economy is expected to have recorded a growth of 7.0 per cent in real GDP in 2022-23 (Source RBI Annual Report FY 2022-23). A sustained recovery in discretionary spending, particularly in contact intensive services, restoration of consumer confidence, high festival season spending after two consecutive years of COVID-19 induced isolation and the government's thrust on capex provided impetus to the growth momentum. In the second half of the year, however, the pace of year-on-year growth moderated because of unfavourable base effects, weakening private consumption demand caused by high inflation, slowdown in export growth and sustained input cost pressures.

The global economy was recovering from the impact of successive waves of the COVID-19 pandemic by early 2022, aided by large policy stimulus and expanding coverage of vaccination, when the war in Ukraine jolted the upturn. The gains achieved through concerted fiscal and monetary policy interventions during the pandemic period (2020 and 2021) were undermined by the impact of the war. A generalised surge in global inflation triggered monetary policy actions by central banks in the form of successive interest rate increases and the pulling back of liquidity, leading to tightening of financial conditions and together with other factors, a toll on growth which slowed from 6.2 per cent in 2021 to 3.4 per cent in 2022, according to the International Monetary Fund (IMF).

The recent failures of banks in the United States are a reminder of the challenges posed by the interaction between tighter monetary and financial conditions and the buildup in vulnerabilities. Though inflation has receded with central banks raising interest rates, underlying price pressures are proving sticky, with labor markets being tight in several economies. In parallel, debt levels remain high, limiting the ability of fiscal Policymakers to respond to new challenges. Commodity prices have moderated, but the elevated geopolitical tensions are the key risks. However, earlier than expected opening of China is easing supply chain disruptions and renewing hopes for moderate economic recovery.

OUTLOOK

Domestic economic activity does face challenges from an uninspiring global outlook going forward, but resilient domestic macroeconomic and financial conditions, expected dividends from past reforms and new growth opportunities from global geo-economic shifts place India at an advantageous position. The domestic situation has coped well with exogenous external shocks. The real GDP growth for FY2024 is projected at 6.5%, which is the highest in the world. Inflation, which started on a positive note in April (4.70%) is expected to remain in the moderate zone for the ongoing fiscal, despite certain shocks from adverse climate changes impact due to the likely return of El Nino this year (Source RBI Annual Report FY 2022-23).

Global growth is expected to slow down in 2023 and may remain subdued in the medium run. As per the IMF's World Economic Outlook (WEO) released in April 2023, global growth for 2023 at 2.8 per cent is likely to be followed by the medium-term growth plateauing at 3.0 per cent. Globally, disinflation efforts are expected to take down headline inflation from 7.3 per cent to 4.7 per cent in 2023 among Advanced Economies, and from 9.8 per cent to 8.6 per cent among emerging market and developing economies (EMDEs). Progress is, however, likely to be gradual amidst sticky and elevated upside pressures. Central banks continue to face a challenging trade-off between restoring price stability and addressing growth slowdown in an environment of heightened uncertainty. Potential financial risks from high debt levels and the recent banking sector developments in the US and Europe highlight the scope for the unanticipated build-up of stress with strong adverse spillovers across the global financial system(Source RBI Annual Report FY 2022-23). In current environment, MFI Sector is ready to play an important role and it is expected that MFI companies shall expand more to balance geographical concentration and include large number in its periphery.

INDUSTRY STRUCTURE AND DEVELOPMENT

Industry scenario

The Microfinance sector is served by a variety of financial service providers including mainstream banks, Small Finance Banks (SFBs) and NBFC-MFIs. A smaller segment is also served by the NGOs and cooperatives.

According to the latest report released by MFIN, as on March 31, 2023, around 39 Million clients have loan outstanding from NBFC-MFIs, which is 20% higher than clients as on March 31, 2022. The Gross Loan Portfolio/AUM of MFIs is Rs. 13,11,630 Million as on March 31, 2023, including owned portfolio Rs. 10,72,320 Million and managed portfolio (off Balance Sheet) of Rs. 2,39,310 Million. On year on year basis AUM has increased by 38.7% as compared to March 31, 2022 and by 15.7% in comparison to December 31, 2022. The Average loan amount disbursed per account during FY 22-23 was Rs 42,010 which is an increase of around 12.9% in comparison to the last financial year. The Portfolio at Risk (PAR)>30 days as on March 31, 2023 has reduced to 4% as compared to 9.7% as on March 31, 2022. The MFIs have a presence in 27 states and 5 union territories. In terms of regional distribution of Gross Loan Portfolio, East and North-East accounts for 32% of the total NBFC-MFI portfolio, South 26%, North 17%, West 15%, and Central contributes 10%.

The microfinance industry grew 26% year-on-year to Rs 3.24 lakh crore at the end of December 2022, backed by about 43.4% growth clocked by NBFC-MFIs. The massive jump in their gross portfolio cemented NBFC-MFIs' dominance in the sector with 38.5% market share. Only three months back, NBFC-MFIs regained their leadership in lending to the economically weaker section by overtaking banks. Banks enjoyed 35.7% market share at the end of December, according to a quarterly report published by Sa-Dhan.

According to the latest report released by Sa-dhan, As of December 31st, 2022, the combined microcredit portfolio of 232 lenders in India has reached Rs 3,240,170 million, marking a growth of 6.42% over the previous quarter (Q2 FY22-23) and a YoY growth of 26.19%.

Microfinance operations are widespread across 727 districts in 36 states and union territories in India. The top 5 states in terms of loan portfolio outstanding and loan accounts are Bihar, Tamil Nadu, West Bengal, Uttar Pradesh, and Karnataka, which collectively account for 55% of the industry's total portfolio. West Bengal, Tamil Nadu, Bihar, and Karnataka have consistently been in the top 5 for the last fourteen quarters, while Uttar Pradesh has remained in the top 5 for the last eight quarters, replacing Maharashtra.

The average ticket size of the sector in Q3 was ₹41,095, compared to ₹39,971 in Q2 and ₹39,045 in the same quarter of the previous year (December 2021). States/UTs with an average ticket size of over Rs 40,000 include Nagaland with ₹56,368 and Andaman & Nicobar Islands with ₹51,839.

The industry's portfolio quality has shown improvement in three buckets (PAR 30+DPD, PAR 60+DPD, 90+DPD), while PAR 180+DPD has marginally deteriorated compared to the previous quarter Q2. (Source: Sa-Dhan Quarterly Microfinance Report, Q3, FY 2023).

Business segment

SATYA MicroCapital Limited (SATYA) is providing financial services to marginalized segments of society through an NBFC-MFI license obtained from the Reserve Bank of India. The market segment is commonly known as microfinance and is primarily based on the Joint Liability Group model. However, SATYA has refined this model to reduce the liability of the group members and calls it the Limited Liability Model, resulting in improved risk management and client satisfaction. This market segment offers SATYA the opportunity to pursue financial, social, and environmental objectives, known as the triple bottom line. Despite its short existence, SATYA has established itself as a reputable and inventive provider of financial services within this segment.

Regulatory environment

In March 2022, a new regulatory framework was introduced by the Reserve Bank of India to establish a uniform definition of microfinance applicable to all regulated entities, including Banks and NBFCs. This new framework also relaxes the pricing guidelines and other restrictions that were previously imposed on microfinance institutions under the earlier regulations, reflecting the maturation of the microfinance sector and creating a level playing field for all lenders. SATYA can benefit from this by offering a wider range of products and reaching previously underserved segments. Consequently, SATYA restructured its business operations to comply with the new regulatory environment during this financial year.

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

The Product-Wise performance of the Company for the FY2023 are as follows:

Gross Loan Portfolio (AUM in Millions)		
Product	**Mar-23**	**Mar-22**
Limited Liability Loan/Joint Liability Group(JLG)	46,329.65	28,445.23
Individual Micro Loan- Unsecured (IML)	107.93	75.55
Micro Business Loan- Unsecured (MBL)	22.91	67.12
Cross Selling Product	2.18	13.97
Others – MSME	380.40	238.02
Total	**46,843.07**	**28,839.89**

The AUM of the Company has shown a growth of 62.42% from Rs. 28,839.89 Million in FY 2021-22 to Rs. 46,843.07 Million in FY 2022-23. JLG product portfolio account for the major portion of the loan portfolio i.e 98.90% and has shown a growth of 62.87% from Rs. 28,445.23 Million in FY 2021-22 to Rs. 46,329.65 Million in FY 2022-23. IML product portfolio has shown a growth of 42.86% from Rs. 75.55 Million in FY 2021-22 to Rs. 107.93 Million in FY 2022-23. MBL and Cross Selling products portfolio have declined from Rs. 67.12 & Rs. 13.97 Million in FY 2021-22 to Rs. 22.91 Million & Rs. 2.18 Million, respectively, in FY 2022-23. Other-MSME product portfolio has been increase by 59.82% from Rs. 238.02 Million in FY 2021-22 to Rs. 380.40 Million in FY 2022-23.

OPPORTUNITIES AND THREATS

A. Opportunities

- New Guidelines issued by RBI which expand the qualification criteria for a Customer to be tapped by the MF sector provides potentially a wider strike zone for all practitioners eventually facilitating sector growth
- New pivots of growth: Digital Finance Company, Leasing, SME
- Digitalisation and data driven decision making
- Better growth prospects coupled with improvement in portfolio quality post covid will encourage investments and better liquidity support for all lenders across the sector.
- Greater responsibility resting with the respective Boards of lenders will help strengthen corporate governance

B. Threats

- Current global unrest with the prolonged Russia – Ukraine crisis setting back growth oriented initiatives taken by many countries, impacting capital markets, trade balance, supply chains, budgetary allocations, banking system/credit offtake etc.
- Recession in Global Economy for eg. The German economy contracted in the first quarter of 2023 compared with the previous three months, thereby entering recession and Increase in the Interest rates by US Federal Bank may impact the source of funding and increase the cost of capital.
- Uncertain global political environment
- Tightening regulation of NBFCs
- Impact on demand in the backdrop of sustained inflation

RISK MANAGEMENT

- SATYA has implemented a robust and proactive risk management infrastructure to handle the various risks that the organization faces. At the board level, a Board Risk Management Committee oversees the organization's risk management efforts, while at the management level, risk committees oversee specific areas of risk such as credit risk, operational risk, liquidity risk, and market risk. The management and Board risk committees receive structured reports. The following are some of the risks SATYA foresees in the immediate future:
- Firstly, there are still some overdues related to the COVID-19 period, and it may take additional time to recover from the resulting issues completely.
- Secondly, there is growing competition in the market, which may result in clients becoming over-indebted due to lenient operational policies.
- Thirdly, Amid highly competitive business environment and tightening of regulations by the Reserve Bank of India, SATYA may see rise in cost of fund.
- Finally, rising inflation could result in a decrease in clients' repayment capacity.

INTERNAL CONTROL

We have put in place an adequate internal control mechanisms to safeguard all our assets and to ensure operational excellence. The mechanism also meticulously records all transaction details and ensures regulatory compliance. We have multiple policy frameworks to ensure adequate controls on business processes. Further, Risk and Control dashboards have been defined and are periodically updated for all important operational processes. At periodic intervals, the management team and statutory auditors check and ensure that the defined controls are operative.

The SATYA has a dedicated team of internal auditors to conduct internal audit. Reputed audit firms also ensure that all transactions are correctly authorised and reported in accordance with the relevant regulatory framework. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions are initiated.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Performance

- Revenue from operations during FY 2023 increased by 82.52% over previous year.
- Closing loan book being higher by 69.06 % over the previous year.
- Net interest income grew by 90.43% over previous year.
- The cost to income ratio for the year decreased during the year to 40.31 % as compared to 42.43% in FY 2022.
- The profit before tax for FY 2023 was higher by around 64.13 % at Rs. 714.11 Mn as against Rs. 435.09 Mn in FY 2022.
- Profit After Tax (PAT) for the year, stood at Rs. 530.44 Mn, higher by around 63.20% as compared to Rs. 325.03 Mn in FY 2022 .
- Return on Equity (RoE) for the year stood at 7.68% as against 6.82% in FY 2022.
- Return on Assets (RoA) for the year stood at 1.41% as compared to 1.45% for the previous year.

Operation Performance

Particulars	March 31, 2023	March 31, 2022	% Increase
Number of Branches	449	338	32.84%
Number of Active Loans	13,63,412	8,79,967	54.94%
Number of Active Members	13,62,493	8,73,657	55.95%
Number of employees	4,549	3,674	23.82%
Number of States	22	21	4.76%
Amount Disbursed (in Millions)	41,914.89	25,861.78	62.07%
Gross Loan Portfolio/AUM (in Millions)	46,843.07*	28,839.89	62.42%

*Excluding sale of portfolio to ARC

The Company attained business performance by reaching out to 13,63,412 active loan accounts as on March 31, 2023, which has grown from 8,79,967 as on March 31, 2022. The growth in active loan accounts during the year was 54.94%. The above was possible with the excellent efforts of 4,549 employees of the Company as on March 31, 2023, which was of 3,674 as on March 31, 2022, through 449 Branches, across 22 states/UT and 280 districts in India. During the year under review, the Company opened 115 new branches. The Company already has borrowing arrangement with large number of lenders and has started association with a few more institutions to diversify its sources of borrowing.

Human Resource Management and Training

We consider Human Resources to be our most important assets. SATYA has a structured Human Resource function which looks after all important areas of Human Resource management including recruitment, induction, deployment, training, compensation, performance appraisal and statutory compliances.

Our dedicated training team conducts induction as well as refresher training programs on a variety of subjects. This training helps build the overall capacities of the staff so that they are able to perform well in their roles. We have also started using technology now with a Learning Management System and a State-of-the-Art Studio for delivering training.

As of March 31, 2023, SATYA had 4,549 employees on its roll. SATYA has fair and transparent recruitment process and other policies which safeguard the interest of its employees. SATYA has been awarded with “Top 50 India's Best Workplaces in BFSI 2023” with “GREAT PLACE TO WORK” certification twice in a row from 2021 which is recognized world over by employees and employers alike and is considered the Gold Standard in identifying and recognizing Great Workplace Cultures.

Technology

SATYA's business operations are distinguished by their strong technology infrastructure, which allows for efficient management of their extensive operations and comprehensive reporting framework. With the support of technology, SATYA has drastically reduced the use of paper in field operations, resulting in substantial savings in time and costs.

Throughout the year, SATYA has undertaken several initiatives to enhance their technological capabilities. Digital, cashless collections have been a key focus for SATYA, and they have implemented a simple yet unique solution for digital collection through UPI QR Codes. This method provides a fast and convenient mode of cashless repayment, with each QR Code being client-specific, thereby facilitating accurate identification and tracking of payments. This solution is entirely automated and integrated with their Loan Management solution. SATYA has also successfully implemented e-sign, which has further improved operations and eliminated any delays or hassles caused by the client's absence from their physical location. As on Financial Year ended March 31, 2023, SATYA has achive collective E-sign of 1.5 Million clients and Cumulative Digital Collection of Rs. 43122.10 Million.

Social Performance Management

SATYA has effectively institutionalized Social Performance Management (SPM) by translating its social mission into practice by setting clear social goals, monitoring progress towards these objectives through internal surveys and external assessments, and then using this information to improve its performance and practice. It has made fulfilment of responsibility towards its stakeholders, especially its borrowers, employees, and the community it operates in, an integral part of the company's social mandate. SATYA has endorsed CPP Pathway and adopted the seven Client Protection Principles (CPPs) which are implemented and monitored through its social dashboard.

During FY 2022-23, SATYA achieved top notch grades in external social assessments which further validates the effectiveness of its efforts towards achieving its stated social goals and creating sustainable value for its stakeholders. Highest grade of "C1" was received in the Code of Conduct Assessment (COCA), conducted by SMERA Gradings & Ratings Private Limited. SATYA was awarded grade "A" in Agents for Impact Sustainability Alignment Rating (AFISAR) based on the United Nations Sustainable Development Goals (UNSDGs) and Environmental, Social & Governance (ESG) criteria, conducted by Agents for Impact. We achieved 85% score in SPI4 external audit and our client satisfaction score, measured through internal client satisfaction survey is 95% which indicates that clients are satisfied with SATYA's staff conduct, loan products and services including its pricing and easy access.

SATYA achieved 100% paperless- digital onboarding and disbursement and is steadily progressing towards achieving 100% cashless collections as a measure to reduce its carbon footprint as part of its ESG initiatives. A tree plantation drive was also organized across locations in nine states with planting of more than 5,000 saplings, as a bid to save the environment and to celebrate "Van Mahotsav"- festival of trees and forests in the monsoon season of 2022. Several community initiatives were also organized for the community as part of SATYA's CSR and SPM mandate.

Impact Assessment

Bringing sustainable changes into the lives of the clients has been part of the mission of SATYA MicroCapital. An impact assessment framework has been developed by the organization which will be used to track changes in the lives of the clients over a period of time. Impact assessment of SATYA's interventions has been carried out along the following dimensions A. Livelihoods and economic well-being B. Financial inclusion and empowerment C. Water, sanitation and hygiene D. Health and E. Education. This year's study has involved interviews with 1,649 clients of SATYA from 48 branches across all the major states in which the organization operates. The results of this year's study will serve as the baseline for the future studies. This years' study also highlights impacts on certain dimensions. Mapping with United Nation's Sustainable Development Goals (SDGs) have also been attempted in this report.

CEO AND CFO CERTIFICATION

The Board of Directors
SATYA MicroCapital Limited
519 5th floor DLF Prime Towers,
Okhla Industrial Area, Phase-1, Delhi-110020

Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the financial year 2022-23 and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee
(1) significant changes in internal control over financial reporting during the year;
(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/-

Name: Vivek Tiwari
(Managing Director, CEO & CIO)

Place : New Delhi
Date : May 22, 2023

sd/-

Name: Vandita Kaul
(Chief Financial Officer)

Place : New Delhi
Date : May 22, 2023

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(As on March 31, 2023)

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Name of the subsidiary- **SATYA Micro Housing Finance Private Limited**
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period-**Same as holding Company**
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.- **INR**
4. Share capital- **413.29 Million**
5. Reserves & surplus- **23.74 Million**
6. Total assets- **443.07 Million**
7. Total Liabilities- **6.04 Million**
8. Investments- **Nil**
9. Turnover- **27.52 Million**
10. Profit before taxation- **0.90 Million**
11. Provision for taxation- **0.23 Million**
12. Profit after taxation- **0.67 Million**
13. Proposed Dividend- **Nil**
14. % of shareholding- **96.66 %**

Notes:

1. Names of subsidiaries which are yet to commence operations. **NA**
2. Names of subsidiaries which have been liquidated or sold during the year. **NA**

Part "B": Associates and Joint Ventures

(As on March 31, 2023)

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies:

Amount(Rs. In million)

Name of Associates	Not Applicable
1. Latest Balance Sheet Date	–
2. Shares of Associate held by the company on the year end	–
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	–
4. Reason why the associate is not consolidated	–
5. Networth attributable to Shareholding as per latest audited Balance Sheet	–
6. Profit / Loss for the year	–
i.Considered in Consolidation	
ii.Not Considered in Consolidation	

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
SATYA MicroCapital Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **SATYA MicroCapital Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financial instruments (including provision for expected credit losses) (as described in note 3A(e) and note 7 of the standalone financial statements)	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the Expected Credit Loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for : a. Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. b. Grouping of loan portfolio under homogenous pools to determine probability of default on a collective basis. c. Estimating recoveries to determine loss given default on a collective basis for loans that have defaulted. d. Determining effect of less frequent past events on future probability of default.	Our audit procedures included, among others, ● Read and assessed the Company's accounting policies for impairment of loan receivables, assessing compliance with the policies in terms of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India ('RBI') guidelines. ● Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. ● Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the Probability of Default ("PD") and Loss Given Default ("LGD") rates. ● Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or stage 3. ● Tested the input data used for determining the PD and LGD rates and compared the data with the underlying books of account and records. ● Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. ● Compared the disclosures included in the standalone financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report but does not include the standalone financial statements and consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this 'Other Information' we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the 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 to the extent applicable that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position- Refer Note 54(iii) to the standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 14 to the standalone financial statements.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 54(v) to the standalone financial statements.

   iv. a. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 57(vii) to the standalone financial statements.

   b. The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to the standalone financial statements no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 57(viii) to the standalone financial statements.

   c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules 2014, as provided under (a) and (b) above, contain any material misstatement.

   v. Interim dividend declared and paid on non-cumulative compulsorily convertible preference shares by the Company during the year, is in compliance with Section 123 of the Act (Refer Note No. 22 to the standalone financial statements).

   vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. April 01, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIZ6326

Place: Gurugram
Date: May 24, 2023

(Annexure A, referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Satya MicroCapital Limited on the standalone financial statements as of and for the year ended March 31, 2023

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right-of-use assets have been physically verified by the Management during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment and right-of-use assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

(b) According to the information and explanations given to us, during the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of fixed deposits kept as margin money with banks. As represented by the Company, no quarterly returns or statements are required to be filed by the Company with such banks.

(iii) (a) To the best of our information and according to the explanations given to us, the Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable.

(b) The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans provided are not prejudicial to the Company's interest. During the year, the Company has not provided any guarantees.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing microfinance loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Refer notes 7 to the financial statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount due, due date for repayment or receipt and the extent of delay.

Summary of loan assets categorized as credit impaired (Stage 3) and loan assets Categorized as those where credit risk has increased significantly since initial recognition (stage 2) as ate the balance sheet date is as under:

Category of loan	Stage 2	Stage3
	Rs. In millions	
Joint liability group loans	177.35	492.89
Individual loans	2.57	4.05

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 7 to the standalone financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable, except for some delays.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 and the details of the number of such cases, as disclosed in note 7 of the standalone financial statements, are as under. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Category of loan	No. of Cases	Principal Amount overdue (Rs. in Million)	Interest overdue (Rs. in Million)	Total overdue (Rs. in Million)
Joint liability group loans	19,010	468.54	24.35	492.89
Individual loans	95	3.91	0.14	4.05

(e) To the best of our information and according to the explanations given to us, the Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.

(f) According to the information and explanations given to us, and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment during the year.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of sections 185 and 186(1) of the Act, the other provision of the section 186 of the Act are not applicable to the Company.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposits during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, to the appropriate authorities, during the year. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable. During the year the operation of the Company does not give rise the liability of sales-tax, service tax, duty of customs, duty of excise and value added tax.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on a short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has neither taken any funds from any entity or person during the year, nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.

(x) (a) According to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) According to the information and explanations given to us, the Company has made private placement of equity shares and non-cumulative compulsory convertible preference shares during the year. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 and Section 62 of the Act and the Rules framed there under. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit, except few cases identified by the management relating to cash embezzlement amounting to Rs. 2.58 million as stated under Note 47(f) to the standalone financial statements. As informed to us, the Company has initiated legal action for recovery.

(b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a)-(c) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the Reserve Bank of India (RBI) as per the RBI Act, 1934.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.

(d) The Group has no CIC which are part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act.

(b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIZ6326
Place: Gurugram
Date: May 24, 2023

Annexure B referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of Satya MicroCapital Limited, on the standalone financial statements for the year ended March 31, 2023

Independent Auditor's report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Satya MicroCapital Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIZ6326

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited

Standalone Balance Sheet as at March 31, 2023

(₹ in million unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	2,199.93	1,278.44
Bank balances other than cash and cash equivalents	5	2,092.55	3,214.89
Trade receivables	6	106.48	73.40
Loan portfolio	7	37,903.04	23,161.34
Investments	8	1,733.40	46.36
Other financial assets	9	1,225.08	570.26
Total financial assets		**45,260.48**	**28,344.69**
Non-financial assets			
Current tax assets (net)	10	139.53	46.17
Deferred tax assets (net)	11	-	64.45
Property, plant and equipment	12A	159.65	120.56
Capital work-in-progress	12B	612.12	-
Intangible assets	12C	0.20	0.33
Other non-financial assets	13	410.06	296.39
Total non-financial assets		**1,321.56**	**527.90**
Total assets		**46,582.04**	**28,872.59**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	14	6.95	-
Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		0.53	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		100.84	82.49
Debt securities	16	10,360.69	5,285.46
Borrowings (other than debt securities)	16	25,142.47	16,336.56
Subordinated liabilities	16	1,160.89	1,150.23
Other financial liabilities	17	1,205.30	385.20
Total financial liabilities		**37,977.67**	**23,239.94**
Non-financial liabilities			
Provisions	18	69.34	36.58
Deferred tax liabilities (net)	11	48.95	-
Other non-financial liabilities	19	113.49	73.40
Total non-financial liabilities		**231.78**	**109.98**
Equity			
Equity share capital	20	593.20	490.64
Instruments entirely equity in nature	21	49.00	29.85
Other equity	22	7,730.39	5,002.18
Total equity		**8,372.59**	**5,522.67**
Total liabilities and equity		**46,582.04**	**28,872.59**

The accompanying notes are integral part of standalone financial statements
As per our report of even date

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited

Standalone Statement of Profit and Loss for the Year Ended March 31, 2023

(₹ in million unless otherwise stated)

Particulars	Notes	For year ended March 31, 2023	For year ended March 31, 2022
Revenue from operations			
Interest income	23	5,770.97	3,345.88
Fee and commission income	24	491.88	291.22
Net gain on derecognition of financial instruments under amortised cost category	25	1,044.64	366.57
Total revenue from operations		**7,307.49**	**4,003.67**
Other income	26	52.97	11.74
Total income		**7,360.46**	**4,015.41**
Expenses			
Finance cost	27	2,972.21	1,711.05
Net loss on fair value changes	28	6.95	-
Impairment on financial instruments	29	721.31	170.71
Employee benefits expenses	30	2,023.58	1,167.99
Depreciation and amortisation	31	76.99	57.46
Other expenses	32	845.31	473.11
Total expenses		**6,646.35**	**3,580.32**
Profit before tax		**714.11**	**435.09**
Tax expense:	33	**714.11**	**435.09**
Current year tax		68.64	102.11
Deferred tax charge		115.03	7.95
Income-tax expense		**183.67**	**110.06**
Profit for the year		**530.44**	**325.03**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(6.46)	(0.99)
Income tax effect		1.63	0.25
Total comprehensive income for the year		**525.61**	**324.29**
Earnings per equity share (EPS) (face value of ₹ 10 per equity share)			
Computed on the basis of total profit for the year			
Basic (EPS) (amount in ₹)	34	10.56	7.05
Diluted (DEPS) (amount in ₹)	34	9.60	6.94

The accompanying notes are integral part of standalone financial statements
As per our report of even date

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited

Standalone Statement of Cash flow for the year ended March 31, 2023

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	714.11	435.09
Adjustments for:		
Depreciation and amortisation	69.09	44.41
Depreciation of right-of-use asset	7.90	13.04
Share based payment to employees	16.13	9.24
Interest expense for leasing arrangements	2.04	2.29
Impairment of financial instruments	721.31	170.71
Net loss on fair value changes	6.95	-
Loss on sale of property plant and equipment	1.41	0.88
Net gain on derecognition of financials instruments under amortised cost category	(1,044.64)	(366.57)
Operating profit before working capital changes	**494.30**	**309.09**
Movements in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	840.10	(33.66)
Increase/(decreases) in other non-financial liabilities	40.09	24.58
Increase/(decreases) in provisions	26.30	10.35
(Increase)/decrease in bank balances other than cash and cash equivalents	1,122.34	(1,844.03)
(Increase)/decrease in trade receivables	(33.08)	34.02
(Increase)/decrease in loan portfolio	(15,463.01)	(11,186.11)
(Increase)/decrease in other financial assets	389.82	40.79
(Increase)/decrease in other non-financial assets	(123.75)	(147.83)
Cash used in operations	**(12,706.89)**	**(12,792.80)**
Income-tax paid	(162.00)	(118.91)
Net cash used in operating activities (A)	**(12,868.89)**	**(12,911.71)**
Cash flow from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(713.54)	(92.09)
Purchase of intangible assets	-	(0.15)
Proceeds from derecognition of property, plant and equipment	1.08	0.89
Purchase of investment	(1,730.08)	(47.36)
Proceeds from investment	43.04	1.00
Net cash used in investing activities (B)	**(2,399.50)**	**(137.71)**
Cash flow from financing activities		
Proceeds from issue of share capital (including premium and net of issue expenses)	2,308.19	1,144.91
Net proceeds from borrowings#	13,891.82	11,502.45
Payment of lease liabilities	(10.13)	(8.64)
Net cash from financing activities (C)	**16,189.88**	**12,638.72**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**921.49**	**(410.70)**
Cash and cash equivalents at the beginning of the year	1,278.44	1,689.14
Cash and cash equivalents at the end of the year	**2,199.93**	**1,278.44**
Components of cash and cash equivalents as at the end of the year		
Cash on hand	16.63	2.91
Balance with banks - on current accounts	2,183.30	765.49
Deposits with original maturity of less than 3 months	-	510.04
Total cash and cash equivalents	**2,199.93**	**1,278.44**

Represents net proceeds from debt securities, borrowings (other than debt securities) and subordinated liabilities.
For disclosure of investing and financing transactions that do not require the use of cash and cash equivalents, refer note 46.

The accompanying notes are integral part of standalone financial statements

As per our report of even date
For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited

Standalone Statement of Changes in Equity for the Year Ended on March 31, 2023

(₹ in million unless otherwise stated)

A. Equity Shares

Equity Share of ₹ 10 each issued

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Changes during the Financial year 2021-22	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Changes during the Financial year 2022-23	Balance as at March 31, 2023*
Equity share capital (fully paid up)	452.25	-	28.39	480.64	-	75.06	555.70
Equity share capital (partly paid up)	6.25	-	3.75	10.00	-	27.50	37.50
Total	**458.50**	**-**	**32.14**	**490.64**	**-**	**102.56**	**593.20**

*net of amount recoverable from SATYA Employee Welfare Trust of ₹ 5.78 million (March 31, 2022: ₹ 8.11 million).

B. Instruments entirely equity in nature

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Changes during the Financial year 2021-22	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Changes during the Financial year 2022-23	Balance as at March 31, 2023*
Non-cumulative compulsorily convertible preference shares	-	-	29.85	29.85	-	19.15	49.00
Total	**-**	**-**	**29.85**	**29.85**	**-**	19.15	**49.00**

C. Other equity

Particulars	Reserves & Surplus				
	Securities Premium	Retained Earnings	Statutory Reserve	Share Options Outstanding Reserve	Total
Balance as at April 01, 2021	**3,466.97**	**59.20**	**42.05**	**17.57**	**3,585.79**
Profit for the year ended March 31, 2022	-	325.03	-	-	325.03
Other comprehensive income (net of income-tax effect)	-	(0.74)	-	-	(0.74)
Total comprehensive income	**-**	**324.29**	**-**	**-**	**324.29**
Transfer to Statutory Reserve	-	(65.01)	65.01	-	-
Fair value of stock option - charge for the year	-	-	-	5.33	5.33
Premium on stock option	2.42	-	-	-	2.42
Premium on issue of equity shares	506.12	-	-	-	506.12
Amount recoverable from Satya Employee Welfare Trust	8.11	-	-	-	8.11
Premium on issue of non- cumulative compulsorily convertible preference shares	570.12	-	-	-	570.12
Balance as at March 31, 2022	**4,553.74**	**318.48**	**107.06**	**22.90**	**5,002.18**
Profit for the year ended March 31, 2023	-	530.44	-	-	530.44
Other comprehensive income (net of income-tax effect)	-	(4.83)	-	-	(4.83)
Total comprehensive income	**-**	**525.61**	**-**	**-**	**525.61**
Transfer to Statutory Reserve	-	(106.09)	106.09	-	-
Fair value of stock option - charge for the year	-	-	-	2.29	2.29
Premium on stock option	9.97	-	-	-	9.97
Premium on issue of equity shares	171.76	-	-	-	171.76
Amount recoverable from Satya Employee Welfare Trust	12.03	-	-	-	12.03
Premium on issue of non- cumulative compulsorily convertible preference shares	2,006.55	-	-	-	2,006.55
Dividend paid on non- cumulative compulsorily convertible preference shares*	-	(0.00)	-	-	(0.00)
Balance as at March 31, 2023	**6,754.05**	**738.00**	**213.15**	**25.19**	**7,730.39**

* ₹ 508.26

As per our report of even date
For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

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Company Secretary & Chief Compliance officer
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Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

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SATYA MicroCapital Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2023

1. Corporate information

SATYA MicroCapital Limited ('SATYA' or the 'Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on May 18, 1995. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND-SI') with the Reserve Bank of India ('RBI') and got classified as Non-Banking Financial Company – Micro Finance Institution (NBFC – MFI) effective February 2, 2018. The registered office address of the Company is 519, 5th Floor, DLF Prime Tower, Okhla Industrial Area, Phase-1, New Delhi-110020.

The Reserve Bank of India (RBI) has introduced the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ('the Framework') through Circular No. RBI/2021- 22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 issued in October 2021. Under this Framework, NBFCs are categorized into different layers, namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL), and Top Layer (NBFC-TL).

The Company has been classified as a "Middle Layer" NBFC in accordance with the Framework.

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

2. Basis of preparation

a) Statement of compliance in preparation of standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The standalone financial statements have been prepared on a going concern basis.

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

b) Presentation of standalone financial statements

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

3A. Significant accounting policies

a) Use of estimates, judgments and assumptions

The preparation of standalone financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements is included in the following notes:

i) Defined employee benefit assets and liabilities

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

ii) Fair value measurement

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

iii) Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

The Company's Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Company's internal model, which assigns Probability of Defaults ('PDs') to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on Probability of Defaults ('PDs'), Exposure at Default ('EADs') and Loss given Defaults ('LGDs')

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

iv) Provisions other than impairment on loan portfolio

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

v) Share-Based Payment

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

vi) Non-Cumulative Compulsory Convertible Preference Shares (NCCCPS)

Non-cumulative compulsory convertible preference shares (NCCCPS) are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS - 32 (Financial instruments: Presentation). NCCCPS issued by the Company classified as equity is carried at its transaction value and shown within "other equity"

vii) Effective Interest Rate ('EIR') method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

viii) Other estimates

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

b) Recognition of income and expense

(i) Interest and Processing Fee income on loans

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

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

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

(ii) Revenue from Contracts with Customers

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations.

a. Facilitation fees income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognized on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.
b. Revenue from business correspondence services is recognized point in time when performance obligation is satisfied as per agreed terms and conditions of the contract.
c. Income from assignment transactions, i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

(iii) Finance cost

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed.

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the financial liability. Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc. provided these are incremental costs that are directly related to the issue of a financial liability.

(iv) Dividend income

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

(v) Other income and expense

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

c) Property, plant and equipment (PPE), intangible asset and capital work in progress

PPE

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

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

Intangible asset

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

Capital work in progress

Capital work-in-progress is carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets which are not ready to intend use are also shown under capital work-in-progress.

d) Depreciation and amortization

Depreciation

i. Depreciation on property, plant and equipment provided on a written down value method at the rates arrived based on useful life of the assets, prescribed under Schedule II to the Companies Act, 2013, which also represents the estimate of the useful life of the assets by the management.

ii. Property, plant and equipment costing up to Rs.5,000 individually are fully depreciated in the year of purchase.

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

Asset Category	Useful Life (In Years)
(i) Furniture and fittings	10
(ii) Computers and data processing units	
(a) Servers and networks	6
(b) End user devices, such as, desktops, laptops, etc.	3
(iii) Office equipment	5
(iv) Motor vehicles	
(a) Motor cars	8
(b) Two-Wheeler Vehicles	10
(v) Building	60

Amortization

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

e) Impairment

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

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

Stage I

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

Stage II

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

Stage III

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

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

Methodology for calculating ECL

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

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

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

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

Forward looking information

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

Definition of default and cure

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

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

Write-offs

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

ii) Non-financial assets

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

f) Leases

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

Where the Company is lessee

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

i) Right-of-use assets

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

ii) Lease Liability

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

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

(iii) Short-term lease

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as and when due.

g) Foreign currency transactions

- **Functional and presentation currency**

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

- **Transaction and balance**

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

h) Employee benefits

The Company operates following employee benefit plans:

i) Defined contribution schemes

The Company pays contributions to publicly administered provident funds and employee state insurance schemes as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Defined benefit plan

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

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

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

iii) Other long term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss. The Company presents the provision for compensated absences under provisions in the Balance Sheet.

iv) Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The cost of equity-settled transactions is measured using the fair value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for the year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense.

i) Tax expenses

Tax expense comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current tax

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

Deferred taxes

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

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

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

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

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

j) Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted EPS, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognized within finance costs.

l) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not have any contingent assets in the standalone financial statements.

m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Measurement and recognition

Financial assets are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- Loan Portfolio at amortized cost
- Loan Portfolio at fair value through other comprehensive income (FVOCI)
- Equity instruments and mutual funds

Loan Portfolio at amortized cost:

Loan Portfolio is subsequently measured at amortized cost where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and

- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3(e)).

Loan Portfolio at FVOCI:

Loan Portfolio is subsequently measured at FVOCI where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- the financial asset is held within a business model where objective is achieved by both collecting contractual cash flows and selling financial assets.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognized as interest income using the EIR method.

Equity instruments and Mutual Funds

Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

De-recognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognized when the rights to receive cash flows from the financial asset have expired. The Company also de-recognizes the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:

– It has transferred its contractual rights to receive cash flows from the financial asset
  or
– It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

– The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
– The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
– The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

– The Company has transferred substantially all the risks and rewards of the asset
  or
– The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Company's continuing involvement, in which case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss account.

Derecognition due to modification of terms and conditions

The Company de-recognizes a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchase Oriented Credit Impaired ("POCI").

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Financial Liabilities

Financial liability is de-recognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

n) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said standalone financial statements.

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy described as follows:

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments – include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

o) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's primary business segments are reflected based on the principal business carried out, i.e. lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

q) Derivative financial instruments at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

i. Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

ii. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

iii. It is settled at a future date.

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as currency and interest rate swaps , to hedge its foreign currency risks and interest rate risks, respectively. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Changes in the fair value of currency and interest rate swaps entered to hedge foreign currency risks and interest rate risks, respectively, on external commercial borrowing are included in Net loss / (gain) on fair value of derivative contracts measured at fair value through profit or loss under finance cost. Changes in the fair value of other derivatives are included in net gain/(loss) on fair value changes unless hedge accounting is applied. The Company does not apply hedge accounting.

r) Investment in Security Receipts

Investment in Security receipts issued by trust floated by asset reconstruction company are accounted for at fair value through profit and loss (FVTPL).

s) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

3B. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies instead of their significant accounting policies. Accounting policy information is considered material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have a significant impact on its standalone financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 has been narrowed so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, on its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments help entities distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have a significant impact on its standalone financial statements.

SATYA MicroCapital Limited
Notes to the Standalone Financial Statements for the Year Ended March 31, 2023

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
4: Cash and cash equivalents		
Cash on hand	16.63	2.91
Balances with banks		
On current accounts	2,183.30	765.49
Deposits with original maturity of less than three months	-	510.04
	2,199.93	**1,278.44**

Balances with banks in current accounts do not earn any interest. Short-term deposits are made for varying maturity upto three months, depending upon the funding requirements of the Company, and earn interest at the respective short-term rates.

The Company has not taken any bank overdraft against such deposits, therefore the cash and cash equivalents for standalone statement of cash flow are the same as cash and cash equivalents given above.

Particulars	As at March 31, 2023	As at March 31, 2022
5: Bank balance other than cash and cash equivalents		
Deposits with maturity of less than 12 months	38.93	164.47
Deposits with maturity of more than 12 months	-	36.57
Margin money deposits (refer note b below)	2,053.62	3013.85
	2,092.55	**3214.89**

Note:
(a) Fixed deposits and margin money deposits with banks earn interest at fixed rates or floating rates based on daily bank deposit rates.
(b) The amount under lien as security against term loan, overdraft facility availed, assets securitized and business correspondence.

Particulars	As at March 31, 2023	As at March 31, 2022
6: Trade receivables (at amortized cost)		
Unsecured, considered good	106.48	73.40
	106.48	**73.40**

Trade receivables are non-interest bearing and generally due in short-term. Based on the management's assessment, no impairment allowance is considered necessary for trade receivables.

Trade Receivable as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment*						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2.40	93.19	4.41	6.48	-	-	106.48
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Trade Receivable as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment*						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	64.27	1.76	737	-	-	73.40
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

*in case where due date of payment is not specified, disclosure has been given based on the date of transaction.

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
7: Loan portfolio		
(a) Portfolio loans (at amortised cost)		
Joint Liability Group Loans	37,808.57	23,356.88
Individual Loans	514.47	204.42
Less: Impairment loss allowance	(420.00)	(399.96)
Total (net)	**37,903.04**	**23,161.34**

Contd...

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(b) (i) Secured (ii) Unsecured Less: Impairment loss allowance	362.56 37,960.48 (420.00)	- 23,561.30 (399.96)
Total (net)	**37,903.04**	**23,161.34**
- Secured by Land & property - Secured by book debts - Unsecured	345.59 14.89 37,542.56	- - 23,161.34
Total (net)	**37,903.04**	**23,161.34**
(c) Loans in India (i) Public Sector (ii) Others Less: Impairment loss allowance	 - 38,323.04 (420.00)	 - 23,561.30 (399.96)
Total (net)	**37,903.04**	**23,161.34**

Overview of the loan portfolio of the Company

The Company is primarily in the business of providing micro loans towards income generating activities with its operations spread out in different parts of India. The Company's focus is to reach out to the unbanked section of society and providing financial services to women entrepreneurs.

The table below discloses credit quality of the Company's exposures (net of impairment loss allowance) as at reporting date:

Portfolio classification as at March 31, 2023:

Particulars	Stage I	Stage II	Stage III*	Total
Portfolio Loans Joint Liability Group Loans Individual Loans Less: Impairment loss allowance	 37,138.33 507.85 (57.36)	 177.35 2.57 (45.09)	 492.89 4.05 (317.55)	 37,808.57 514.47 (420.00)
Total (net)	**37,588.82**	**134.83**	**179.39**	**37,903.04**

*it includes 19,105 cases wherein principal and interest outstanding for more than 90 days are ₹ 472.45 million and ₹ 24.52 million respectively.

Portfolio classification as at March 31, 2022:

Particulars	Stage I	Stage II	Stage III	Total
Portfolio Loans Joint Liability Group Loans Individual Loans Less: Impairment loss allowance	 21,626.71 182.42 (35.93)	 905.00 8.00 (164.90)	 825.17 14.00 (199.13)	 23,356.88 204.42 (399.96)
Total (net)	**21,773.20**	**748.10**	**640.04**	**23,161.34**

*it includes 37,272 cases wherein principal and interest outstanding for more than 90 days are ₹ 785.44 million and ₹ 53.73 million respectively.

Gross portfolio movement for the year ended March 31, 2023:

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 01, 2022	21,809.13	913.00	839.17	23,561.30
Total (A)	**21,809.13**	**913.00**	**839.17**	**23,561.30**
Inter-stage movements Stage I Stage II Stage III	 32.15 (259.83) (1,321.67)	 (28.28) 260.70 (621.18)	 (3.87) (0.87) 1,942.85	 - - -
Total (B)	**(1,549.35)**	**(388.76)**	**1,938.11**	**-**
Write-offs	(0.70)	(0.54)	(208.81)	(210.05)
Total (C)	**(0.70)**	**(0.54)**	**(208.81)**	**(210.05)**
New assets originated, (netted off for repayment and loans derecognised during the year)	17,387.10	(343.78)	(2,071.53)	14,971.79
Total (D)	**17,387.10**	**(343.78)**	**(2,071.53)**	**14,971.79**
Gross carrying amount as at March 31, 2023	37,646.18	179.92	496.94	38,323.04
Total (A+B+C+D)	**37,646.18**	**179.92**	**496.94**	**38,323.04**

Gross portfolio movement for the year ended March 31, 2022:

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2021	11,133.41	1,173.30	191.95	12,498.66
Total (A)	**11,133.41**	**1,173.30**	**191.95**	**12,498.66**
Inter-stage movements Stage I Stage II Stage III	 142.74 (581.07) (390.14)	 (134.57) 583.49 (366.72)	 (8.17) (2.42) 756.86	 - - -
Total (B)	**(828.47)**	**82.20**	**746.28**	**-**

Contd...

(₹ in million unless otherwise stated)

Particulars	Stage I	Stage II	Stage III	Total
Write-offs	-	-	(123.41)	(123.41)
Total (C)	**-**	**-**	**(123.41)**	**(123.41)**
New assets originated, (netted off for repayment and loans derecognised during the year)	11,504.19	(342.50)	24.36	11,186.05
Total (D)	**11,504.19**	**(342.50)**	**24.36**	**11,186.05**
Gross carrying amount as at March 31, 2022	21,809.13	913.00	839.17	23,561.30
Total (A+B+C+D)	**21,809.13**	**913.00**	**839.17**	**23,561.30**

ECL movement during the year ended March 31, 2023:

Particulars	Stage I	Stage II	Stage III	Total
Balance at the beginning of the year	35.93	164.90	199.13	399.96
Provision made/ (reversed) during the year*	22.13	(119.27)	327.23	230.09
Write-offs	(0.70)	(0.54)	(208.81)	(210.05)
Balance at the end of the year	**57.36**	**45.09**	**317.55**	**420.00**

* includes ECL provision of ₹ 491.21 million which has been reversed on account of sale of portfolio of such loans to trust floated by Phoenix ARC Private Limited.

ECL movement during the year ended March 31, 2022:

Particulars	Stage I	Stage II	Stage III	Total
Balance at the beginning of the year	22.13	218.74	111.79	352.66
Provision made/ (reversed) during the year	13.80	(53.84)	210.75	170.71
Write-offs	-	-	(123.41)	(123.41)
Balance at the end of the year	**35.93**	**164.90**	**199.13**	**399.96**

Particulars	As at March 31, 2023	As at March 31, 2022
8: Investments		
Subsidiary [Equity instruments (at cost)] Investment in SATYA Micro Housing Finance Private Limited (Formerly known as Baid Housing Finance Private Limited) 40,559,180 (March 31, 2022: 360,107) equity shares of face value of ₹ 10 each	472.10	46.36
Security Receipts 1,304,340 (March 31, 2022 : Nil) security receipts in Phoenix Trust (Trust floated by Phoenix ARC Private Limited)	1,261.30	-
	1,733.40	**46.36**
Investments in India	1,733.40	46.36
Investments outside India	-	-
Total	**1,733.40**	**46.36**

SATYA Micro Housing Finance Private Limited (Formerly known as Baid Housing Finance Private Limited) ('SMHFPL') has become the subsidiary Company with effect from June 14,2022 and holding 96.66% as on March 31, 2023 (March 31, 2022: 24%)

Particulars	As at March 31, 2023	As at March 31, 2022
9: Other financial assets (at amortised cost)		
A. Security deposits		
Unsecured, considered good	10.59	8.33
(A)	**10.59**	**8.33**
B. Other assets		
Loans to employees	51.10	19.44
Margin money held with financial institution	303.29	215.00
Interest only strip receivable	758.04	310.73
Other recoverable	102.06	16.76
(B)	**1,214.49**	**561.93**
Total (A+B)	**1,225.08**	**570.26**

Note: The margin money held with financial institution are under lien as security against term loan and business correspondence.

Particulars	As at March 31, 2023	As at March 31, 2022
10: Current tax assets (net)		
Advance income-tax (net of provision for income-tax)	139.53	46.17
	139.53	**46.17**

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
11: Deferred tax assets/(liabilities) (net)		
(A) Deferred tax assets		
Impairment of financials instruments	105.71	100.66
Provision for employee benefits	17.72	9.21
Property, plant and equipment	17.07	10.09
Financial assets measured at amortised cost	50.75	-
Fair valuation of derivative financial instruments	1.75	-
Liability against leases and right of use assets	1.75	1.80
Others	-	35.15
Total deferred tax assets	**194.75**	**156.91**
(B) Deferred tax liabilities		
Interest only strip receivable	190.78	78.20
Others	52.92	14.26
Total deferred tax liabilities	**243.70**	**92.46**
Net deferred tax assets/(liabilities) (A-B)	**(48.95)**	**64.45**

Particulars	As at April 1, 2022	(Charged)/credited to standalone statement of profit & loss during the year	(Charged)/credited to other comprehensive income during the year	As at March 31, 2023
(A) Deferred tax assets				
Impairment of financials instruments	100.66	5.05	-	105.71
Provision for employee benefits	9.21	6.88	1.63	17.72
Property, plant and equipment	10.09	6.98	-	17.07
Financial assets measured at amortised cost	-	50.75	-	50.75
Fair valuation of derivative financial instruments	-	1.75	-	1.75
Liability against leases and right of use assets	1.80	(0.05)	-	1.75
Others	35.15	(35.15)	-	-
Total deferred tax assets	**156.91**	**36.21**	**1.63**	**194.75**
(B) Deferred tax liabilities				
Interest only strip receivable	78.20	112.58	-	190.78
Others	14.26	38.66	-	52.92
Total deferred tax liabilities	**92.46**	**151.24**	**-**	**243.70**
Net deferred tax assets/(liabilities) (A-B)	**64.45**	**(115.03)**	**1.63**	**(48.95)**

Particulars	As at April 1, 2021	(Charged)/credited to standalone statement of profit & loss during the year	(Charged)/credited to other comprehensive income during the year	As at March 31, 2022
(A) Deferred tax assets				
Impairment of financials instruments	84.82	15.84	-	100.66
Provision for employee benefits	6.35	2.61	0.25	9.21
Property, plant and equipment	6.37	3.72	-	10.09
Liability against leases and right of use assets	0.12	1.68	-	1.80
Others	17.79	17.35	-	35.14
Total deferred tax assets	**115.45**	**41.19**	**0.25**	**156.90**
(B) Deferred tax liabilities				
Interest only strip receivable	29.36	48.84	-	78.20
Others	13.95	0.30	-	14.25
Total deferred tax liabilities	**43.31**	**49.14**	**-**	**92.45**
Net deferred tax assets/(liabilities) (A-B)	**72.14**	**(7.95)**	**0.25**	**64.45**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

12A: Property, plant and equipment

Particulars	Furniture and Fixtures	Office Equipment	Vehicles	Computers and Data Processing Units	Office Premises	Right-of-use Asset	Total
Gross block (at cost)							
As at April 1, 2021	**25.23**	**14.80**	**4.22**	**58.68**	**32.10**	**13.24**	**148.27**
Additions	27.84	9.28	4.43	39.32	-	22.48	103.35
Disposals	(0.86)	(0.47)	-	(6.06)	-	-	(7.39)
As at March 31, 2022	**52.21**	**23.61**	**8.65**	**91.94**	**32.10**	**35.72**	**244.23**
Additions	12.62	29.15	15.39	54.34	-	6.97	118.47
Disposals	(1.00)	(0.20)	(0.73)	(20.75)	-	-	(22.68)

Contd...

(₹ in million unless otherwise stated)

As at March 31, 2023	**63.83**	**52.56**	**23.31**	**125.53**	**32.10**	**42.69**	**340.02**
Accumulated depreciation							
As at April 1, 2021	**13.81**	**7.62**	**2.29**	**35.80**	**0.27**	**12.75**	**72.53**
Charge for the year	12.49	4.92	0.91	24.30	1.55	13.04	57.22
Disposals	(0.48)	(0.18)	-	(5.42)	-	-	(6.08)
As at March 31, 2022	**25.82**	**12.36**	**3.20**	**54.68**	**1.82**	**25.79**	**123.67**
Charge for the year	14.15	13.83	3.54	35.97	1.47	7.90	76.86
Disposals	(0.90)	(0.18)	(0.21)	(18.87)	-	-	(20.16)
As at March 31, 2023	**39.07**	**26.01**	**6.53**	**71.78**	**3.29**	**33.69**	**180.37**
Net carrying amount							
As at March 31, 2022	26.39	11.25	5.45	37.26	30.28	9.93	120.56
As at March 31, 2023	**24.76**	**26.55**	**16.78**	**53.75**	**28.81**	**9.00**	**159.65**

12B: Capital work-in-progress

Particulars	Land & Building	Total
As at April 1, 2021	-	-
Additions	-	-
As at March 31, 2022	**-**	**-**
Additions	612.12	612.12
As at March 31, 2023	**612.12**	**612.12**

Note : Capital work-in-progress ageing schedule as at March 31, 2023

Particulars	Amount in Capital work-in-progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Land and building*	612.12	-	-	-	**612.12**

* Includes interest capitalized of ₹ 27.20 million

12C: Intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
As at April 1, 2021	**2.90**	**2.90**
Additions	0.15	0.15
Disposals	(1.03)	(1.03)
As at March 31, 2022	**2.02**	**2.02**
Additions	-	-
Disposals	-	-
As at March 31, 2023	**2.02**	**2.02**
Accumulated amortization		
As at April 1, 2021	**2.03**	**2.03**
Charge for the year	0.24	0.24
Disposals	(0.58)	(0.58)
As at March 31, 2022	**1.69**	**1.69**
Charge for the year	0.13	0.13
Disposals	-	-
As at March 31, 2023	**1.82**	**1.82**
Net carrying amount		
As at March 31, 2022	0.33	0.33
As at March 31, 2023	**0.20**	**0.20**

Notes:

1. There have been no acquisitions through business combinations and no change of amount due to revaluation of Property, plant and equipment, right-of-use asset and intangible assets during the year ended March 31, 2023 and March 31, 2022.
2. Carrying value of property, plant and equipment and capital work-in-progress pledged as collateral for liabilities are ₹ 621.64 million as at March 31, 2023 (March 31, 2022: ₹ Nil)

Particulars	As at March 31, 2023	As at March 31, 2022
13 : Other non-financial assets		
Unsecured, considered good		
Prepaid expenses	276.15	192.13
Balance in employee imprest accounts	80.67	32.32
GST receivable	4.23	9.64
Capital advances	1.13	11.21
Other advances	47.88	51.09
	410.06	**296.39**

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional Amount (INR)	Fair Value (INR)	Notional Amount (INR)	Fair Value (INR)
14: Derivative financial instruments				
Currency and interest swap	329.48	6.95	-	
Total	**329.48**	**6.95**	**-**	

The Company entered derivatives for risk management purposes. Derivatives (i.e., currency and interest rate swaps) held for risk management purposes include hedges that are economic hedges, but the company has elected not to apply hedge accounting requirements.

Particulars	As at March 31, 2023	As at March 31, 2022
15: Trade Payable		
A. Trade Payable		
(i) total outstanding dues of micro enterprises and small enterprises (MSME)(refer note 42)	0.53	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	100.84	82.49
	101.37	**82.49**

Trade Payable as at March 31, 2023:

Particulars	Unbilled dues	Outstanding for following periods from due date of payment*				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.53	-	-	-	**0.53**
(ii) Others	19.94	78.44	1.94	0.33	0.19	**100.84**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv)Disputed dues - Others	-	-	-	-	-	**-**

Trade Payable as at March 31, 2022:

Particulars	Unbilled dues	Outstanding for following periods from due date of payment*				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	**-**
(ii) Others	19.52	62.26	0.41	0.20	0.10	**82.49**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv)Disputed dues - Others	-	-	-	-	-	**-**

*in case where due date of payment is not specified, disclosure has been given based on the date of transaction.

Particulars	As at March 31, 2023	As at March 31, 2022
16: Debt Securities (at amortised cost)		
(a) Debentures		
Secured*		
Nil (March 31, 2022: 1,500), 14.50%, senior secured, unlisted, rated, transferable, redeemable, principal protected market linked debentures of ₹100,000 each	-	231.44
400 (March 31, 2022: 400), 13.80%, secured, rated, listed transferable non-convertible debentures of ₹ 1,000,000 each	410.86	403.05
Nil (March 31, 2022: 24,983) 13.60%, secured, unlisted, rated, redeemable, non-convertible debenture of ₹10,000 each	-	83.46
Nil (March 31, 2022: 24,983) 13.60%, unlisted, unsubordinated, secured, transferable, redeemable non-convertible debentures of ₹10,000 each	-	82.91
285 (March 31, 2022: 285) 12.85%, secured, listed, non-convertible debentures of ₹ 1,000,000 each	287.84	286.68
380 (March 31, 2022: 380) 12.40% secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	291.28	388.38
345 (March 31, 2022: 345) 12.40% secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	352.41	352.49
25,000,000 (March 31, 2022: 25,000,000) 13.75% fully paid-up unlisted, senior, secured, rated, redeemable taxable, transferable non-convertible debentures each having a face value of ₹ 10/- each	86.32	172.09
260 (March 31, 2022: 260) 12.30% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	260.99	261.65
2,000 (March 31, 2022: 2,000) 13.16% secured, rated, listed, redeemable, transferable, principal protected market linked non-convertible debentures of face value of ₹ 100,000/- each	244.05	218.42
221 (March 31, 2022: 221) 12.40% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	225.40	226.34
161 (March 31, 2022: 161) 12.40% secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	164.09	164.71
161 (March 31, 2022: 161) 12.40% secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	164.23	164.74

Contd...

(₹ in million unless otherwise stated)

800 (March 31, 2022: 800) 12.38% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	805.62	808.97
Nil (March 31, 2022: 300) 11.50% secured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	-	302.85
420 (March 31, 2022: 420) 12.44% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	427.77	429.64
225 (March 31, 2022: 225) 12.45% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	223.82	224.9
225 (March 31, 2022: 225) 12.45% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	223.82	224.9
260 (March 31, 2022: 260) 11.76% secured, rated, unlisted, senior, transferable, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	181.61	257.84
225 (March 31, 2022: Nil) 12.45% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	232.92	-
150 (March 31, 2022: Nil) 12.45% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	155.22	-
240 (March 31, 2022: Nil) 12% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	136.92	-
250 (March 31, 2022: Nil) 11.61% senior, rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures of face value of ₹ 1,000,000/- each	142.19	-
467 (March 31, 2022: Nil) 11.42% secured, rated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	464.75	-
350 (March 31, 2022: Nil) 10.11% fully paid, senior, secured, rated, listed, taxable principal protect market linked, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	361.55	-
300 (March 31, 2022: Nil) 13.31% secured, listed, rated, unsubordinated, transferable, redeemable, principal protected, market linked non-convertible debentures of face value of ₹ 1,000,000/- each	320.60	-
150 (March 31, 2022: Nil) 13.31% secured, listed, rated, unsubordinated, transferable, redeemable, principal protected, market linked non-convertible debentures of face value of ₹ 1,000,000/- each	160.26	-
200 (March 31, 2022: Nil) 12% senior, rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures of face value of ₹ 1,000,000/- each	157.38	-
250 (March 31, 2022: Nil) 12.75% senior, rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures of face value of ₹ 1,000,000/- each	213.86	-
700 (March 31, 2022: Nil) 12% unlisted, secured, rated, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	700.99	-
300 (March 31, 2022: Nil) 12% unlisted, secured, rated, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	300.33	-
20,500 (March 31, 2022: Nil) 11.85% unlisted, senior, secured, redeemable, transferable, non-convertible debentures of face value of ₹ 100,000/- each	2,036.02	-
Unsecured		
610 (March 31, 2022: Nil) 11.75% unlisted, unsecured, transferable, redeemable and interest bearing non-convertible debentures of face value of ₹ 1,000,000/- each	627.59	-
Total debt securities	**10,360.69**	**5,285.46**
Borrowings in India	10,360.69	5,285.46
Borrowings outside India	-	-
Total	**10,360.69**	**5,285.46**

* Loans are secured by hypothecation of book debts.

Particulars	As at March 31, 2023	As at March 31, 2022
(b) Borrowings (other than debt securities) (at amortised cost)		
Secured		
Term loan**		
From banks	14,488.64	10,059.53
From others	9,010.44	3,985.39
Car loan***	8.55	-
Bank overdraft*	308.96	1,328.46
External commercial borrowings**	324.50	-
Borrowing under securitization arrangement**		
From banks	1,001.38	766.29
From others	-	196.89
Total borrowings (other than debt securities)	**25,142.47**	**16,336.56**
Borrowings in India	24,817.97	16,336.56
Borrowings outside India	324.50	-
Total	**25,142.47**	**16,336.56**

*Bank overdraft is secured by term deposits with banks.
**Loans are secured by hypothecation of book debts, margin money deposits and land and building (capital work-in-progress).
***Loans are secured by hypothecation of vehicle.

(₹ in million unless otherwise stated)

(c) Subordinated liabilities (at amortised cost)		
Unsecured debentures #		
200 (March 31, 2022: 200) 15.75% rated, unlisted, subordinated, unsecured, transferable, redeemable, non-convertible debentures of ₹1,000,000 each	206.81	206.47
25,000,000 (March 31, 2022: 25,000,000) 14.27% rated, listed, unsecured, subordinated, redeemable, taxable, non-convertible debentures of ₹ 10 each	244.90	243.56
3,000 (March 31, 2022: 3,000) 14.75% rated, unlisted, subordinate, unsecured, redeemable, transferable, non-convertible debentures of face value of ₹ 100,000/- each	301.89	302.26
300 (March 31, 2022: 300) 15.15% rated, unlisted, subordinate, unsecured, taxable, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	311.20	301.98
Unsecured term loan#		
From banks	96.09	95.96
From others	-	-
Total subordinated liabilities	**1,160.89**	**1,150.23**
Borrowings in India	1,160.89	1,150.23
Borrowings outside India	-	-
Total	**1,160.89**	**1,150.23**

The unsecured borrowings are in the nature of subordinated liabilities and non-convertible debentures.

Above amount includes		
Secured borrowings*	34,875.57	21,622.02
Unsecured borrowings #	1,788.48	1,150.23
Net amount	**36,664.05**	**22,772.25**

* Loans are secured by hypothecation of book debts and margin money deposits.
# The unsecured borrowings are in the nature of subordinated liabilities and non-convertible debentures.

16A. Terms of principal repayment of borrowings as at March 31, 2023

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Debt Securities										
NCD										
Monthly										
1-3 years	11.51%-12.00%	12	100.00	7	58.33	0	-	0	-	158.33
	12.51%-13.00%	12	83.33	12	83.33	7	48.61	0	-	215.27
Quarterly										
1-3 years	11.51%-12.00%	4	150.00	4	150.00	0	-	0	-	300.00
		4	137.14	0	-	0	-	0	-	137.14
		4	142.86	0	-	0	-	0	-	142.86
		4	350.00	4	350.00	0	-	0	-	700.00
Half Yearly										
Above 3 years	11.01%-11.50%	0	-	1	116.75	2	350.25	0	-	467.00
	11.51%-12.00%	1	410.00	0	-	1	410.00	3	1,230.00	2,050.00
Yearly					-					
1-3 years	11.51%-12.00%	1	78.00	1	104.00	0	-	0	-	182.00
	13.51%-14.00%	1	83.33	0	-	0	-	0	-	83.33
Above 3 years	12.01%-12.50%	0	-	0	-	2	225.00	0	-	225.00
		0	-	0	-	2	225.00	0	-	225.00
		0	-	0	-	1	56.25	1	168.75	225.00
		0	-	0	-	1	37.50	1	112.50	150.00
		0	-	0	-	0	-	1	285.00	285.00
Bullet										
1-3 years	10.01%-10.50%	1	350.00	0	-	0	-	0	-	350.00
	11.51%-12.00%	0	-	0	-	1	610.00	0	-	610.00
	13.51%-14.00%	0	-	1	150.00	0	-	0	-	150.00
Above 3 years	12.01%-12.50%	0	-	1	-	1	260.00	0	-	345.00
		0	-	0	-	1	420.00	0	-	260.00
		0	-	0	-	0	-	1	-	420.00
		0	-	0	-	0	-	1	800.00	800.00
		0	-	0	-	0	-	1	161.00	161.00
		0	-	0	-	0	-	1	161.00	161.00
		0	-	0	-				221.00	221.00
	12.51%-13.00%	0	-	0	-	0	-	1	400.00	400.00
	13.01%-13.50%	0	-	1	200.00	0	-	0	-	200.00
	13.51%-14.00%	1	285.00	0	-	0	-	0	-	285.00
	15.01%-15.50%	0	-	0	-	1	300.00	0	-	300.00

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(₹ in million unless otherwise stated)

16A. Terms of principal repayment of borrowings as at March 31, 2023

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Borrowings (Other than Debt Securities)										
Term Loan										
Monthly										
1-3 years	8.51%-9.00%	7	166.67	0	-	0	-	0	-	166.67
		12	182.40	12	182.40	1	11.36	0	-	376.16
		7	381.82	0	-	0	-	0	-	381.82
	9.01%-9.50%	12	72.73	7	42.42	0	-	0	-	115.15
		12	188.40	6	90.97	0	-	0	-	279.37
		6	90.00	0	-	0	-	0	-	90.00
		9	112.50	0	-	0	-	0	-	112.50
		10	82.50	0	-	0	-	0	-	82.50
		12	333.33	7	193.83	0	-	0	-	527.16
	9.51%-10.00%	12	37.50	7	21.88	0	-	0	-	59.38
		12	196.57	0	-	0	-	0	-	196.57
	10.01%-10.50%	9	375.00	0	-	0	-	0	-	375.00
		12	120.00	5	50.00	0	-	0	-	170.00
		12	175.00	1	14.58	0	-	0	-	189.58
		11	114.58	8	83.33	0	-	0	-	197.91
		9	112.50	12	150.00	11	137.28	0	-	399.78
		12	53.68	12	59.57	0	-	0	-	113.25
	10.51%-11.00%	12	100.00	5	41.67	0	-	0	-	141.67
		12	500.00	5	208.33	0	-	0	-	708.33
		12	64.83	0	-	0	-	0	-	64.83
		12	228.57	0	-	0	-	0	-	228.57
		6	136.36	0	-	0	-	0	-	136.36
		12	130.34	1	11.54	0	-	0	-	141.88
		12	100.00	2	16.67	0	-	0	-	116.67
		12	75.00	0	-	0	-	0	-	75.00
		12	100.00	9	75.00	0	-	0	-	175.00
		8	380.95	13	619.05	0	-	0	-	1,000.00
		9	600.00	12	800.00	9	600.00	0	-	2,000.00
		11	137.50	6	75.00	0	-	0	-	212.50
	11.01%-11.50%	12	54.96	6	29.18	0	-	0	-	84.14
		12	200.00	8	133.33	0	-	0	-	333.33
		12	50.00	11	45.83	0	-	0	-	95.83
		12	500.00	12	500.00	0	-	0	-	1,000.00
		10	133.33	12	160.00	2	26.67	0	-	320.00
		12	619.05	0	-	0	-	0	-	619.05
		11	113.44	0	-	0	-	0	-	113.44
	11.51%-12.00%	12	99.79	6	54.56	0	-	0	-	154.35
		6	19.15	0	-	0	-	0	-	19.15
		12	191.97	5	87.09	0	-	0	-	279.06
		12	75.00	9	56.25	0	-	0	-	131.25
		12	53.50	0	-	0	-	0	-	53.50
		12	125.00	2	20.83	0	-	0	-	145.83
		12	64.69	1	6.21	0	-	0	-	70.90
		9	106.71	11	143.29	0	-	0	-	250.00
		10	95.24	11	104.76	0	-	0	-	200.00
		10	142.86	11	157.14	0	-	0	-	300.00
		11	106.85	12	131.33	1	11.81	0	-	249.99
		12	250.00	9	187.50	0	-	0	-	437.50
	12.01%-12.50%	12	256.80	3	69.32	0	-	0	-	326.12
		12	101.75	0	-	0	-	0	-	101.75
		12	160.75	1	18.98	0	-	0	-	179.73
		10	44.64	0	-	0	-	0	-	44.64
		12	105.00	0	-	0	-	0	-	105.00
		11	27.82	12	34.20	9	28.59	0	-	90.61
		1	4.22	0	-	0	-	0	-	4.22
		12	110.00	12	110.00	3	27.50	0	-	247.50
		12	47.67	12	52.00	7	30.33	0	-	130.00
		12	60.00	12	60.00	0	-	0	-	120.00
		11	152.78	7	97.22	0	-	0	-	250.00
		12	75.00	8	50.00	0	-	0	-	125.00

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(₹ in million unless otherwise stated)

16A. Terms of principal repayment of borrowings as at March 31, 2023

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
1-3 years	12.51%-13.00%	7	15.92	0	-	0	-	0	-	15.92
		9	112.50	0	-	0	-	0	-	112.50
		12	25.00	0	-	0	-	0	-	25.00
		12	50.00	0	-	0	-	0	-	50.00
		3	12.50	0	-	0	-	0	-	12.50
		6	37.50	0	-	0	-	0	-	37.50
		12	75.00	0	-	0	-	0	-	75.00
		12	73.02	3	19.87	0	-	0	-	92.89
		12	125.00	3	31.25	0	-	0	-	156.25
		12	100.00	6	50.00	0	-	0	-	150.00
		12	100.00	8	66.67	0	-	0	-	166.67
		12	48.31	9	40.56	0	-	0	-	88.87
		12	71.72	9	67.09	0	-	0	-	138.81
		1	0.83	0	-	0	-	0	-	0.83
		12	275.00	12	275.00	0	-	0	-	550.00
		12	125.00	10	104.17	0	-	0	-	229.17
		12	61.88	12	70.26	10	65.64	0	-	197.78
		11	55.99	12	68.99	4	25.02	0	-	150.00
		12	54.34	12	61.73	6	33.93	0	-	150.00
	13.01%-13.50%	12	119.52	10	111.55	0	-	0	-	231.07
		1	6.25	0	-	0	-	0	-	6.25
		12	103.03	12	103.03	9	77.27	0	-	283.33
	13.51%-14.00%	12	75.00	8	50.00	0	-	0	-	125.00
	14.51%-15.00%	8	327.45	0	-	0	-	0	-	327.45
Above 3 years	9.01%-9.50%	12	76.92	12	76.92	12	76.92	18	114.51	345.27
	10.01%-10.50%	12	1.15	12	1.46	12	1.75	1	0.12	4.48
	12.01%-12.50%	11	39.36	12	48.38	12	54.79	1	4.96	147.49
	12.51%-13.00%	12	75.80	12	75.80	0	-	0	-	151.60
Quarterly										
1-3 years	9.51%-10.00%	4	200.00	2	100.00	0	-	0	-	300.00
		4	83.33	4	83.33	3	62.50	0	-	229.16
	11.01%-11.50%	4	370.00	4	360.00	3	270.00	0	-	1,000.00
		4	50.00	4	50.00	0	-	0	-	100.00
		4	250.00	0	-	0	-	0	-	250.00
	11.51%-12.00%	4	150.00	0	-	0	-	0	-	150.00
	12.01%-12.50%	4	66.67	4	66.67	0	-	0	-	133.34
		4	400.00	3	300.00	0	-	0	-	700.00
		4	185.00	3	138.75	0	-	0	-	323.75
		4	125.00	4	125.00	0	-	0	-	250.00
		4	40.00	4	40.00	0	-	0	-	80.00
	12.51%-13.00%	4	83.33	0	-	0	-	0	-	83.33
		4	125.00	4	125.00	0	-	0	-	250.00
	13.01%-13.50%	4	125.00	2	62.50	0	-	0	-	187.50
Bullet										
1-3 years	5.51%-6.00%	1	49.50	0	-	0	-	0	-	49.50
Car Loan										
Bullet										
Above 3 years	8.51%-9.00%	12	0.17	12	0.19	12	0.20	19	0.36	0.92
		12	0.22	12	0.24	12	0.26	15	0.36	1.08
		12	0.32	12	0.35	12	0.38	17	0.60	1.65
	11.51%-12.00%	12	0.28	12	0.32	12	0.36	20	0.70	1.66
	12.51%-13.00%	12	0.24	12	0.28	12	0.31	22	0.68	1.51
		12	0.27	12	0.30	12	0.34	22	0.75	1.66
Bank Overdraft										
Repayable on Demand										
1-3 years	8.01%-8.50%	1	308.96	0	-	0	-	0	-	308.96
ECB										
Bullet										
1-3 years	12.01%-12.50%	0	-	0	-	1	329.48	0	-	329.48

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(₹ in million unless otherwise stated)

16A. Terms of principal repayment of borrowings as at March 31, 2023

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Borrowings (Other than Debt Securities)										
Term Loan										
Monthly										
Securitization										
1-3 years	9.01%-9.50%	6	52.26	0	-	0	-	0	-	52.26
	10.01%-10.50%	10	260.09	0	-	0	-	0	-	260.09
	11.51%-11.00%	10	549.67	0	-	0	-	0	-	549.67
Subordinated Liabilities										
Half Yearly										
Above 3 years	14.01%-14.50%	0	-	0	-	2	160.00	1	90.00	250.00
Bullet										
Above 3 years	14.51%-15.00%	0	-	1	50.00	0	-	0	-	50.00
		0	-	0	-	0	-	1	300.00	300.00
	15.01%-15.50%	0	-	0	-	0	-	1	300.00	300.00
	15.51%-16.00%	0	-	0	-	1	200.00	0	-	200.00
	16.51%-17.00%	1	45.00	0	-	0	-	0	-	45.00
Total		**1133**	**17,430.66**	**640**	**9,428.33**	**210**	**5,175.30**	**149**	**4,352.29**	**36,386.58**
Impact of EIR on Borrowing										**138.72**
Impact of EIR on Securitization										**139.36**
Impact of Foreign Exchange Fluctuation										**(0.61)**
Grand Total										**36,664.05**

16B. Terms of principal repayment of borrowings as at March 31, 2022

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Debt Securities										
NCD										
Yearly										
1-3 years	11.51%-12.00%	1	78.00	1	78.00	1	104.00	0	-	260.00
		1	83.28	0	-	0	-	0	-	83.28
		1	83.28	0	-	0	-	0	-	83.28
		1	83.33	1	83.34	0	-	0	-	166.67
Above 3 years	12.01%-12.50%	0	-	0	-	0	-	2	225.00	225.00
		0	-	0	-	0	-	2	225.00	225.00
		1	95.00	0	-	0	-	1	285.00	380.00
Bullet										
1-3 years	11.01%-11.50%	1	300.00	0	-	0	-	0	-	300.00
Above 3 years	12.01%-12.50%	0	-	0	-	1	345.00	0	-	345.00
		0	-	0	-	0	-	1	260.00	260.00
		0	-	0	-	0	-	1	420.00	420.00
		0	-	0	-	0	-	1	800.00	800.00
		0	-	0	-	0	-	1	161.00	161.00
		0	-	0	-	0	-	1	161.00	161.00
		0	-	0	-	0	-	1	221.00	221.00
	13.01%-13.50%	0	-	0	-	1	200.00	0	-	200.00
	13.51%-14.00%	1	400.00	0	-	0	-	0	-	400.00
		0	-	1	285.00	0	-	0	-	285.00
	14.01%-14.50%	1	150.00	0	-	0	-	0	-	150.00
Borrowings (Other than Debt Securities)										
Term Loan										
Monthly										
1-3 years	6.51%-7.00%	6	120.00	0	-	0	-	0	-	120.00
	8.51%-9.00%	12	285.71	7	166.67	0	-	0	-	452.38
		12	654.55	7	381.82	0	-	0	-	1,036.37
	9.01%-9.50%	12	72.73	12	72.73	7	42.42	0	-	187.88
		12	188.40	12	188.40	6	91.80	0	-	468.60
		12	180.00	6	90.00	0	-	0	-	270.00
		12	150.00	9	112.50	0	-	0	-	262.50
		12	99.00	10	82.50	0	-	0	-	181.50
		12	333.33	12	333.34	7	194.44	0	-	861.11

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(₹ in million unless otherwise stated)

16B. Terms of principal repayment of borrowings as at March 31, 2022

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
1-3 years	9.51%-10.00%	11	34.38	12	37.50	7	21.87	0	-	93.75
		12	181.82	12	196.97	0	-	0	-	378.79
	10.01%-10.50%	12	500.00	9	375.00	0	-	0	-	875.00
		12	120.00	12	120.00	5	50.00	0	-	290.00
		9	36.75	12	53.68	12	59.57	0	-	150.00
	10.51%-11.00%	11	229.17	0	-	0	-	0	-	229.17
		12	125.00	0	-	0	-	0	-	125.00
		12	58.25	12	64.83	0	-	0	-	123.08
		9	171.43	12	228.57	0	-	0	-	400.00
		12	272.73	6	136.36	0	-	0	-	409.09
		11	108.12	12	130.34	1	11.54	0	-	250.00
		10	83.33	12	100.00	2	16.67	0	-	200.00
		12	75.00	12	75.00	0	-	0	-	150.00
		12	150.00	0	-	0	-	0	-	150.00
	11.01%-11.50%	8	33.33	0	-	0	-	0	-	33.33
		8	36.36	0	-	0	-	0	-	36.36
		8	380.95	12	619.05	0	-	0	-	1,000.00
		12	123.75	11	113.44	0	-	0	-	237.19
		8	2.58	0	-	0	-	0	-	2.58
	11.51%-12.00%	6	54.39	0	-	0	-	0	-	54.39
		12	35.14	6	19.15	0	-	0	-	54.29
		11	157.04	12	191.97	5	87.09	0	-	436.10
		11	100.00	0	-	0	-	0	-	100.00
		12	46.50	12	53.50	0	-	0	-	100.00
		10	104.17	12	125.00	2	20.83	0	-	250.00
		12	57.41	12	64.69	1	6.22	0	-	128.32
		9	75.00	0	-	0	-	0	-	75.00
	12.01%-12.50%	5	52.08	0	-	0	-	0	-	52.08
		12	89.37	12	100.63	0	-	0	-	190.00
		11	131.98	12	162.65	1	15.37	0	-	310.00
		12	47.88	10	44.64	0	-	0	-	92.52
		12	105.00	12	105.00	0	-	0	-	210.00
		9	37.50	0	-	0	-	0	-	37.50
		12	47.24	1	4.22	0	-	0	-	51.46
		12	142.86	1	11.90	0	-	0	-	154.76
	12.51%-13.00%	12	24.69	7	15.92	0	-	0	-	40.61
		12	150.00	9	112.50	0	-	0	-	262.50
		12	25.00	12	25.00	0	-	0	-	50.00
		12	50.00	12	50.00	0	-	0	-	100.00
		12	50.00	3	12.50	0	-	0	-	62.50
		12	75.00	6	37.50	0	-	0	-	112.50
		12	75.00	12	75.00	0	-	0	-	150.00
		12	64.17	12	73.02	3	19.87	0	-	157.06
		6	45.00	0	-	0	-	0	-	45.00
		8	36.23	0	-	0	-	0	-	36.23
		11	58.77	0	-	0	-	0	-	58.77
		12	28.57	0	-	0	-	0	-	28.57
		12	42.54	0	-	0	-	0	-	42.54
		12	9.21	1	0.83	0	-	0	-	10.04
		12	53.23	0	-	0	-	0	-	53.23
		12	28.57	0	-	0	-	0	-	28.57
	13.01%-13.50%	6	27.57	0	-	0	-	0	-	27.57
		3	51.34	0	-	0	-	0	-	51.34
		5	20.83	0	-	0	-	0	-	20.83
		7	29.17	0	-	0	-	0	-	29.17
		9	20.32	0	-	0	-	0	-	20.32
		9	37.50	0	-	0	-	0	-	37.50
		11	22.92	0	-	0	-	0	-	22.92
		12	62.50	0	-	0	-	0	-	62.50
		12	75.00	1	6.25	0	-	0	-	81.25
		2	11.92	0	-	0	-	0	-	11.92
	13.51%-14.00%	8	100.00	0	-	0	-	0	-	100.00
		10	90.35	0	-	0	-	0	-	90.35
		1	2.25	0	-	0	-	0	-	2.25
		1	12.32	0	-	0	-	0	-	12.32
	14.01%-14.50%	2	4.27	0	-	0	-	0	-	4.27
		12	4.68	9	0.02	0	-	0	-	4.70

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(₹ in million unless otherwise stated)

16B. Terms of principal repayment of borrowings as at March 31, 2022

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
1-3 years	14.51%-15.00%	1	0.21	0	-	0	-	0	-	0.21
	15.01%-15.50%	2	3.70	0	-	0	-	0	-	3.70
		2	3.67	0	-	0	-	0	-	3.67
		2	6.64	0	-	0	-	0	-	6.64
		2	3.00	0	-	0	-	0	-	3.00
		7	11.46	0	-	0	-	0	-	11.46
Above 3 years	12.51%-13.00%	0	-	12	75.80	12	75.80	0	-	151.60
	13.01%-13.50%	5	35.10	0	-	0	-	0	-	35.10
Quarterly										
1-3 years	11.51%-12.00%	4	150.00	4	150.00	0	-	0	-	300.00
	12.01%-12.50%	4	66.67	4	66.67	4	66.67	0	-	200.00
	12.51%-13.00%	4	83.33	4	83.33	0	-	0	-	166.66
ECB										
Bullet										
Above 3 years	12.01%-12.50%	2	106.00	0	-	0	-	0	-	106.00
Bank Overdraft										
Repayable on Demand										
1-3 years	5.51%-6.00%	1	300.99	0	-	0	-	0	-	300.99
	8.01%-8.50%	1	448.64	0	-	0	-	0	-	448.64
		1	578.83	0	-	0	-	0	-	578.83
Securitization										
1-3 years	9.01%-9.50%	12	126.90	6	75.25	0	-	0	-	202.15
	9.51%-10. 00%	7	60.15	0	-	0	-	0	-	60.15
		8	88.13	0	-	0	-	0	-	88.13
		6	59.89	0	-	0	-	0	-	59.89
	10.01%-10.50%	8	99.21	0	-	0	-	0	-	99.21
	10.51%-11.00%	9	290.09	0	-	0	-	0	-	290.09
Subordinated Liabilities										
Half Yearly										
Above 3 years	14.01%-14.50%	0	-	0	-	0	-	3	250.00	250.00
Bullet										
Above 3 years	14.51%-15.00%	0	-	0	-	1	50.00	0	-	50.00
		0	-	0	-	0	-	1	300.00	300.00
	15.01%-15.50%	0	-	0	-	0	-	1	300.00	300.00
	15.51%-16.00%	0	-	0	-	0	-	1	200.00	200.00
	16.51%-17.00%	0	-	1	45.00	0	-	0	-	45.00
Total		**858**	**11,274.65**	**441**	**5,912.99**	**79**	**1,479.17**	**17**	**3,808.00**	**22,474.79**
Impact of EIR on borrowings										**133.90**
Impact of EIR on securitization										**163.56**
Grand Total										**22,772.25**

Particulars	As at March 31, 2023	As at March 31, 2022
17: Other financial liabilities		
Payable towards direct assignment and asset reconstruction company	996.76	353.59
Lease liability (refer note 41)	15.96	17.08
Other liabilities	192.58	14.53
	1,205.30	**385.20**

Particulars	As at March 31, 2023	As at March 31, 2022
18: Provisions		
Provision for employee benefits		
Gratuity (refer note 40)	29.30	17.09
Compensated absences	40.04	19.49
	69.34	**36.58**

Particulars	As at March 31, 2023	As at March 31, 2022
19: Other non-financial liabilities		
Statutory dues payable	110.72	67.64
Other liabilities	2.77	5.76
	113.49	**73.40**

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
20: Equity Share capital		
Authorized		
80,000,000 (March 31, 2022: 80,000,000) equity shares of ₹ 10 each	800.00	800.00
Total	**800.00**	**800.00**
Issued and subscribed		
61,148,256 (March 31, 2022: 51,374,506) equity shares of ₹ 10 each fully paid up	611.48	513.75
Total	**611.48**	**513.75**
Paid-up		
56,148,256 (March 31, 2022: 48,874,506) equity shares of ₹ 10 each fully paid up	561.48	488.75
5,000,000 (March 31, 2022: 2,500,000) equity shares of ₹ 10 partly paid-up to the extent of ₹ 7.5 per share (March 31, 2022: ₹ 4 per share)	37.50	10.00
	598.98	**498.75**
Less: Amount recoverable from Satya Employee Welfare Trust	(5.78)	(8.11)
Total	**593.20**	**490.64**

(a) Terms/rights attached to equity shares

The Company has one class of fully paid and three class of partly paid equity shares of face value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. Dividend if proposed by the Board of Directors, shall be subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event, the Company declares any dividend the same shall be paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of the number of equity shares issued and subscribed at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	51,374,506	513.75	48,724,506	487.25
Add: Issued during the year	5,000,000	50.00	2,650,000	26.50
Add: Conversion of NCCCPS into Equity Shares (refer note below)	4,773,750	47.73	-	-
Outstanding at the end of the year	**61,148,256**	**611.48**	**51,374,506**	**513.75**

Note:

During the year ended March 31, 2023, the Company has converted 0.001%, 5,700,000 non-cumulative compulsorily convertible preference shares ('NCCCPS') of face value of ₹ 10 each into 4,773,750 equity share at the conversion price of ₹ 240 each to Gojo & Company, Inc.

(c) Reconciliation of the number of equity shares paid-up outstanding at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	51,374,506	498.75	48,724,506	468.50
Add: Issued during the year	5,000,000	52.50	2,650,000	30.25
Add: Conversion of NCCCPS into Equity Shares (refer note below)	4,773,750	47.73	-	-
Outstanding at the end of the year	**61,148,256**	**598.98**	**51,374,506**	**498.75**

* include amount received on party paid up equity shares of ₹ 37.5 million issued during the year (March 31, 2022: ₹ 3.75 million)

(d) Shares held by the Holding Company

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
GOJO & Company, Inc.	38,510,540	62.98%	26,963,315	52.48%

(e) Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
GOJO & Company, Inc.	38,510,540	62.98%	26,963,315	52.48%
Vivek Tiwari*	16,680,200	27.28%	11,668,200	22.72%
Dia Vikas Capital Private Limited	-	-	6,773,475	13.18%

*includes of 5,000,000 partly-paid equity shares, ₹ 7.5 per share paid up (March 31, 2022: includes of 2,500,000 partly-paid equity shares, ₹ 4 per share paid up).

(f) Shareholdings of Promoters

(₹ in million unless otherwise stated)

(i) For fully paid shares

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Vivek Tiwari	11,680,200	19.10%	9,168,200	17.85%
Koshish Marketing Solutions Pvt. Ltd.	1,996,700	3.27%	1,902,300	3.70%
Vandna Tiwari	113,500	0.19%	113,500	0.22%
Sadhna Tiwari	20,000	0.03%	20,000	0.04%
Ratnesh Tiwari	51,500	0.08%	51,500	0.10%
Total	**13,861,900**	**22.67%**	**11,255,500**	**21.91%**

(ii) For Partly paid shares

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Vivek Tiwari	5,000,000	8.18%	2,500,000	4.87%
Total	**5,000,000**	**8.18%**	**2,500,000**	**4.87%**

Particulars	As at March 31, 2023	As at March 31, 2022
21: Instruments entirely equity in nature		
Authorized 20,000,000 (March 31, 2022: 20,000,000) preference shares of Rs. 10 each	200.00	200.00
	200.00	**200.00**
Issued, subscribed 7,150,000 (March 31, 2022: 2,985,100) preference shares of ₹ 10 each	71.50	29.85
	71.50	**29.85**
Paid up 4,650,000 (March 31, 2022: 2,985,100) preference shares of ₹ 10 each	46.50	29.85
2,500,000 (March 31, 2022: Nil) preference shares of ₹ 10 each partly paid-up to the extent of ₹ 1 per share (March 31, 2022: Nil)	2.50	-
	49.00	**29.85**

(a) Terms/rights attached to non- cumulative compulsorily convertible preference shares

During the current financial year, the Company has issued the following non-cumulative compulsorily convertible preference shares (NCCCPS):

1. 2,714,900, 0.001% non-cumulative compulsorily convertible preference shares (NCCCPS) at ₹201 per NCCCPS (face value of ₹10 and premium of ₹191 per NCCCPS) to Gojo & Company, Inc.. The terms of NCCCPS are as follows:
(i) Tenor & Conversion: On or before 10 (Ten) years.
(ii) NCCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the NCCCPS shall rank pari-passu in all respects with the existing Equity Shares of the Company.
(iii) Priority with respect to payment of dividend or repayment of capital: NCCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

2. 2,500,000, 0.001% non-cumulative compulsorily convertible preference shares (NCCCPS) at ₹211 per NCCCPS (face value of ₹10 and premium of ₹201 per NCCCPS) to Mr. Vivek Tiwari. The terms of NCCCPS are as follows:
(i) Tenor & Conversion: At any time prior to 10 years from the date of allotment of NCCCPS or initial public offer whichever is earlier.
(ii) NCCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the NCCCPS shall rank pari-passu in all respects with the existing Equity Shares of the Company.
(iii) Priority with respect to payment of dividend or repayment of capital: NCCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

3. 4,450,000, 0.001% non-cumulative compulsorily convertible preference shares (NCCCPS) at ₹ 330 per NCCCPS (face value of ₹ 10 and premium of ₹ 320 per NCCCPS) to Gojo & Company, Inc. and 200,000, 0.001% non-cumulative compulsorily convertible preference shares (NCCCPS) at ₹ 330 per NCCCPS (face value of ₹ 10 and premium of ₹ 320 per NCCCPS) to other indian promoters. The terms of NCCCPS are as follows:
(i) Tenor & Conversion: On or before March 31, 2025.
(ii) NCCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the NCCCPS shall rank pari-passu in all respects with the existing Equity Shares of the Company.
(iii) Priority with respect to payment of dividend or repayment of capital: NCCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

4. During the current financial year, the Board of Directors of the Company has declared an interim dividend of ₹ 508.26 (inclusive of applicable taxes) on 0.001% 57,00,000, non-cumulative compulsorily convertible preference shares of face value of ₹ 10 each held by Gojo & Company, Inc, Holding Company.

(₹ in million unless otherwise stated)

(b) Reconciliation of the number of non- cumulative compulsorily convertible preference shares issued and subscribed at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,985,100	29.85	-	-
Add: Issued during the year	9,864,900	98.65	2,985,100	29.85
Less: Conversion of NCCCPS into Equity shares	5,700,000	57.00	-	-
Outstanding at the end of the year	**7,150,000**	**71.50**	**2,985,100**	**29.85**

(c) Reconciliation of the number of non- cumulative compulsorily convertible preference shares paid-up outstanding at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,985,100	29.85	-	-
Add: Issued during the year	9,864,900	76.15	2,985,100	29.85
Less: Conversion of NCCCPS into Equity shares	5,700,000	57.00	-	-
Outstanding at the end of the year	**7,150,000**	**49.00**	**2,985,100**	**29.85**

(d) Shares held by the Holding Company

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
GOJO & Company, Inc.	4,450,000	62.24%	2,985,100	100.00%

(e) Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
GOJO & Company, Inc.	4,450,000	62.24%	2,985,100	100.00%
Vivek Tiwari	2,500,000	34.97%	-	-

(f) Shareholdings of Promoters

For Partly paid shares

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Vivek Tiwari	2,500,000	34.97%	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
22: Other equity		
Share options outstanding account	25.19	22.90
Statutory reserves	213.15	107.06
Securities premium	6,754.05	4,553.74
Retained earnings	738.00	318.48
Total other equity	**7,730.39**	**5,002.18**
Share options outstanding reserve (refer note a)		
Balance at the beginning of the year	22.90	17.57
Fair value of stock option	2.29	5.33
Balance at the end of the year	**25.19**	**22.90**
Statutory reserves (refer note b)		
Balance at the beginning of the year	107.06	42.05
Add: Amount transferred from statement of profit and loss	106.09	65.01
Balance at the end of the year	**213.15**	**107.06**
Securities premium (refer note c)		
At the beginning of the year	4,595.11	3,516.45
Add: Premium on issue of equity shares	171.76	506.12
Add: Premium on issue of preference shares	2,006.55	570.12
Add: Premium on ESOP	9.97	2.42
	6,783.39	**4,595.11**
Less: Amount recoverable from SATYA Employee Welfare Trust	(29.34)	(41.37)
Balance at the end of the year	**6,754.05**	**4,553.74**

Contd...

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings (refer note d)		
Balance at the beginning of the year	318.48	59.20
Add: Profit/(loss) for the year	530.44	325.03
Add: Other comprehensive income (re-measurement gains/(losses) on defined benefit plans)	(6.46)	(0.99)
Less: Income-tax effect on other comprehensive income	1.63	0.25
Less: Dividend paid on NCCCPS*	(0.00)	-
Less: Transfer to Statutory Reserve (20% of profit after tax as required by Section 45-IC of the Reserve Bank of India Act, 1934)	(106.09)	(65.01)
Net surplus/(deficit) in the statement of profit and loss	**738.00**	**318.48**

* ₹ 508.26

a. Share options outstanding reserve is created as required by Ind AS-102 'Share Based Payment' on the employees option scheme operated by the company for employees (refer note 45).

b. In terms of section 45IC of the Reserve Bank of India Act, 1934, the Company is required to transfer atleast 20% of its profit after tax to statutory reserve. Accordingly, the Company has transferred a sum of ₹ 106.09 million (March 31, 2022: ₹ 65.01 million), representing 20% of its profit after tax for the current financial year.

c. Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

d. Retained earnings are the profit/loss that the Company has earned/incurred till date, less any transfers to statutory reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earning till date.

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
23: Interest Income		
Measured at amortised cost		
Interest income on portfolio loans	5,585.91	3,140.01
Interest on fixed deposits*	149.82	193.21
Interest income on investment	35.24	12.66
	5,770.97	**3,345.88**

* Includes interest income on margin money deposits placed to avail term loans from banks, non-banking financial companies and placed as cash collateral in connection with securitisation transactions.

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
24: Fee and commission income		
Fee and commission income	491.88	291.22
	491.88	**291.22**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Type of Services or service		
Fee and commission income	491.88	291.22
Total revenue from contracts with customers	**491.88**	**291.22**
Geographical markets		
India	491.88	291.22
Outside India	-	-
Total revenue from contracts with customers	**491.88**	**291.22**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	491.88	291.22
Total revenue from contracts with customers	**491.88**	**291.22**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Contract balances		
Trade receivable	28.96	41.45
Contract assets	-	-
Contract liabilities	-	-

Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Revenue as per contract	491.88	291.22
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**491.88**	**291.22**

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
25: Net gain on derecognition of financial instruments under amortised cost category		
Net gain on derecognition of financials instruments under amortised cost category	1,044.64	366.57
	1,044.64	**366.57**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
26: Other income		
Net gain or loss on foreign currency transaction and translation	0.61	-
Advertisement income	23.50	-
Miscellaneous income	28.86	11.74
	52.97	**11.74**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
27: Finance cost (on financial liabilities measured at amortised cost)		
Interest		
On debt securities	884.98	497.50
On borrowings (other than debt securities)	1,899.28	1,102.23
On subordinated liabilities	176.97	108.09
On lease liabilities (refer note 41)	2.04	2.29
On tax liability	-	0.11
Other finance cost	8.94	0.83
	2,972.21	**1,711.05**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
28: Net loss on fair value changes		
Derivatives	6.95	-
	6.95	**-**
Fair value changes		
Realised	-	-
Unrealised	6.95	-
	6.95	**-**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
29: Impairment on financial instruments		
Impairment on portfolio loans measured at amortised cost	511.26	47.30
Portfolio loans written off	210.05	123.41
	721.31	**170.71**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
30: Employee benefits expenses		
Salaries and bonus	1,792.49	1,009.85
Contribution to provident fund and other funds (refer note 40A)	119.43	74.44
Expense for employee stock option plan (refer note 45)	16.13	9.24
Gratuity expense (refer note 40B)	6.81	6.03
Staff welfare expenses	88.72	68.43
	2,023.58	**1,167.99**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
31: Depreciation and amortisation		
Depreciation	76.86	57.22
Amortisation	0.13	0.24
	76.99	**57.46**

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
32: Other expenses		
Business promotion and advertisement expenses	32.22	21.85
Postage, internet, courier and telephone expenses	47.08	32.53
General insurance expenses	12.47	2.71
Legal and professional fee	239.07	80.01
Auditor's remuneration (refer note below)	5.66	4.46
Meeting and conference	24.11	4.94
Software expenses	70.39	42.36
Net loss on sale of property, plant and equipment	1.41	0.88
Electricity charges	11.28	6.39
Printing and stationeries	18.94	14.07
Repair and maintenance	101.49	60.05
Rates and taxes	0.04	0.08
Rent including lease rent (refer note 41)	93.79	60.18
Director siting fee	14.15	6.52
Travelling and conveyance	72.96	57.31
Donation and corporate social responsibility expenditure	15.25	10.00
Cenvat credit disallowed	50.03	32.24
Miscellaneous expenses	34.97	36.53
	845.31	**473.11**

Note:

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Payment to auditors		
As auditor		
Audit fees	5.10	4.00
Certification fees	0.33	0.40
Out of pocket expenses	0.23	0.06
	5.66	**4.46**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
33: Income-tax expense		
A. Income-tax expense in the standalone statement of profit and loss consists of:		
Income-tax:		
Current year tax	68.64	102.11
Deferred tax credit	115.03	7.95
Income-tax expense reported in the standalone statement of profit or loss	**183.67**	**110.06**
Income-tax recognised in other comprehensive income		
Deferred tax arising on income and expenses recognised in other comprehensive income	(1.63)	(0.25)
Total	**182.04**	**109.81**
B. The reconciliation between the provision for income-tax of the Company and amounts computed by applying the Indian statutory income-tax rate to profit before taxes is as follows:		
Profit before tax	714.11	435.09
Enacted tax rates in India	25.168%	25.168%
Computed tax expense	179.73	109.50
Effect of :		
Non-deductible expenses	3.83	2.86
Earlier year tax	0.11	(2.30)
Total Income-tax expense	**183.67**	**110.06**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
34: Earnings per share		
Net profit after tax as per statement of profit and loss	530.44	325.03
Less: Dividend paid on NCCCPS*	(0.00)	-
Net profit for calculation of basic earnings per share	**330.44**	**325.03**
* ₹ 508.26		
Net profit as above	530.44	325.03
Add: Dividend on preference shares and tax thereon	(0.00)	-
Net profit for calculation of diluted earnings per share	**330.44**	**325.03**

Contd...

(₹ in million unless otherwise stated)

Calculation of weighted average number of equity shares for basic earning per share		
Equity shares		
Number of shares at the beginning of the year	49,063,391	45,944,492
Add: Issued during the year	1,163,369	184,112
Add: Conversion of NCCCPS into Equity shares	13,079	-
Number of shares at the end of the year	**50,239,839**	**46,128,604**
Effect of dilution		
Employee stock option	610,389	670,542
Non- cumulative compulsorily convertible preference shares (NCCCPS)	4,420,618	61,644
Weighted average number of equity shares for diluted earning per share	**55,270,846**	**46,860,790**
Basic earnings per share (amount in ₹)	**10.56**	**7.05**
Diluted earnings per share (amount in ₹)	**9.60**	**6.94**

Nominal value per share: ₹10 (Previous year: ₹10)

35: Segment Reporting

The Company operates in a single business segment i.e. financing, as the nature of the loans are exposed to similar risk and return profiles, hence they are collectively operating under a single segment as per Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic, hence there is no external revenue or assets which require disclosure.

36: Related parties under IndAS 24 with whom transactions have taken place during the year.

Holding Company
GOJO & Company, Inc. — w.e.f March 21, 2022

Subsidiaries
(a) Credentia Finclusion Private Limited — w.e.f. October 25, 2021 and upto March 23, 2022
(b) SATYA Micro Housing Finance Private Limited
(Formerly known as Baid Housing Finance Private Limited) — w.e.f. June 14, 2022

Substantial Shareholders
Dia Vikas Capital Private Limited — upto October 21,2022

Associate Entity
SATYA Micro Housing Finance Private Limited
(Formerly known as Baid Housing Finance Private Limited) — w.e.f. November 11, 2021 and upto June 13, 2022

Other related party in accordance with Ind AS 24
(a) Koshish Sustainable Solutions Private Limited
(b) Koshish Marketing Solutions Private Limited
(c) Satya Employee Welfare Trust
(d) Ananya Finance For Inclusive Growth Private Limited
(e) Satya Shakti Foundation
(f) Credentia Finclusion Private Limited — w.e.f March 24, 2022

Key managerial personnel

Name of key managerial personnel	Designation	
Mr. Vivek Tiwari	Managing Director, Chief Executive Officer and Chief Information Officer	
Dr. Deepali Pant Joshi	Independent Director	w.e.f. September 24, 2021
Mr. C. P. Mohan	Independent Director	upto August 11,2022 and w.e.f December 13,2022
Mr. Naveen Surya	Independent Director	
Dr. Ratnesh Tiwari	Non-Executive Director	
Mr. Saneesh Singh	Nominee Director	upto July 11, 2022
Mr. Sanjay Gandhi	Nominee Director	
Mr. Taejun Shin	Nominee Director	
Ms. Surekha Marandi	Independent Director	
Mr. Mukul Jaiswal	Independent Director	upto September 21, 2021
Mr. Sudhindra Kumar Sharma	Chief Financial Officer	upto October 31, 2021
Ms. Vandita Kaul	Chief Financial Officer	w.e.f. November 1, 2021
Mr. Amit Jain	Company Secretary	w.e.f. October 01, 2020 and upto April 17, 2022
Choudhary Runveer Krishanan	Company Secretary and Chief Compliance Officer	w.e.f. April 18, 2022

Relatives of Key managerial personnel
(a) Mr. Girijesh Tiwari
(b) Ms. Vandna Tiwari

(₹ in million unless otherwise stated)

Related party transactions during the year:

S. No.	Nature of Transactions	Related Party	Transactions during year ended March 31, 2023	Transactions during year ended March 31, 2022	(Payable)/Receivable As at March 31, 2023	(Payable)/Receivable As at March 31, 2022
1.	Remuneration*	Mr.Vivek Tiwari	56.63	34.56	-	-
		Mr.Sudhindra Sharma	-	4.61	-	(0.34)
		Ms. Vandita Kaul	9.17	3.27	-	-
		Mr. Amit Jain	0.33	2.95	-	-
		Choudhary Runveer Krishanan	6.34	-	-	-
		Mr. Girijesh Tiwari	2.16	1.29	-	-
2.	Investment	SATYA Micro Housing Finance Private Limited	425.74	46.36	472.10	46.36
		Credentia Finclusion Private Limited	-	1.00	-	-
3.	Proceeds from sale of investment	Credentia Finclusion Private Limited	-	1.00	-	-
4.	Share allotment including premium (fully paid-up Equity Shares)	GOJO & Company, Inc.	-	532.65	-	-
5.	NCCCPS converted into Equity share	GOJO & Company, Inc.	1,145.70	-	-	-
6.	Issue of preference shares Including premium	GOJO & Company, Inc.	2,014.19	600.01	-	-
		Mr. Vivek Tiwari	2.50	-	-	-
		Koshish Marketing Solution Pvt. Ltd.	46.20	-	-	-
		Ms. Vandna Tiwari	11.55	-	-	-
		Dr. Ratnesh Tiwari	8.25	-	-	-
7.	Call money received on partly paid equity share capital	Mr. Vivek Tiwari	215.00	3.75	-	-
8.	Non- Convertible debentures Issued	GOJO & Company, Inc.	610.00	-	(627.59)	-
9.	Portfolio/(Borrowing)	Ananya Finance For Inclusive Growth Private Limited	-	-	316.64/(327.45)	-
10.	Margin Money received/(paid) to Financial Institution	Ananya Finance For Inclusive Growth Private Limited	120.53	(111.81)	58.61	176.33
11.	Advance Given/(Repaid)	Credentia Finclusion Private Limited	25/(8.28)	-	16.72	-
		Choudhary Runveer Krishanan	1.80	-	1.80	-
12.	Amount received/(paid) against Business partnership	Ananya Finance For Inclusive Growth Private Limited	-	982.02/(1,363.27)	-	(13.99)
13.	Amount received/Adjusted on ESOP exercised by employees	SATYA Employee Welfare Trust	14.37	8.50	36.13	50.49
14.	Interest income on loan given	Credentia Finclusion Private Limited	2.60	-	-	-
15.	Interest income on margin money	Ananya Finance For Inclusive Growth Private Limited	8.69	4.45	-	-
16.	Interest income/ (Finance Cost)	Ananya Finance For Inclusive Growth Private Limited	5.24/(5.24)	-	-	-
17.	Fee and commission income	Ananya Finance For Inclusive Growth Private Limited	0.15	170.39	0.01	-
18.	Rent Income	SATYA Micro Housing Finance Private Limited	0.19	-	-	-
19.	Finance cost	GOJO & Company, Inc.	60.29	-	(0.28)	-
20.	Professional Fees	Credentia Finclusion Private Limited	35.26	-	-	-
21.	Expense reimbursement paid/ (received)	GOJO & Company, Inc.	-	10.85	-	-
		Credentia Finclusion Private Limited	-	0.48	-	-
		SATYA Micro Housing Finance Private Limited	0.01/(0.03)	0.02	-	0.02
		SATYA Shakti Foundation	-	4.27	-	-
22.	Donation and corporate social responsibility expenditure	SATYA Shakti Foundation	13.00	10.00	-	-
23.	Director sitting fees and Commission	Dr. Deepali Pant Joshi	2.80	0.38	(1.00)	-
		Mr. C. P. Mohan	2.17	0.84	(1.00)	-
		Mr. Naveen Surya	2.24	0.87	(1.00)	-
		Dr. Ratnesh Tiwari	1.27	0.59	-	-
		Mr. Saneesh Singh	0.32	0.97	-	-
		Mr. Sanjay Gandhi	1.62	0.97	-	-
		Mr. Taejun Shin	1.04	0.70	(0.07)	-
		Ms. Surekha Marandi	2.69	0.90	(1.00)	-
		Mr. Mukul Jaiswal	-	0.30	-	-

* As the provision for gratuity, leave compensation and share based compensation is made for the Company as a whole, the amount pertaining to the Key Management Personnel is not specifically identified and hence not included above.

(₹ in million unless otherwise stated)

37: Fair Value

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets				
Loan portfolio	37,903.04	23,161.34	37,903.04	23,161.34
Investment	1,733.40	46.36	1,733.40	46.36
Financial liabilities				
Borrowings*	36,664.05	22,772.25	36,664.05	22,772.25
Derivative financial instruments	6.95	-	6.95	-

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets/liabilities, other non-financial assets/liabilities and provisions are considered to be the same as their fair values, due to their short-term nature.

38: Fair Value Hierarchy of assets and liabilities

Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Hierarchy includes financial instruments of which prices is available in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure is required):-

I. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2023 is as follows:

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Loan portfolio (Amortised cost)	37,903.04	37,903.04	-	-	37,903.04	37,903.04
Investment (Amortised cost)	472.10	472.10	-	-	472.10	472.10
Investment (Fair value through profit and loss)	1,261.30	1,261.30	-	-	1,261.30	1,261.30
Total	**39,636.44**	**39,636.44**	**-**	**-**	**39,636.44**	**39,636.44**

Liabilities

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Borrowings*	36,664.05	36,664.05	-	-	36,664.05	36,664.05
Derivative financial instruments at fair value through profit and loss account						
Currency and interest swaps	6.95	6.95	-	6.95	-	6.95
Total	**36,671.00**	**36,671.00**	**-**	**6.95**	**36,664.05**	**36,671.00**

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

II. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2022 is as follows:

Assets

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Loan portfolio	23,161.34	23,161.34	-	-	23,161.34	23,161.34
Investment	46.36	46.36	-	-	46.36	46.36
Total	**23,207.70**	**23,207.70**	**-**	**-**	**23,207.70**	**23,207.70**

Liabilities

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Borrowings*	22,772.25	22,772.25	-	-	22,772.25	22,772.25
Total	**22,772.25**	**22,772.25**	**-**	**-**	**22,772.25**	**22,772.25**

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

(₹ in million unless otherwise stated)

39: Capital management

The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As NBFC-MFI, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio (""CRAR"") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of its Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

The Company has a board approved policy on resource planning which states that the resource planning of the Company shall be based on its Asset Liability Management (ALM) requirement. The policy of the Company on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Particulars	March 31, 2023	March 31, 2022
Borrowings	36,664.05	22,772.25
Equity	8,372.59	5,522.67
Debt-equity ratio (no. of times)	4.38	4.13

40: Employee Benefit Plans

A. Defined contribution plans

Provident and other funds

The Company makes contribution to provident fund, employee state insurance scheme contributions, labour welfare fund and national pension scheme which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

Particulars	March 31, 2023	March 31, 2022
Employee providend fund	91.96	59.80
Employee state insurance	24.25	13.90
Labour welfare fund	0.26	0.20
National pension scheme	2.96	0.54
Total	**119.43**	**74.44**

B. Defined benefit plans

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity, on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 2 million as per the Payment of Gratuity Act, 1972. Provision for unfunded gratuity liability for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. In accordance with Indian Accounting Standard (Ind AS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the standalone statement of profit and loss as other comprehensive income.

The following tables summarize the components of net benefit expense recognized in the standalone statement of profit and loss and amounts recognized in the Balance Sheet for the gratuity plan:

Movement in defined benefit obligations

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligation as at the beginning of the year	17.09	10.07
Current service cost	5.64	5.37
Interest on defined benefit obligation	1.17	0.66
Re-measurement (gains)/losses on defined benefit plans	6.46	0.99
Benefits paid	(1.06)	-
Defined benefit obligation as at the end of the year	**29.30**	**17.09**

Balance Sheet

Amount recognised in balance sheet

Particulars	March 31, 2023	March 31, 2022
Present value of obligations	29.30	17.09
Fair value on plan assets	NA	NA
Net defined benefit liability recognised in balance sheet	**29.30**	**17.09**

Expenses charged to the standalone statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Current service cost	5.64	5.37
Interest cost	1.17	0.66
Total	**6.81**	**6.03**

(₹ in million unless otherwise stated)

Net employee benefit expense recognised in the other comprehensive income

Particulars	March 31, 2023	March 31, 2022
Re-measurement gains/(losses) on defined benefit plans	(6.46)	(0.99)
Amount recognised under other comprehensive income	**(6.46)**	**(0.99)**

Actuarial gain/(loss) on defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
Actuarial gain/(loss) from change in demographic assumptions	-	2.57
Actuarial gain/(loss) from change in financial assumptions	0.98	0.96
Actuarial gain/(loss) from change in experience adjustments	(7.44)	(4.52)

Summary of actuarial assumptions

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.45%	7.10%
Expected return on plan assets	NA	NA
Rate of Increase in compensation levels	4% p.a.	4% p.a.
Withdrawal rates	40% at lower service reducing to 0% at higher service	40% at lower service reducing to 0% at higher service

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2023	March 31, 2022
Discount rate (+0.5%)	(28.01)	(16.30)
Discount rate (-0.5%)	30.72	17.96
Salary Inflation (+0.5%)	30.56	17.83
Salary Inflation (-0.5%)	(28.16)	(16.35)
Withdrawal Rate (+10%)	(28.86)	(16.65)
Withdrawal Rate (-10%)	29.76	17.54

Maturity profile of defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
Year 1	2.83	1.24
Year 2	3.51	1.88
Year 3	3.73	2.11
Year 4	4.36	2.19
Year 5	3.76	2.36
Year 6 to Year 10	6.15	4.03

Discount rate: The rate used to discount post-employment benefit obligation is determined by reference to market yield at the balance sheet date on government bonds.

Salary escalation rate: This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

41: Leases

Company as a lessee

The Company has lease contracts for office premises taken on lease. The lease terms are between 1 to 10 years.

The Company also has certain lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	9.93	0.49
Additions made during the year	6.97	22.48
Depreciation charge for the year	(7.90)	(13.04)
Balance at the end of the year	9.00	9.93

ROU assets and lease liability have been included in the property, plant and equipment and other financial liabilities respectively in the balance sheet.

The carrying amounts of lease liabilities and the movements during the year are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	17.08	0.96
Additions made during the year	6.97	22.47
Interest accretion for the year	2.04	2.29
Payments made during the year	(10.13)	(8.64)
Balance at the end of the year	15.96	17.08

(₹ in million unless otherwise stated)

The following are the amounts recognised in standalone statement of profit and loss :

Particulars	March 31, 2023	March 31, 2022
Depreciation expense in respect of right-of-use asset	7.90	13.04
Interest expense in respect of lease liabilities	2.04	2.29
Expense relating to short-term leases (included on other expenses)	93.79	60.18
Total amount recognised in standalone statement of profit or loss	103.73	75.51

The Company's total cash outflow for leases was ₹ 103.92 million during year ended March 31, 2023 (₹ 68.82 million during the year ended March 31, 2022).

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	March 31, 2023	March 31, 2022
Less than one year	11.91	9.03
One to five year	6.62	10.60
More than five years	-	-
Total	**18.53**	**19.63**

42: Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Particulars	March 31, 2023	March 31, 2022
The principal amount remaining unpaid to any supplier as at the end of year		
- The principal amount due to micro and small enterprises	0.53	Nil
- Interest due on the above	Nil	Nil
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during year	Nil	Nil
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

43: Risk Management and financial objectives

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

43.1 Credit risk

Credit risk is the risk of loss that may occur from defaults by Borrowers under loan agreements. In order to address credit risk, the Company have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behavior also supplement the efforts for containing credit risk. The Company also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area. Further, client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet our criteria.

The Company is an urban, semi-urban and rural focused NBFC-MFI with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in urban, semi-urban and rural areas. Further, as it focuses on providing micro-loans in urban, semi-urban and rural areas, the Company's results of operations are affected by the performance and the future growth potential of microfinance in India. The Company's borrowers typically have limited sources of income, savings and credit history and the loans are typically provided free of collateral. The borrowers generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, the Company relies on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of loans.

In order to mitigate the impact of credit risk in the future profitability, the Company creates impairment loss allowance basis the Expected Credit Loss (ECL) model for the outstanding loans as at balance sheet date. refer note 3A(e) for details.

43.2 Liquidity risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are

(₹ in million unless otherwise stated)

available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. The Company's resource mobilization team sources funds from multiple sources, which inter-alia includes banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. Further, the maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The Company has a Asset Liability Management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

Maturity pattern of assets and liabilities as at March 31, 2023:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	1,688.95	1,742.23	1,686.95	6,097.43	9,545.13	17,498.92	4,997.97	-	**43,257.57**
Trade payables	101.37	-	-	-	-	-	-	-	**101.37**
Other financial liabilities	1,190.33	0.99	0.99	2.97	5.98	4.16	2.46	-	**1,207.88**
Loan portfolio	1,907.81	2,701.17	2,279.42	8,151.42	11,923.10	19,825.92	137.42	82.63	**47,458.89**
Investments	31.40	22.81	22.81	68.44	416.92	547.50	148.99	474.53	**1,733.40**
Financial assets (other) #	579.46	168.44	159.94	546.46	1,096.95	1,027.78	16.30	2.05	**3,597.38**

*represents debt securities, borrowings (other than debt securities), subordinated liabilities and interest.
The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements where such assets and liabilities have been recognised.
#It includes trade receivables, balance with banks/financials institutions and other financials assets.

Maturity pattern of assets and liabilities as at March 31, 2022:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	2,137.26	1,167.28	1,358.95	3,234.35	5,377.15	8,982.78	3,062.03	1,564.96	**26,884.76**
Trade payables	82.49	-	-	-	-	-	-	-	**82.49**
Other financial liabilities	368.87	0.75	0.75	2.26	4.54	10.60	-	-	**387.77**
Loan portfolio	1,562.11	1,308.83	1,513.10	4,364.34	7,454.54	12,082.18	168.73	82.69	**28,536.52**
Investments	-	-	-	-	-	-	-	46.36	**46.36**
Financial assets (other) #	1,396.51	44.64	33.37	847.53	1,424.22	2,445.55	3.38	2.27	**6,197.47**

*represents debt securities, borrowings (other than debt securities), subordinated liabilities and interest.
The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements where such assets and liabilities have been recognised.
#It includes trade receivables, balance with banks/financials institutions and other financials assets.

43.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company is exposed primarily to interest rate risk which has been discussed below:

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because it lends to clients at fixed interest rates and for periods that may differ from its funding sources, while the Company's borrowings are at both fixed and variable interest rates for different periods. The Company assesses and manages its interest rate risk by managing its assets and liabilities. The Company's Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has an Asset Liability Management (ALM) policy, approved by the Board of Directors, for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

Finance cost	For year ended March 31, 2023	For year ended March 31, 2022
0.50% increase	(23.83)	(13.13)
0.50% decrease	23.83	13.13

44: Transfer of financial assets

a. Securitization transactions:

During the year, the Company has entered into securitization arrangement with two party. Under such arrangement, the Company has transferred a pool of loan portfolio, which does not fulfil the derecognition criteria specified under Ind AS 109 as the risk and rewards with respect to these assets are not substantially transferred.

Following such transfer, the Company's involvement in these assets is as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties

The value of financial assets and liabilities as on:

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of associated assets	1,052.23	998.23
Carrying amount of associated liabilities	1,001.38	963.18
Fair value of associated assets	1,052.23	998.23
Fair value of associated liabilities	1,001.38	963.18

The carrying value of securitized loans approximate their fair value as the loans once sold cannot be transferred again.

(₹ in million unless otherwise stated)

b. Assignment transactions:

The Company has transferred a part of its loan portfolio (measured at amortized cost) vide assignment deals executed with various parties, as a source of finance. As per the terms of deal, the derecognition criteria as per Ind AS 109 (as all the risks and rewards relating to assets being transferred to the buyer) being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions executed during the year on its business model. Based on the future business plan, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets and the gain/(loss) on derecognition:

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Carrying amount of derecognised financial assets	8,867.83	3,785.21
Gain from derecognition during the year	1,160.99	366.57

Since the Company transferred the above financial assets in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial assets.

c. The Company has transferred certain stressed loans to asset reconstruction company trust, details of which are given below:

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Number of loan accounts assigned during the year	73,081.00	-
Aggregate principal outstanding of loan transferred as on March 31, 2023 (₹ in million)	1,915.00	-
Weighted average remaining maturity (in months)	13.30	-
Net book value of loan transferred (at the time of transfer) (₹ in million)*	2,107.57	-
Aggregate consideration (₹ in million)	1,500.00	-
Additional consideration realized in respect of account transferred in earlier year	Nil	-

*excludes ECL provision of ₹ 491.21 million which has been reversed on account of sale of portfolio of such loans.

45: Employee Stock Option Plan (ESOP)

The Company has provided an equity settled share based payment scheme to its employees. The details of such share based payment scheme are as follows:

Particulars	Grant	Number of options granted	Vesting period (in years)	Vesting conditions
SATYA ESOP 2018	Grant I	995,200	4	25% vests every year subject to continuance of service
SATYA ESOP 2018	Grant II	258,800	4	25% vests every year subject to continuance of service
SATYA ESOP 2018	Grant III	170,000	4	25% vests every year subject to continuance of service

Exercise period is 3 years from the date of vesting of options.

The expense recognised for employee services received during the year is ₹16.13 million (March 31, 2022: 9.24 million).

(a) The following table lists the input to the Black-Scholes Model used for the options granted by the Company:

Particulars	Grant I	Grant II	Grant III
Date of Grant	May 01, 2019	November 05, 2020	May 01, 2022
Date of Board/Compensation Committee approval	October 22, 2018	November 05, 2020	November 09, 2022
Number of options granted	9,95,200	2,58,800	1,70,000
Method of settlemen	Equity	Equity	Equity
Graded vesting period			
Day following the expiry of 12 months from grant	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%
Exercise period	3 years from the date of vesting of options	3 years from the date of vesting of options	3 years from the date of vesting of options
Vesting conditions	Minimum period of one year between Grant of Options and Vesting of Options; Vesting Period in any case shall not exceed 5 (Five) years from the Grant Date; Employee must be in service at the time of vesting and must neither be serving his notice for termination of employment with the Company nor be subject to any disciplinary proceedings pending against him on the Vesting Date.	Minimum period of one year between Grant of Options and Vesting of Options; Vesting Period in any case shall not exceed 5 (Five) years from the Grant Date; Employee must be in service at the time of vesting and must neither be serving his notice for termination of employment with the Company nor be subject to any disciplinary proceedings pending against him on the Vesting Date.	Minimum period of one year between Grant of Options and Vesting of Options; Vesting Period in any case shall not exceed 5 (Five) years from the Grant Date; Employee must be in service at the time of vesting and must neither be serving his notice for termination of employment with the Company nor be subject to any disciplinary proceedings pending against him on the Vesting Date.
Weighted average of remaining contractual life in years	1.49	3.10	4.59
Year I	0.00	1.60	3.08
Year II	0.99	2.60	4.08
Year III	1.99	3.60	5.09
Year IV	2.99	4.60	6.09

(₹ in million unless otherwise stated)

(b) The details of activity under Satya ESOP 2018 with an exercise price of ₹ 45 for the year ended March 31, 2023 have been summarised below:

Particulars	Grant I	Grant II	Grant III
Options outstanding at the beginning of the year	3,92,465	2,24,300	-
Options granted during the year	-	-	1,70,000
Options excerised during the year	1,66,636	74,850	-
Options lapsed during the year	37,025	10,200	-
Options outstanding at the end of the year	1,88,804	1,39,250	1,70,000
Options excersiable at the end of the year	1,88,804	31,450	-

(c) Details of stock options granted by the Company:

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Grant I	Grant II	Grant III
Share price on the date of grant (in Rs.)	61	110	141
Exercise price (in Rs.)	45	45	45
Historic volatility (%)	37.44%	48.65%	62.61%
Life of the options granted in years	2.50-5.50	4.00	4.00
Risk free interest rate (%)	6.85%	5.85%	7.12%
Expected dividend rate (%)	0.00%	0.00%	0.00%
Weighted fair value of stock option	27.74	72.94	105.93

46: Disclosure of investing and financing transactions that do not require the use of cash and cash equivalents

For the year ended March 31, 2023

Name of instrument	Opening Balance	Cash flows	Premium added on conversion of preference shares into equity shares	Conversion	Other	Closing Balance
Equity share capital (including securities premium)	4,474.27	225.49	1,097.96	47.74	13.78	5,859.24
Non- Cumulative Compulsorily convertible preference shares (including securities premium)	600.01	2,082.70	(1,097.96)	(47.74)	-	1,537.01
Right-of-use assets	9.93	-	-	-	(0.93)	9.00
Borrowings*	22,772.25	13,891.80	-	-	-	36,664.05
Total	**27,856.46**	**16,199.99**	**-**	**-**	**12.85**	**44,069.30**

* represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

For the year ended March 31, 2022

Name of instrument	Opening Balance	Cash flows	Premium added on conversion of preference shares into equity shares	Conversion	Other	Closing Balance
Equity share capital (including securities premium)	3,925.46	544.90	-	-	3.91	4,474.27
Non- Cumulative Compulsorily convertible preference shares (including securities premium)	-	600.01	-	-	-	600.01
Right-of-use assets	0.49	-	-	-	9.44	9.93
Borrowings*	11,270.76	11,501.49	-	-	-	22,772.25
Total	**15,196.71**	**12,646.40**	**-**	**-**	**13.35**	**27,856.46**

* represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

(₹ in million unless otherwise stated)

47: Additional information required by Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17

(a) Capital to Risk Assets Ratio (CRAR)

Particulars	March 31, 2023	March 31, 2022
CRAR (%)	19.23%	22.95%
CRAR-Tier I Capital (%)	17.50%	19.51%
CRAR-Tier II Capital (%)	1.73%	3.44%
Amount of subordinated debt as (Tier II capital) outstanding as on reporting date	1,160.89	1,150.23
Amount raised by issue of perpetual debt instruments	-	-

(b) Exposure to real estate sector

Category	March 31, 2023	March 31, 2022
A. Direct exposure		
a) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	35.67	-
b) Commercial Real Estate - Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
(i)Residential	-	-
(ii)Commercial Real Estate	-	-
B. Indirect exposure:		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	35.67	-

(c) The Company has no loans outstanding as at March 31, 2023 and March 31, 2022 that are secured against gold.

(d) The Company does not have any exposure to exchange traded funds as of March 31, 2023 and March 31, 2022.

(e) Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2023:

Particulars	1 to 7 days	8 to 14 days	15 days to 30 /31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	683.87	229.73	532.66	1,460.43	1,311.84	5,117.44	8,094.69	14,279.13	4,629.76	-	**36,339.55**
Advances *	1,236.40	304.58	286.18	1,670.39	1,974.58	6,197.73	9,233.92	16,929.92	105.94	65.85	**38,005.49**
Investments	-	-	31.40	22.81	22.81	68.44	416.92	547.50	148.99	474.53	**1,733.40**
Foreign Currency liabilities	-	-	-	-	-	-	-	324.50	-	-	**324.50**

* net of provision for expected credit loss on Stage III loans.

Maturity pattern of assets and liabilities as on March 31, 2022:

Particulars	1 to 7 days	8 to 14 days	15 days to 30 /31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	1,493.11	179.29	330.71	932.80	1,142.92	2,629.86	4,565.96	7,392.14	2,326.00	1,779.46	**22,772.25**
Advances *	1,083.55	259.16	107.78	874.41	1,050.32	3,244.39	5,856.91	10,682.38	140.17	63.10	**23,362.17**
Investments	-	-	-	-	-	-	-	-	-	46.36	**46.36**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**

* net of provision for expected credit loss on Stage III loans.

(f) Instances of fraud:

Particulars	March 31, 2023	March 31, 2022
Number of cases	3	-
Amount of fraud	2.58	-

(g) Derivatives:

Forward Rate Agreement / Interest Rate Swap

Particulars	March 31, 2023	March 31, 2022
The notional principal of swap agreements	329.48	-
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	6.95	-
Collateral required by the applicable NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	6.95	-

(₹ in million unless otherwise stated)

(h) Ratings assigned by credit rating agencies and migration of ratings during year ended March 31, 2023:

S. No.	Instrument	Rating agency	Date of rating	Rating assigned	Valid up to	Borrowing limit
1	Long term bank facilities	Acuite Rating & Research Ltd	7-Dec-22	ACUITE BBB+/Stable	Refer note 1	3,000.00
2	Long term bank facilities	ICRA Limited	1-Feb-23	[ICRA]BBB/Positive	Refer note 1	9,250.00
3	Long term bank facilities	CRISIL Ratings Limited	30-Jan-23	CRISIL BBB/Stable	Refer note 1	3,000.00
4	Non-convertible debentures	Acuite Rating & Research Ltd	7-Dec-22	ACUITE BBB+/Stable	Refer note 1	1,050.00
5	Non-convertible debentures	Acuite Rating & Research Ltd	7-Dec-22	PP-MLD ACUITE BBB+/Stable	Refer note 1	1,000.00
6	Non-convertible debentures	India Ratings & Research Private Limited	13-Mar-23	IND BBB+/Stable	Refer note 1	3,100.00
7	Non-convertible debentures	CRISIL Ratings Limited	3-Jun-22	CRISIL BBB/Stable	Refer note 1	1,830.00
8	Non-convertible debentures	ICRA Limited	1-Feb-23	[ICRA]BBB/Positive	Refer note 1	4,215.00
9	Market Linked debentures	ICRA Limited	1-Feb-23	PP-MLD [ICRA]BBB/Positive	Refer note 1	200.00
10	Tier-II Bonds Programme	ICRA Limited	1-Feb-23	[ICRA]BBB/Positive	Refer note 1	250.00
11	Subordinated Debt	ICRA Limited	1-Feb-23	[ICRA]BBB/Positive	Refer note 1	800.00
12	Securitization	ICRA Limited	23-May-22	[ICRA]A(SO)	Refer note 1	202.50
13	Securitization	ICRA Limited	3-Oct-22	[ICRA]A(SO) for PTC Series A1, [ICRA]A-(SO) for PTC Series A2	Refer note 1	445.80
14	Securitization	ICRA Limited	25-Nov-22	[ICRA]A(SO)	Refer note 1	980.20

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

Ratings assigned by credit rating agencies and migration of ratings during year ended March 31, 2022:

S. No.	Instrument	Rating agency	Date of rating	Rating assigned	Valid up to	Borrowing limit
1	Long term bank facilities	Acuite Rating & Research Ltd	3-Feb-22	ACUITE A- Stable	Refer note 1	1,500.00
2	Long term bank facilities	ICRA Limited	24-Jan-22	[ICRA]BBB (Stable)	Refer note 1	6,000.00
3	Long term bank facilities	CRISIL Ratings Limited	13-Jan-22	CRISIL BBB/Stable	Refer note 1	3,000.00
4	Non-convertible debentures	CRISIL Ratings Limited	13-Jan-22	CRISIL BBB/Stable	Refer note 1	1,520.00
5	Non-convertible debentures	ICRA Limited	17-Mar-22	[ICRA]BBB (Stable)	Refer note 1	3,580.00
6	Non-convertible debentures	ICRA Limited	24-Mar-22	[ICRA]BBB (Stable)	Refer note 1	260.00
7	Market linked debentures	ICRA Limited	17-Mar-22	PP-MLD [ICRA]BBB (Stable)	Refer note 1	350.00
8	Tier-II bonds	ICRA Limited	17-Mar-22	[ICRA]BBB (Stable)	Refer note 1	250.00
9	Subordinated debt	ICRA Limited	17-Mar-22	[ICRA]BBB (Stable)	Refer note 1	800.00
10	Subordinated debt	ICRA Limited	25-Feb-22	[ICRA]BBB (Stable)	Refer note 1	300.00
11	Securitization	ICRA Limited	15-Sep-21	[ICRA]A(SO) for PTC Series A1, [ICRA]A-(SO) for PTC Series A2	Refer note 1	200.27
12	Securitization	ICRA Limited	15-Sep-21	[ICRA]A-(SO) for PTC Series A1, [ICRA]BBB+(SO) for PTC Series A2	Refer note 1	303.32
13	Securitization	ICRA Limited	27-Oct-21	[ICRA]A(SO) for PTC Series A1	Refer note 1	765.37
14	Securitization	ICRA Limited	2-Jul-21	[ICRA]A-(SO) for PTC Series A1, [ICRA]BBB+(SO) for PTC Series A2	Refer note 1	309.52
15	Securitization	ICRA Limited	6-Oct-21	[ICRA]A-(SO) for PTC Series A1, [ICRA]BBB+(SO) for PTC Series A2	Refer note 1	271.24
16	Securitization	ICRA Limited	4-Apr-22	Provisional [ICRA]A(SO) for PTC Series A1	Refer note 1	202.51

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

(i) Concentration of advances, exposures and non-performing assets:

Particulars	March 31, 2023	March 31, 2022
Concentration of advances		
Total advances to twenty largest borrowers	87.85	106.27
Percentage of advances to twenty largest borrowers to total advances	0.23%	0.45%
Concentration of exposures*		
Total exposure to twenty largest borrowers	46.81	88.88
Percentage of exposure to twenty largest borrowers to total exposure	0.12%	0.38%
Concentration of non-performing assets		
Total exposure to top four non-performing assets	1.70	0.60

* represents amount outstanding as per contract with customers.

(j) Sector-wise non-performing assets:

Particulars	March 31, 2023	March 31, 2022
Sector		
Agriculture and allied activities	1.34%	2.60%
MSME	0.00%	0.00%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured personal loans	0.00%	0.00%
Auto loans	0.00%	0.00%
Personal loans	1.08%	6.82%

(₹ in million unless otherwise stated)

(k) Movement of non-performing assets (NPAs):

Particulars	March 31, 2023	March 31, 2022
Net NPAs to net advances (%)	0.47%	2.53%
Movement of NPAs (gross)		
1.Balance at the beginning of the year	785.44	191.95
2.Additions during the year	1,942.85	727.49
3.Reductions during the year	(2,231.35)	(134.00)
4.Balance at the end of the year	496.94	785.44
Movement of NPAs (net)		
1.Balance at the beginning of the year	586.31	80.16
2.Additions during the year	1,615.62	516.74
3.Reductions during the year	(2,022.54)	(10.59)
4.Balance at the end of the year	179.39	586.31
Movement of provision for NPAs		
1.Balance at the beginning of the year	199.13	111.79
2.Provisions made during the year	327.23	210.75
3.Write-off/excess provision written back	(208.81)	(123.41)
4.Balance at the end of the year	317.55	199.13

(l) The Company has not made any drawdown from reserves during the year ended March 31, 2023 and March 31, 2022.

(m) Investments:

Particulars	March 31, 2023	March 31, 2022
1. Value of investments		
(i) Gross value of investments		
(a)In India	1,733.40	46.36
(b)Outside India	-	-
(ii) Provision for depreciation		
(a)In India	-	-
(b)Outside India	-	-
(iii) Net value of investments		
(a)In India	1,733.40	46.36
(b) Outside India	-	-
2. Movement of provisions held towards deprecation		
Opening balance	-	-
Add: Provision made during the year	-	-
Less: Write off/write back	-	-
Closing balance	-	-

(n) Details relating to securitization:

During the year, the Company has sold loans through securitization. The information on securitization activities is as under:

Particulars	March 31, 2023	March 31, 2022
Total number of loans securitized	40,617	57,137
Total book value of loans securitized (including over collateral)	1,598.60	1,918.02
Sale consideration received for loans securitized	1,426.01	1,742.70
Credit enhancements provided	142.03	171.75

Above Credit enhancement includes only fixed deposit provided in the form of Cash collateral.

Under Ind AS 109, securitized loan assets does not meet de-recognition criteria and accordingly, the Company continues to recognize such loan assets and in addition recognizes a liability for the amount received Accordingly, securitized loan assets and related liability is measured at amortised cost using effective interest method.

Particulars	March 31, 2023	March 31, 2022
1. No. of SPVs sponsored by the NBFC for securitization transactions	3	6
2. Total amount of securitized assets as per the books of the SPVs sponsored by the NBFC	1,052.23	998.23
3. Total amount of exposures retained to comply with minimum retention requirement ('MRR') as on the date of balance sheet	358.65	396.98
a) Off balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On balance sheet exposures		
- First loss (cash collateral)	168.44	198.37
- Others (over collateral)	190.21	198.61
4. Amount of exposures to securitization transactions other than MRR:		
a) Off balance sheet exposures	-	-
i) Exposure to own securitizations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitizations		
- First loss	-	-
- Others	-	-

Contd...

(₹ in million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
b) On balance sheet exposures		
i) Exposure to own securitizations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitizations		
- First loss	-	-
- Others	-	-
5. Sale consideration received for the securitized assets and gain/loss on sale on account of securitization	1,628.52	2,052.22
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitization asset servicing, etc.	-	-
7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided	-	-
(a) Amount paid	-	-
(b) Repayment received	-	-
(c) Outstanding amount	358.65	396.98
8. Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	-	-
9. Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	-	-
10. Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

(o) (i) Details of assignment transactions undertaken

Particulars	March 31, 2023	March 31, 2022
No. of accounts sold during the year	329,921	138,623
Aggregate value of accounts sold during the year	10,684.91	3,785.21
Aggregate consideration received during the year	10,684.91	3,785.21
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/(loss) over net book value	1,160.99	366.57

(ii) Details of assignment purchased

Particulars	March 31, 2023	March 31, 2022
No. of accounts purchased during the year	613	308
Aggregate value of accounts purchased during the year	221.88	150.71
Aggregate consideration paid during the year	221.88	150.71

(p) The Company has transferred certain stressed loans -refer note 44 (c).

(q) The Company has not purchased non-performing financial assets during the year ended March 31, 2023 and March 31, 2022.

(r) Unsecured loan and advances – refer note 7

(s) Registration obtained from other financial sector regulators:

Since the Company has listed Non-Convertible Debentures, the Company is also subject to various compliances/guidelines as stipulated by Securities and Exchange Board of India (SEBI) as financial regulator. There is not specific registration from SEBI for the Company.

(t) No penalties have been imposed on the Company by RBI and other regulators other than certain late submission fees with certain statutory bodies during the year ended March 31, 2023 .

(u) Provisions and contingencies (shown under expenses in standalone statement of profit and loss):

Particulars	March 31, 2023	March 31, 2022
Provision for income-tax	68.64	102.11
Provision towards NPA	464.36	87.34
Provision for standard assets	46.90	(40.04)
Provision for gratuity (including re-measurement gains/(losses) on defined benefit plans)	13.27	7.02
Provision for leave encashment	38.94	17.30

(v) The Company has no unhedged foreign currency exposure as at March 31, 2023 and March 31, 2022.

(w) Information on Net Interest Margin

Particulars	March 31, 2023	March 31, 2022
Average interest charged (A)	19.34%	19.75%
Average effective cost of borrowing (B)	11.48%	11.23%
Net Interest margin (A-B)	7.86%	8.52%

1. Interest income considered for computation of "average interest charged" excludes loan processing fee collected from customers in accordance with para 54 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS financial statements.

2. Average loan outstanding considered for computation of "average interest charged" is gross of the impairment allowance and unamortized portion of loan processing fee. As per Ind AS 109, such allowance is adjusted from the loan balance in the Ind AS financial statements.

48: Prudential floor for impairment loss allowance March 31,2023

(₹ in million unless otherwise stated)

Asset classification under RBI norms	Asset classification under Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP
(1)	(2)	(3)	(4)	(5) = (3) -(4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard assets	Stage I	37,646.18	57.36	37,588.82	360.17	(302.81)
	Stage II	179.92	45.09	134.83	1.53	43.56
Subtotal (A)		**37,826.10**	**102.45**	**37,723.65**	**361.70**	**(259.25)**
Non-performing assets						
Sub-Standard assets	Stage III	496.94	317.55	179.39	4.35	313.20
Doubtful assets	Stage III	-	-	-	-	-
Upto 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Loss assets	Stage III	-	-	-	-	-
Subtotal (B)		**496.94**	**317.55**	**179.39**	**4.35**	**313.20**
Total (A+B)	**Stage I**	**37,646.18**	**57.36**	**37,588.82**	**360.17**	**(302.81)**
	Stage II	**179.92**	**45.09**	**134.83**	**1.53**	**43.56**
	Stage III	**496.94**	**317.55**	**179.39**	**4.35**	**313.20**
	Total	**38,323.04**	**420.00**	**37,903.04**	**366.05**	**53.95**

Prudential floor for impairment loss allowance March 31,2022

Asset classification under RBI norms	Asset classification under Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP
(1)	(2)	(3)	(4)	(5) = (3) -(4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard assets	Stage I	21,809.13	35.93	21,773.20	224.16	(188.23)
	Stage II	913.00	164.90	748.10	66.87	98.03
Subtotal (A)		**22,722.13**	**200.83**	**22,521.30**	**291.03**	**(90.20)**
Non-performing assets						
Sub-Standard assets	Stage III	839.17	199.13	640.04	69.61	129.52
Doubtful assets	Stage III	-	-	-	-	-
Upto 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Loss assets	Stage III	-	-	-	-	-
Subtotal (B)		**839.17**	**199.13**	**640.04**	**69.61**	**129.52**
Total (A+B)	**Stage I**	**21,809.13**	**35.93**	**21,773.20**	**224.16**	**(188.23)**
	Stage II	**913.00**	**164.90**	**748.10**	**66.87**	**98.03**
	Stage III	**839.17**	**199.13**	**640.04**	**69.61**	**129.52**
	Total	**23,561.30**	**399.96**	**23,161.34**	**360.64**	**39.32**

* The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognizing the securitized assets which meets the de-recognition criteria under the previous GAAP.

49: The following disclosures have been given in terms of Master Direction DNBR. PD. 008/03.10.119/2016-17 (Updated as on February 17, 2020) - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet of a NBFC for the year ended March 31, 2023

(₹ in million unless otherwise stated)

			Particulars	Amount outstanding	Amount overdue
Liabilities side					
(1)			Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a)		Debentures : Secured	9,733.10	-
			: Unsecured	1,692.39	-
			(other than falling within the meaning of public deposits*)	-	-
	(b)		Deferred Credits	-	-
	(c)		Term Loans	23,919.67	-
	(d)		Inter-corporate loans and borrowing	-	-
	(e)		Commercial Paper	-	-
	(f)		Public Deposits	-	-
	(g)		Other Loans:		
			Liability against securitised assets	1,001.38	-
			Liability against leased assets	15.96	-
			Car Loan	8.55	
			Overdraft facility	308.96	-
(2)			Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a)		In the form of Unsecured debentures	-	-
	(b)		In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c)		Other public deposits	-	-
Assets side				**Amount outstanding**	
(3)			Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a)		Secured	362.56	
	(b)		Unsecured	37,960.48	
(4)			Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
	(i)		Lease assets including lease rentals under sundry debtors		
		(a)	Financial lease	-	
		(b)	Operating lease	-	
	(ii)		Stock on hire including hire charges under sundry debtors		
		(a)	Assets on hire	-	
		(b)	Repossessed Assets	-	
	(iii)		Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	-	
		(b)	Loans other than (a) above	-	
(5)			Break-up of Investments		
			Current Investments		
	(1)		Quoted		
		(i)	Shares		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	(2)		Unquoted		
		(i)	Shares		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
			Long Term investments		
			Quoted		

Contd...

(₹ in million unless otherwise stated)

(5)	(1)	(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	(2)		Unquoted	
		(i)	Shares	
			(a) Equity	472.10
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	1,261.30

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category			Amount net of provisions		
			Secured	Unsecured	Total
1.		Related Parties			
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	-	-
2.		Other than related parties	360.48	37,542.56	37,903.04
Total			**360.48**	**37,542.56**	**37,903.04**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.		Related Parties		
	(a)	Subsidiaries	472.10	472.10
	(b)	Associates	-	-
	(c)	Companies in the same group	-	-
	(d)	Other related parties	-	-
2.		Other than related parties	1,261.30	1,261.30
Total			**1,733.40**	**1,733.40**

(8) **Other Information**

Particulars			Amount
(i)		Gross Non-Performing Assets	
	(a)	Related parties	-
	(b)	Other than related parties	496.94
(ii)		Net Non-Performing Assets	
	(a)	Related parties	-
	(b)	Other than related parties	179.39
(iii)		Assets acquired in satisfaction of debt	-

Schedule to the Balance Sheet of a NBFC for the year ended March 31, 2022

Particulars			Amount outstanding	Amount overdue
Liabilities side				
(1)		Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a)	Debentures : Secured	5,285.46	-
		: Unsecured	1,054.27	-
		(other than falling within the meaning of public deposits*)	-	-
	(b)	Deferred Credits	-	-
	(c)	Term Loans	14,140.88	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits	-	-
	(g)	Other Loans:		
		Liability against securitised assets	963.18	-
		Liability against leased assets	17.08	-
		Overdraft facility	1,328.46	-

Contd...

(₹ in million unless otherwise stated)

Particulars				Amount outstanding	Amount overdue
Liabilities side					
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
	(a)	In the form of Unsecured debentures		-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		-	-
	(c)	Other public deposits		-	-

Particulars				Amount outstanding
Assets side				**Amount outstanding**
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:			
	(a)	Secured		-
	(b)	Unsecured		23,561.30
(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a)	Financial lease	-
		(b)	Operating lease	-
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a)	Assets on hire	-
		(b)	Repossessed Assets	-
	(iii)	Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	-
		(b)	Loans other than (a) above	-
(5)	Break-up of Investments			
	Current Investments			
	(1)	Quoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	(2)	Unquoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	Long Term investments			
	Quoted			
	(1)	(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
	(1)	(iv)	Government Securities	-
		(v)	Others (please specify)	-
	(2)	Unquoted		
		(i)	Shares	
			(a) Equity	46.36
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-

Contd...

(₹ in million unless otherwise stated)

Particulars						
Liabilities side					**Amount outstanding**	**Amount overdue**
6)	Borrower group-wise classification of assets financed as in (3) and (4) above:					
	Category			**Amount net of provisions**		
				Secured	**Unsecured**	**Total**
	1.	Related Parties				
		(a)	Subsidiaries	-	-	-
		(b)	Companies in the same group	-	-	-
		(c)	Other related parties	-	-	-
	2.	Other than related parties		-	23,161.34	23,161.34
	Total			**-**	**23,161.34**	**23,161.34**

	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
(7)	**Category**			**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1.	Related Parties			
		(a)	Subsidiaries	-	-
		(b)	Associates	46.36	46.36
		(c)	Companies in the same group	-	-
		(d)	Other related parties	-	-
	2.	Other than related parties		-	-
	Total			**46.36**	**46.36**

	Other information			
(8)	**Particulars**			**Amount**
	(i)	Gross Non-Performing Assets		
		(a)	Related parties	-
		(b)	Other than related parties	785.44
	(ii)	Net Non-Performing Assets		
		(a)	Related parties	-
		(b)	Other than related parties	586.31
	(iii)	Assets acquired in satisfaction of debt		-

50: Public disclosure on liquidity risk for the year ended March 31, 2023

The following disclosures have been given in terms of Master Direction DNBR. PD. 008/03.10.119/2016-17 (Updated as on May 2, 2022) - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

S. No	Number of Significant Counterparties	Amount *	% of Total Deposits	% of Total Liabilities
1.	IDFC FIRST Bank Limited	2,329.94	NA	6.10%
2.	Blue Orchard Finance Limited	2,258.00	NA	5.91%
3.	Small Industries Development Bank of India	2,170.00	NA	5.68%
4.	FMO Entrepreneurial Development Bank	2,050.00	NA	5.37%
5.	ResponsAbility India Business Advisors Pvt. Ltd.	1,905.00	NA	4.99%
6.	ICICI Bank Limited	1,871.93	NA	4.90%
7.	Bandhan Bank Limited	1,619.05	NA	4.24%
8.	Jana Small Finance Bank Limited	1,279.91	NA	3.35%
9.	Federal Bank Limited	1,163.84	NA	3.05%
10.	GMO-Z.com Payment Gateway India Credit Fund 1	1,000.00	NA	2.62%
11.	National Bank For Agriculture And Rural Development	1,000.00	NA	2.62%
12.	State Bank of India	972.52	NA	2.55%
13.	Kotak Mahindra Bank Limited	944.17	NA	2.47%
14.	MAS Financial Services Limited	908.33	NA	2.38%
15.	Standard Chartered Bank	650.00	NA	1.70%
16.	GOJO & Company, INC.	610.00	NA	1.60%
17.	Kisetsu Saison Finance (India) Private Limited	587.50	NA	1.54%
18.	The Hongkong and Shanghai Banking Corporation Limitec	568.75	NA	1.49%
19.	Punjab National Bank	527.16	NA	1.38%
20.	Northern Arc Capital Limited	512.54	NA	1.34%
21.	Global Access Fund LP	467.00	NA	1.22%
22.	Yes Bank Limited	437.50	NA	1.15%
23.	Maanveeya Development & Finance Private Limited	395.83	NA	1.04%
24.	Vivriti India Impact Bond Fund	383.33	NA	1.00%
	Total	**26,612.30**	**NA**	**69.69%**

**represents the contractual amount.*

(ii) Top 20 large deposits (₹ in million and % of total deposits)

-Since the Company is NBFC-MFI (NDSI), hence this disclosure is not applicable.

(₹ in million unless otherwise stated)

(iii) Top 10 borrowings (₹ in million and % of total borrowings)

S. No	Particular of Lenders	Amount *	% of Total Borrowings
1.	IDFC FIRST Bank Limited	2,329.94	6.35%
2.	Blue Orchard Finance Limited	2,258.00	6.16%
3.	Small Industries Development Bank of India	2,170.00	5.92%
4.	FMO Entrepreneurial Development Bank	2,050.00	5.59%
5.	ResponsAbility India Business Advisors Pvt. Ltd.	1,905.00	5.20%
6.	ICICI Bank Limited	1,871.93	5.11%
7.	Bandhan Bank Limited	1,619.05	4.42%
8.	Jana Small Finance Bank Limited	1,279.91	3.49%
9.	Federal Bank Limited	1,163.84	3.17%
10.	GMO-Z.com Payment Gateway India Credit Fund 1	1,000.00	2.73%

**represents the contractual amount.*

(iv) Funding Concentration based on significant instrument/product (₹ in million and % of total liabilities)

S. No	Name of Instrument/Product	Amount	% of Total Liabilities
1.	Non Convertible Debentures	10,360.69	27.12%
2.	Term Loans	23,823.58	62.35%
3.	Others (includes Bank Overdraft, Securitization and Car Loan)	1,318.89	3.45%
4.	Subordinated Debt	1,160.89	3.04%
	Total	**36,664.05**	**95.96%**

(v) Stock Ratios:

S. No	Ratios	March 31, 2023
1.	Commercial Paper (Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA
2.	Non-convertible debentures (Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA
3.	Other Short-term liabilities as a % of Total Public Funds	4.75%
	Other Short-term liabilities as a %of Total Liabilities	4.56%
	Other Short-term liabilities as a % of Total Assets	3.74%

(vi) Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO). The position of all perceived risks is periodically put up to the RMC which critically evaluates the same and provides operational and policy guidance to the Company which paves way for an effective risk management so as to safeguard the interest of the Company. ALCO manages the liquidity and interest rate risk in a dynamic situation by measuring, monitoring and taking appropriate steps. ALCO is responsible for putting in place a comprehensive and dynamic framework to measure, monitor and manage the liquidity and interest rate taking into account the rates in financial system by closely integrating it with the business strategy of the Company.

Public disclosure on liquidity risk for the year ended March 31, 2022

The following disclosures have been given in terms of Master Direction DNBR. PD. 008/03.10.119/2016-17 (Updated as on May 2, 2022) - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

S. No	Number of Significant Counterparties	Amount *	% of Total Deposits	% of Total Liabilities
1.	Blue Orchard Finance Limited	1,978.00	NA	8.47%
2.	ResponsAbility India Business Advisors Pvt. Ltd.	1,905.00	NA	8.16%
3.	ICICI Bank Limited	1,746.45	NA	7.48%
4.	IDFC FIRST Bank Limited	1,437.95	NA	6.16%
5.	Jana Small Finance Bank Limited	1,316.27	NA	5.64%
6.	Bandhan Bank Limited	1,154.76	NA	4.95%
7.	Punjab National Bank	861.11	NA	3.69%
8.	Federal Bank Limited	707.50	NA	3.03%
9.	Northern Arc Capital Limited	693.32	NA	2.97%
10.	MAS Financial Services Limited	637.50	NA	2.73%
11.	Kotak Mahindra Bank Limited	569.00	NA	2.44%
12.	Canara Bank	468.60	NA	2.01%
13.	Vivriti India Impact Bond Fund	466.67	NA	2.00%
14.	The Hongkong and Shanghai Banking Corporation Limitec	452.38	NA	1.94%
15.	North East Small Finance Bank Ltd	448.64	NA	1.92%
16.	Small Industries Development Bank of India	410.00	NA	1.76%
17.	State Bank of India	378.79	NA	1.62%
18.	Nabkisan Finance Limited	366.67	NA	1.57%
19.	Maanveeya Development & Finance Private Limited	362.50	NA	1.55%
20.	GMO-Z.com Payment Gateway India Credit Fund	300.00	NA	1.28%
21.	Kisetsu Saison Finance (India) Private Limited	300.00	NA	1.28%
22.	Northern Arc India Impact Trust / Fund	300.00	NA	1.28%
23.	Vivriti Capital Private Limited	294.77	NA	1.26%
24.	Utkarsh Small Finance Bank Limited	282.19	NA	1.21%
25.	Creation Investments FPI, LLC and Vivriti Capital Private L	260.00	NA	1.11%
26.	Piramal Capital & Housing Finance Limited	250.00	NA	1.07%
	Total	**18,348.08**	**NA**	**78.58%**

**represents the contractual amount.*

(₹ in million unless otherwise stated)

(ii) Top 20 large deposits (₹ in million and % of total deposits)

-Since the Company is NBFC-MFI (NDSI), hence this disclosure is not applicable.

(iii) Top 10 borrowings (₹ in million and % of total borrowings)

S. No	Particular of Lenders	Amount *	% of Total Borrowings
1.	Blue Orchard Finance Limited	1,978.00	8.68%
2.	ResponsAbility India Business Advisors Pvt. Ltd.	1,905.00	8.36%
3.	ICICI Bank Limited	1,746.45	7.66%
4.	IDFC FIRST Bank Limited	1,437.95	6.31%
5.	Jana Small Finance Bank Limited	1,316.27	5.78%
6.	Bandhan Bank Limited	1,154.76	5.07%
7.	Punjab National Bank	861.11	3.78%
8.	Federal Bank Limited	707.50	3.10%
9.	Northern Arc Capital Limited	693.32	3.04%
10.	MAS Financial Services Limited	637.50	2.80%

represents the contractual amount.

(iv) Funding Concentration based on significant instrument/product (₹ in million and % of total liabilities)

S. No	Name of Instrument/Product	Amount	% of Total Liabilities
1.	Non Convertible Debentures	5,285.46	22.64%
2.	Term Loans	14,044.92	60.15%
3.	Others (includes Bank Overdraft and Securitization)	2,291.64	9.81%
4.	Subordinated Debt	1,150.23	4.93%
	Total	**22,772.25**	**97.54%**

(v) Stock Ratios:

S. No	Ratios	March 31, 2022
1.	Commercial Paper (Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA
2.	Non-convertible debentures (Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA
3.	Other Short-term liabilities as a % of Total Public Funds	8.59%
	Other Short-term liabilities as a %of Total Liabilities	7.97%
	Other Short-term liabilities as a % of Total Assets	6.44%

(vi) Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO). The position of all perceived risks is periodically put up to the RMC which critically evaluates the same and provides operational and policy guidance to the Company which paves way for an effective risk management so as to safeguard the interest of the Company. ALCO manages the liquidity and interest rate risk in a dynamic situation by measuring, monitoring and taking appropriate steps. ALCO is responsible for putting in place a comprehensive and dynamic framework to measure, monitor and manage the liquidity and interest rate taking into account the rates in financial system by closely integrating it with the business strategy of the Company.

(₹ in million unless otherwise stated)

51: Additional information required by Reserve Bank of India vide circular no. DOR.ACC.REC.No.20/21.04.018/2022-23

(a) Exposure to capital market

Particulars	March 31, 2023	March 31, 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	-	-

(b) Disclosure of complaints:

S. No	Particular of Lenders	March 31, 2023	March 31, 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	4	0
2	Number of complaints received during the year	132	170
3	Number of complaints disposed during the year	124	166
3.1	Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	12	4
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	70	16
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	70	16
5.2.	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	0	0
5.3.	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: *Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.*

** It shall only be applicable to NBFC's which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021*

(₹ in million unless otherwise stated)

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1: Insurance claim settlement	1	63	62%	3	0
Ground - 2: Updation of repayment records	2	33	-34%	0	0
Ground - 3: Digital transactions	1	30	15%	2	0
Ground - 4: Updation/dispute on data with CIR	0	37	9%	4	0
Ground - 5: Repayment Issue	0	22	-12%	2	0
Ground - 6: Others	0	17	42%	1	0
Total	**4**	**202**		**12**	**0**
Previous Year					
Ground - 1: Insurance Claim settlement	0	39	-95%	1	0
Ground - 2: Updation/dispute on data with (CIR)	0	50	72%	0	0
Ground - 3: Digital transactions	0	26	100%	1	0
Ground - 4: Updation of repayment records	0	34	31%	2	0
Ground - 5: Repayment Issue	0	25	67%	0	0
Ground - 6: Others	0	12	100%	0	0
Total	**0**	**186**		**4**	**0**

(c) Sector-wise non-performing assets:

Sector	March 31, 2023			March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	31,656.12	425.37	1.34%	19,345.08	503.65	2.60%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services	-	-	0.00%	-	-	0.00%
4. Personal Loans	6,620.33	71.57	1.08%	4,130.32	281.79	6.82%
5. Micro and small medium enterprise loans	46.60	-	0.00%	85.91	-	0.00%
Total	**38,323.04**	**496.94**	**1.30%**	**23,561.30**	**785.44**	**3.33%**

(d) Intra-group exposures

The Company has not entered into any intra group transaction during the year.

(e) Related Party Disclosure

Outstanding balance as at March 31, 2023

Related Party	Borrowings	Deposits	Placement of deposits	Advances	Investme -nts	Purchase of fixed/other assets	Sale of fixed/oth-er assets	Interest paid	Interest received	Others
Parent (as per ownership or control)"	(627.59)	-	-	-	-	-	-	(0.28)	-	-
Subsidiaries	-	-	-	-	472.10	-	-	-	-	-
Associates/Joint ventures	-	-	-	-	-	-	-	-	-	-
Key Management Personnel	-	-	-	1.80	-	-	-	-	-	(4.07)
Relatives of Key Management Personnel	-	-	-	-	-	-	-	-	-	-
Others	(327.45)	58.61	-	16.72	-	-	-	-	-	352.78
Total	**(955.04)**	**58.61**	**-**	**18.52**	**472.10**	**-**	**-**	**(0.28)**	**-**	**348.71**

Outstanding balance as at March 31, 2022

Related Party	Borrowings	Deposits	Placement of deposits	Advances	Investme -nts	Purchase of fixed/other assets	Sale of fixed/oth-er assets	Interest paid	Interest received	Others
Parent (as per ownership or control)"	-	-	-	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	46.36	-	-	-	-	-
Associates/Joint ventures	-	-	-	-	-	-	-	-	-	0.02
Key Management Personnel	-	-	-	-	-	-	-	-	-	(0.34)
Relatives of Key Management Personnel	-	-	-	-	-	-	-	-	-	-
Others	(13.99)	176.33	-	-	-	-	-	-	-	50.49
Total	**(13.99)**	**176.33**	**-**	**-**	**46.36**	**-**	**-**	**-**	**-**	**50.18**

Maximum amount outstanding as at March 31, 2023

Related Party	Borrowings	Deposits	Placement of deposits	Advances	Investme -nts	Purchase of fixed/other assets	Sale of fixed/oth-er assets	Interest paid	Interest received	Others
Parent	(627.59)	-	-	-	-	-	-	41.41	-	10.85
Subsidiaries	-	-	-	-	472.10	-	-	-	-	-
Associates/Joint ventures	-	-	-	-	-	-	-	-	-	(0.02)
Key Management Personnel	-	-	-	1.80	-	-	-	-	-	(4.07)
Relatives of Key Management Personnel	-	-	-	-	-	-	-	-	-	-

Contd...

(₹ in million unless otherwise stated)

Others	(514.05)	176.31	-	25.00	-	-	-	(5.24)	2.60	587.39
Total	**(1,141.64)**	**176.31**	**-**	**26.80**	**472.10**	**-**	**-**	**36.17**	**2.60**	**594.16**

Maximum amount outstanding as at March 31, 2022

Related Party	Borrowings	Deposits	Placement of deposits	Advances	Investme-nts	Purchase of fixed/other assets	Sale of fixed/oth-er assets	Interest paid	Interest received	Others
"Parent (as per ownership or control)"	-	-	-	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	46.36	-	-	-	-	-
Associates/Joint ventures	-	-	-	-	-	-	-	-	-	0.02
Key Management Personnel	-	-	-	-	-	-	-	-	-	(0.34)
Relatives of Key Management Personnel	-	-	-	-	-	-	-	-	-	-
Others	(13.99)	176.33	-	1.00	1.00	-	-	5.24	-	510.48
Total	**(13.99)**	**176.33**	**-**	**1.00**	**47.36**	**-**	**-**	**5.24**	**-**	**510.16**

(f) Breach of covenant
'As at March 31, 2023

Lender name	Description of breached covenants	Nature of borrowing
Vivriti India Impact Bond Fund	The Outstanding Portfolio of direct lending to other Company including Non-Banking Financial Companies, Housing Finance Companies or Micro-Finance Companies or indirect lending to such entities through acquisition of loan portfolio should not exceed ₹ 25 crores at any point of time throughout the term of the instrument with a single entity exposure cap of ₹ 1 crore.	Debt Securities Subordinated Liabilities
Capital Small Finance Bank Limited	Downgrade in external Rating	Term Loan- Bank
DBS Bank India Limited	Rating downgrade - No rating downgrade from the current rating of BBB from CRISIL or BBB from ICRA or A - from Acuite	Term Loan- Bank
Tata Capital Financial Services Limited	Capital Adequacy ratio of the company should not fall below 20%.	Term Loan- Other

***Note:-** There have been no adverse impact of these breaches*

As at March 31, 2022

Lender name	Description of breached covenants	Nature of borrowing
ResponsAbility India Business Advisors Pvt. Ltd.	The issuer's {(Portfolio at Risk 30 days + Refinanced, restructured, rescheduled loans + Write-off previous 12 months)/ Gross Loan Portfolio} shall be less than 10% until 30th September 2021, less than 7.5% until 31st December 2021 and less than 5% thereafter.	Debt Securities
	The issuer shall maintain an Open Loan Position of Thirty (30) Days, defined as {(Portfolio at Risk more than 30 Days + Refinanced, restructured, rescheduled loans - Loan loss reserve)/Regulatory Capital (Tier-I))} less than or equal to 20%	Debt Securities
	The Company shall at all times, until the redemption of all outstanding Debentures, maintain a Portfolio at Risk over 30 (Thirty) days divided by Gross Loan Portfolio below 3% (Three Percent)	Debt Securities
	The Company shall at all times, until the redemption of all outstanding Debentures, maintain a Portfolio Quality 30 Days Ratio below 5% (Five Percent)	Debt Securities
	The Company shall at all times, maintain a ratio of Open Loan Position 30 Days to the Company's equity of less than 20% (Twenty Percent)	Debt Securities
Blue Orchard Finance Limited	The Issuer shall at all times maintain the ratio of (x) Loan Loss Reserves over (y) Portfolio At Risk over 90 days plus restructured Loans of greater than 100%.	Debt Securities
Freedom Fund V with IFMR FImpact Income Builder Fund	Gross Non Performing Assets as a % of average portfolio of the Company shall not increase beyond 2%;	Debt Securities
	Net Non Performing Assets as a % of average portfolio of the Company shall not increase beyond 2%;	Debt Securities
	Ratio of PAR 30 to GLP ratio <2%	Debt Securities
SIMA + Northern Arc Capital Limited	PAR (30 Days) <5%	Debt Securities
	PAR 90 < 2%	Debt Securities
	Cash Collateral on BC portfolio <= 5%	Debt Securities
	To maintain loan loss reserve to 100% for PAR 90	Debt Securities
Capital Small Finance Bank Limited	Net NPA(max) : 2%	Term Loan- Bank
	GNPA Level shall not exceed 5% till Dec 2021 and post it shall not exceed 2%	Term Loan- Bank
	NNPA should not exceed 3% till Dec 2021 and post it shall not exceed 1.5%	Term Loan- Bank

Contd...

(₹ in million unless otherwise stated)

Federal Bank Limited	NNPA not above 2%.	Term Loan- Bank
HDFC Bank Limited	Gross NPA to be less than 3% during tenor of the loan	Term Loan- Bank
	Net NPA to be below 1% during tenor of the loan	Term Loan- Bank
Jana Small Finance Bank Limited	GNPA levels shall not exceed 2%	Term Loan- Bank
State Bank of India	Borrower to maintain PAR60 at less than 5%	Term Loan- Bank
YES Bank Limited	PAR (>30 Days) <= 2% for aggregate portfolio.	Term Loan- Bank
HSBC	NNPA= <2.0%	Term Loan- Bank
Hero FinCorp Limited	PAR >30 days shall be less than 3% (calculated on GLP which includes receivables sold/discounted on non-recourse basis)	Term Loan- Other
	PAR > 90 days less than 2% (calculated on GLP which includes receivables sold/discounted on non-recourse basis)	Term Loan- Other
Incred Capital Financial Services Limited	During the tenor of this facility, the Borrower shall ensure its PAR90 does not exceed 3% of Gross Loan Portfolio respectively (including w/off).	Term Loan- Other
NABSAMRUDDHI Finance Limited	Maximum permissible ratio of PAR>30 net off Loan Loss provisions (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible net worth shall be 20.00%	Term Loan- Other
	Maximum permissible ratio of sum of the PAR>30 and write offs (on the borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 5.00%, write offs would be calculated for trailing twelve months.	Term Loan- Other
Northern Arc Capital Limited	Maximum permissible ratio of sum of the Par > 30 and write-offs (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 3.00% (Three Point Zero percent) from July 01, 2021 onwards, write-offs would be calculated for trailing twelve months.	Term Loan- Other
	Maximum permissible ratio of Par > 30 net off Loan Loss Provisions (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible Net worth shall be 20.00% (Twenty Point Zero percent) from July 01, 2021 onwards.	Term Loan- Other
Sundaram Finance Limited	Deviation in the estimates & actuals in respect of Assets under management shall not lower beyond 10% for the financial year under reference.	Term Loan- Other
Vivriti Capital Private Limited	Net NPA shall not exceed 1% of the Assets under Management of the Borrower	Term Loan- Other
Kisetsu Saison Finance (India) Private Limited	Maximum permissible ratio of Net NPA to outstanding principal value of assets under management not to exceed 2% (net NPA to be calculated as gross carrying amount of Stage III assets minus loss allowance as required under Ind AS for the Stage III assets)	Term Loan- Other
Piramal Capital & Housing Finance Limited	NNPA -2%; to be tested from March 2022	Term Loan- Other
J M Financial Products Limited	The ratio of Net NPA to borrower's adjusted tangible net worth does not exceed 10%;	Term Loan- Other
Vivriti India Impact Bond Fund through Trustee Vistra (ITCL) India Limited	The outstanding portfolio of direct leading to other company including non-banking financial companies, housing finance companies or micro-finance companies or indirect leading to such entities through acquisition of loan portfolio should not exceed ₹ 25 Crores at any point of time throughout the term of the instrument with a single entity exposure cap of ₹ 1 Crore.	Subordinated Liabilities
IFMR Finance for Freedom Fund III with IFMR FImpact Long Term Credit Fund	Maintain a ratio of A:B not greater than 2% where A is PAR-30 and B is the Gross Loan Portfolio	Subordinated Liabilities

Note:- *There have been no adverse impact of these breaches*

(g) Divergence in Asset Classification and Provisioning

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2022, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

52: Maturity analysis of assets and liabilities

(₹ in million unless otherwise stated)

Maturity analysis of assets and liabilities as at March 31, 2023:

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	2,199.93	-	2,199.93
Bank balances other than cash and cash equivalents	1,521.23	571.32	2,092.55
Trade receivables	106.48	-	106.48
Loan portfolio	20,848.12	17,054.92	37,903.04
Investment	562.39	1,171.01	1,733.40
Other financial assets	865.04	360.04	1,225.08
Total financial assets	**26,103.19**	**19,157.29**	**45,260.48**
Non-financial assets			
Current tax assets (net)	-	139.53	139.53
Property, plant and equipment	-	159.65	159.65
Capital work-in-progress	-	612.12	612.12
Intangible assets	-	0.20	0.20
Other non-financial assets	347.66	62.40	410.06
Total non-financial assets	**347.66**	**973.90**	**1,321.56**
Total Assets	**26,450.85**	**20,131.19**	**46,582.04**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	-	6.95	6.95
Trade payables	101.37	-	101.37
Borrowings*	17,430.66	19,233.39	36,664.05
Other financial liabilities	1,199.81	5.49	1,205.30
Total financial liabilities	**18,731.84**	**19,245.83**	**37,977.67**
Non-financial liabilities			
Provisions	18.66	50.68	69.34
Deferred tax liabilities (net)	-	48.95	48.95
Other non-financial liabilities	113.49	-	113.49
Total non-financial liabilities	**132.15**	**99.63**	**231.78**
Equity			
Equity share capital	-	593.20	593.20
Instruments entirely equity in nature	-	49.00	49.00
Other equity	-	7,730.39	7,730.39
Total Equity	**-**	**8,372.59**	**8,372.59**
Total Liabilities and Equity	**18,863.99**	**27,718.05**	**46,582.04**

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

Maturity analysis of assets and liabilities as at March 31, 2022:

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	1,278.44	-	1,278.44
Bank balances other than cash and cash equivalents	1,605.32	1,609.57	3,214.89
Trade receivables	73.40	-	73.40
Loan portfolio	12,275.69	10,885.65	23,161.34
Investment	-	46.36	46.36
Other financial assets	382.27	187.99	570.26
Total financial assets	**15,615.12**	**12,729.57**	**28,344.69**
Non-financial assets			
Current tax assets (net)	-	46.17	46.17
Deferred tax assets (net)	-	64.45	64.45
Property, plant and equipment	-	120.56	120.56
Intangible assets	-	0.33	0.33
Other non-financial assets	249.29	47.10	296.39
Total non-financial assets	**249.29**	**278.61**	**527.90**
Total Assets	**15,864.41**	**13,008.18**	**28,872.59**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade Payable	82.49	-	82.49
Borrowings*	11,281.91	11,507.42	22,789.33
Other financial liabilities	368.12	-	368.12
Total financial liabilities	**11,732.52**	**11,507.42**	**23,239.94**
Non-financial liabilities			
Provisions	9.14	27.44	36.58
Other non-financial liabilities	71.98	1.42	73.40
Total non-financial liabilities	**81.12**	**28.86**	**109.98**
Equity			
Equity share capital	-	490.64	490.64
Instruments entirely equity in nature	-	29.85	29.85
Other equity	-	5,002.18	5,002.18
Total Equity	**-**	**5,522.67**	**5,522.67**
Total Liabilities and Equity	**11,813.64**	**17,058.95**	**28,872.59**

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

53: Corporate Social Responsibility

(₹ in million unless otherwise stated)

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures as certified by Management are as follows:

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
(a) Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	4.65	1.72
(b) Amount approved by the board to be spent during the year	13.00	10.00
(c) Amount of expenditure incurred (as per table below) (refer note below)	13.00	4.39
(i) Construction/acquisition of any asset	-	-
	-	-
(ii) On purposes other than (i) above		
Health and Welfare	13.00	4.39
Contribution to PM CARES Fund	-	-
	13.00	**4.39**
(d) Shortfall/(Excess) at the end of the year (a - c)	(8.35)	(2.67)
(e) Total of previous year shortfall	(2.67)	(1.68)
(f) Reason for shortfall/(Excess)	-	-
(g) Details of related party transactions	13.00	-
(h) Liability against contractual obligations for CSR	-	-

Details of ongoing projects under 135(6) of the Companies Act, 2013

Balance as on April 1, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as on March 31, 2023	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Balance as on April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as on March 31, 2022	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance as on April 1, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on March 31, 2023
Nil	Nil	4.65	13.00	Nil

Balance as on April 1, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on March 31, 2022
Nil	Nil	1.72	4.39	Nil

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2022	Amount required to be spent during the year	Amount spent during the year	Balance as on March 31, 2023
Nil	4.65	13.00	(8.35)

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance as on March 31, 2022
Nil	1.72	4.39	(2.67)

54: Commitment and contingencies

(i) The estimated value of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to ₹ Nil (previous year ₹ 476.29).

(ii) The Company has other commitments for services in normal course of business, the Company's operations does not give raise to any commitments for purchase of goods and employee benefits.

(iii) The Company does not have any pending litigations which would impact its financial position in its financial statements. Contingent liabilities ₹ Nil (Previous year ₹ Nil).

(iv) The Company does not have any long term commitments/contracts for which there will be any material foreseeable losses except as shown in note 14 to standalone financial statement.

(v) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

55: Details of loan transferred/acquired during the year ended March 31, 2023, under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021, are given below:

(i) Details of loans not in default transferred/acquired through assignment:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Transferred (MFI loan)	Acquired	Transferred (MFI loan)	Acquired
Aggregate amount of loans transferred/acquired	10,684.91	221.88	3,785.21	150.71
Weighted average remaining maturity (in months)	17.85	48.59	17.68	75.57
Weighted average holding period (in months)	NA	NA	NA	NA
Retention of beneficial economic interest by the originator	10% to 15%	10%	10%	10%
Tangible security cover	Nil	100%	100%	100%
Rated wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

(₹ in million unless otherwise stated)

(ii)The Company has transferred non-performing assets during the year .refer note: 44(c).

(iii)The Company has not acquired any stressed loan during the year.

56: Analytical Ratios

Numerator Denominator	Numerator	Denominator	As at March 31,2023	As at March 31,2022	% Variance	Reason for Variance
a) Capital to risk-weighted assets ratio (CRAR)	Total capital	Risk weighted assets	19.23%	22.95%	-16.24%	
b) Tier I CRAR	Tier-I capital	Risk weighted assets	17.50%	19.51%	-10.34%	
c) Tier II CRAR	Tier-II capital	Risk weighted assets	1.73%	3.44%	-49.61%	Note 1 below
d) Liquidity Coverage ratio	Total HQLA	Total net cash outflows	NA	NA	NA	Note 2 below

Notes:-

1. Tier II CRAR decreased due to reduction of tenure of subordinated debt during the period ended March 31, 2023.
2. Applicable for Non-deposit taking NBFCs with asset size of ₹ 50,000 million.

57: With regard to the new amendments under "Division III of Schedule III" under "Part II-Statement of Profit and Loss-General Instructions for preparation of Statement of Profit and Loss:

(i) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2023 and March 31, 2022.

(ii) The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023 and March 31, 2022.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

(v) The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2023 and March 31, 2022.

(vi) There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2023 and March 31, 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2023 and March 31, 2022.

(vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Company have not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(ix) The Company has working capital limits from banks on the basis of security of fixed deposits kept as margin money with banks and as these sanctioned working capital limits is against the margin money with banks, accordingly the Company is not required to file any quarterly returns or statements with such banks

(x) The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2023 are held by the Company in the form of deposits till the time the utilisation is made subsequently.

58: The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable to current period.

59: Event after reporting period:

There is no matter after the balance sheet data which are required to be disclosed in the standalone financial statement.

60: The standalone financial statements were approved for issue by the Board of Directors on May 24, 2023.

As per our report of even date
For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

Place: Gurugram
Date: May 24, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of
SATYA MicroCapital Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SATYA MicroCapital Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associate, which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiary referred to in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at March 31, 2023, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financial instruments (including provision for expected credit losses) (as described in note 3A(e) and note 7 of the consolidated financial statements)	
Ind AS 109 requires the Group to provide for impairment of its loan receivables (financial instruments) using the Expected Credit Loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's loans and advances In the process, a significant degree of judgement has been applied by the management for: a. Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. b. Grouping of loan portfolio under homogenous pools to determine probability of default on a collective basis. c. Estimating recoveries to determine loss given default on a collective basis for loans that have defaulted. d. Determining effect of less frequent past events on future probability of default.	Our audit procedures included, among others, ● Read and assessed the Group's accounting policies for impairment of loan receivables, assessing compliance with the policies in terms of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India ('RBI') guidelines. ● Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. ● Tested the assumptions used by the Group for staging of loan portfolio into various categories and default buckets for determining the Probability of Default ("PD") and Loss Given Default ("LGD") rates. ● Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or stage 3. ● Tested the input data used for determining the PD and LGD rates and compared the data with the underlying books of account and records. ● Tested the arithmetical accuracy of computation of ECL provision performed by the Group in spreadsheets. ● Compared the disclosures included in the consolidated financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report but does not include the consolidated financial statements and standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the audited financial statements of subsidiary furnished to us, to the extent to which it related to that entity and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from audited financial statements.

If, based on the work we have performed, we conclude that there is material misstatement of this 'Other Information' we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 443.07 million as at March 31, 2023, total revenues of Rs. 22.31 million and net cash inflows amounting to Rs. 105.56 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

The consolidated financial statements also include the Group's share of net loss after tax of Rs. 0.06 million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in Other matter paragraph above, of company included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such company.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiary and associate, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary, none of the directors of the Group companies, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary as noted in the 'Other matter' paragraph:

      i. There were no pending litigations which would impact the consolidated financial position of the Group.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 51(iv) to the consolidated financial statements in respect of such items as it relates to the Group and its associate.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary.

      iv. (a). The respective Managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b). The respective Managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c). Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The interim dividend declared and paid by the Holding Company and its subsidiary, during the year and until the date of this audit report is in accordance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company and its subsidiary, which are companies incorporated in India, only w.e.f. April 01, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNJB5161

Place: Gurugram
Date: May 24, 2023

Annexure A to the Independent Auditor's Report of even date to the members of Satya MicroCapital Limited, on the consolidated financial statements for the year ended March 31, 2023.

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of **SATYA MicroCapital Limited** (hereinafter referred to as the "Holding Company") and its subsidiary as of that date..

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiary as aforesaid..

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal financial control with reference to financial statements criteria as established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiary, is based on the corresponding reports of the auditors of such company incorporated in India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership no: 087701
UDIN: 23087701BGWNJB5161

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited

Consolidated Balance Sheet as at March 31, 2023

(₹ in million unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	2,305.90	1,278.44
Bank balances other than cash and cash equivalents	5	2,092.55	3,214.89
Trade receivables	6	106.48	73.40
Loan portfolio	7	38,231.59	23,161.34
Investment	8	1,261.30	46.14
Other financial assets	9	1,229.17	570.26
Total financial assets		**45,226.99**	**28,344.47**
Non-financial assets			
Current tax assets (net)	10	141.44	46.17
Deferred tax assets (net)	11	1.29	64.45
Property, plant and equipment	12A	160.45	120.56
Capital work-in-progress	12B	612.12	-
Goodwill		39.44	-
Intangible assets	12C	0.20	0.33
Other non-financial assets	13	410.50	296.39
Total non-financial assets		**1,365.44**	**527.90**
Total assets		**46,592.43**	**28,872.37**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	14	6.95	-
Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		0.53	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		103.46	82.49
Debt securities	16	10,360.69	5,285.46
Borrowings (other than debt securities)	16	25,142.47	16,336.56
Subordinated liabilities	16	1,160.89	1,150.23
Other financial liabilities	17	1,205.86	385.20
Total financial liabilities		**37,980.85**	**23,239.94**
Non-financial liabilities			
Provisions	18	69.85	36.58
Deferred tax liabilities (net)	11	48.95	-
Other non-financial liabilities	19	115.84	73.40
Total non-financial liabilities		**234.64**	**109.98**
Equity			
Equity share capital	20	593.20	490.64
Instruments entirely equity in nature	21	49.00	29.85
Other equity	22	7,720.16	5,001.96
Equity attributable to equity holders of the holding company		**8,362.36**	**5,522.45**
Non-controlling interest		14.58	-
Total equity		**8,376.94**	**5,522.45**
Total liabilities and equity		**46,592.43**	**28,872.37**

The accompanying notes are integral part of consolidated financial statements
As per our report of even date

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2023

(₹ in million unless otherwise stated)

Particulars	Notes	For year ended March 31, 2023	For year ended March 31, 2022
Revenue from operations			
Interest income	23	5,792.52	3,345.88
Fee and commission income	24	491.88	291.22
Net gain on derecognition of financials instruments under amortised cost category	25	1,044.64	366.57
Total revenue from operations		**7,329.04**	**4,003.67**
Other income	26	56.00	14.13
Total income		**7,385.04**	**4,017.80**
Expenses			
Finance cost	27	2,972.21	1,711.07
Net loss on fair value changes	28	6.95	-
Impairment on financial instruments	29	722.05	170.71
Employee benefits expenses	30	2,039.46	1,169.87
Depreciation and amortization	31	77.11	57.47
Other expenses	32	851.39	473.59
Total expenses		**6,669.17**	**3,582.71**
Profit before share of the profit/(loss) of associates accounted for using the equity method		715.87	435.09
Share of net profits/(losses) of associates accounted for using the equity method		**(0.06)**	**(0.22)**
Profit before tax		**715.81**	**434.87**
Tax expense:	**33**		
Current year tax		69.93	102.11
Deferred tax charge/(credit)		114.60	7.95
Income-tax expense		**184.53**	**110.06**
Profit for the year		**531.28**	**324.81**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(6.46)	(0.99)
Income tax effect		1.63	0.25
Other comprehensive income		**(4.83)**	**(0.74)**
Total comprehensive income for the year		**526.45**	**324.07**
Net profit after tax attributable to:			
Owners of the Holding Company		531.25	324.81
Non-controlling interest		0.03	-
Other comprehensive income attributable to:			
Owners of the Holding Company		(4.83)	(0.74)
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Owners of the Holding Company		526.42	324.07
Non-controlling interest		0.03	-
Earnings per equity share (EPS) (face value of 10 per equity share)			
Computed on the basis of total profit for the year			
Basic (EPS) (amount in ₹)	34	10.57	7.05
Diluted (DEPS) (amount in ₹)	34	9.61	6.94

The accompanying notes are integral part of consolidated financial statements

As per our report of even date

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701

Place: Gurugram
Date: May 24, 2023

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited

Consolidated Statement of Cash flow for the year ended March 31, 2023

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	715.81	434.87
Adjustments for:		
Depreciation and amortization	69.15	44.41
Depreciation of right-of-use asset	7.90	13.04
Share based payment to employees	16.13	9.24
Interest expense for leasing arrangements	2.04	2.29
Impairment of financial instruments	722.05	170.71
Net loss on fair value changes	6.95	-
Loss on sale of property plant and equipment	1.41	0.88
Net gain on derecognition of financials instruments under amortised cost category	(1,044.64)	(366.57)
Operating profit before working capital changes	**496.80**	**308.87**
Movements in working capital:		
Increase/(decrease) in trade payable & other financial liabilities	843.28	(33.66)
Increase/(decreases) in other non-financial liabilities	42.44	24.58
Increase/(decreases) in provisions	33.27	10.35
(Increase)/decrease in bank balances other than cash and cash equivalents	1,122.34	(1,844.03)
(Increase)/decrease in trade receivables	(33.08)	34.02
(Increase)/decrease in loan portfolio	(15,792.30)	(11,186.11)
(Increase)/decrease in other financial assets	385.73	40.79
(Increase)/decrease in other non-financial assets	(124.19)	(147.83)
Cash used in operations	**(13,025.71)**	**(12,793.02)**
Income-tax paid	(169.34)	(118.91)
Net cash used in operating activities (A)	**(13,195.05)**	**(12,911.93)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(753.81)	(92.09)
Purchase of intangible assets	-	(0.15)
Proceeds from derecognition of property, plant and equipment	1.08	0.89
Purchase of investment	(1,258.20)	(47.14)
Proceeds from investment	43.04	1.00
Net cash used in investing activities (B)	**(1,967.89)**	**(137.49)**
Cash flow from financing activities		
Proceeds from issue of share capital (including premium and net of issue expenses)	2,308.71	1,144.91
Net proceeds from borrowings#	13,891.82	11,502.45
Payment of lease liabilities	(10.13)	(8.64)
Net cash from financing activities (C)	**16,190.40**	**12,638.72**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**1,027.46**	**(410.70)**
Cash and cash equivalents at the beginning of the year	1,278.44	1,689.14
Cash and cash equivalents at the end of the year	**2,305.90**	**1,278.44**
Components of cash and cash equivalents as at the end of the year		
Cash on hand	17.27	2.91
Balance with banks - on current accounts	2,288.63	765.49
Deposits with original maturity of less than 3 months	-	510.04
Total cash and cash equivalents	**2,305.90**	**1,278.44**

Represents net proceeds from debt securities, borrowings (other than debt securities) and subordinated liabilities.
For disclosure of investing and financing transactions that do not require the use of cash and cash equivalents, refer note 46.

The accompanying notes are integral part of consolidated financial statements

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited
Consolidated Statement of Changes in Equity for the Year Ended on March 31, 2023

A. Equity Shares

(₹ in million unless otherwise stated)

Equity Share of ₹ 10 each issued

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Changes during the Financial year 2021-22	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Changes during the Financial year 2022-23	Balance as at March 31, 2023*
Equity share capital (fully paid up)	452.25	-	28.39	480.64	-	75.06	555.70
Equity share capital (partly paid up)	6.25	-	3.75	10.00	-	27.50	37.50
Total	**458.50**	**-**	**32.14**	**490.64**	**-**	**102.56**	**593.20**

*net of amount recoverable from Satya Employee Welfare Trust of ₹ 5.78 million (March 31, 2022: ₹ 8.11 million).

B. Instruments entirely equity in nature

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Changes during the Financial year 2021-22	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Changes during the Financial year 2022-23	Balance as at March 31, 2023*
Non-cumulative compulsorily convertible preference shares	-	-	29.85	29.85	-	19.15	49.00
Total	**-**	**-**	**29.85**	**29.85**	**-**	**19.15**	**49.00**

C. Other equity

Particulars	Reserves & Surplus					Total attributable to equity holders of the parent	Total non-controlling interest	Grand total
	Securities Premium	Retained Earnings	Statutory Reserve	Share Options Outstanding Reserve	Total			
Balance as at April 01, 2021	**3,466.97**	**59.20**	**42.05**	**17.57**	**3,585.79**	**3,585.79**	**-**	**3,585.79**
Profit for the year ended March 31, 2022	-	324.81	-	-	324.81	324.81	-	324.81
Other comprehensive income (net of income-tax effect)	-	(0.74)	-	-	(0.74)	(0.74)	-	(0.74)
Total comprehensive income	**-**	**324.07**	**-**	**-**	**324.07**	**324.07**	**-**	**324.07**
Transfer to Statutory Reserve	-	(65.01)	65.01	–	-	-	-	-
Fair value of stock option-charge for the year	-	-	-	5.33	5.33	5.33	-	5.33
Premium on stock option	2.42	-	-	-	2.42	2.42	-	2.42
Premium on issue of equity shares	506.12	-	-	-	506.12	506.12	-	506.12
Amount recoverable from Satya Employee Welfare Trust	8.11	-	-	-	8.11	8.11	-	8.11
Premium on issue of non- cumulative compulsorily convertible preference shares	570.12	-	-	-	570.12	570.12	-	570.12
Balance as at March 31, 2022	**4,553.74**	**318.26**	**107.06**	**22.90**	**5,001.96**	**5,001.96**		**5,001.96**
Profit for the year ended March 31, 2022	-	531.25	-	-	531.25	531.25	0.03	531.28
Other comprehensive income (net of income-tax effect)	-	(4.83)	-	-	(4.83)	(4.83)	-	(4.83)
Total comprehensive income	**-**	**526.42**	**-**	**-**	**526.42**	**526.42**	**0.03**	**526.45**
Transfer to Statutory Reserve	-	(106.25)	106.25	-	-	-	-	-
Fair value of stock option - charge for the year	-	-	-	2.29	2.29	2.29	-	2.29
Premium on stock option	9.97	-	-	-	9.97	9.97	-	9.97
Premium on issue of equity shares	240.43	-	-	-	240.43	240.43	-	240.43
Adjustment to carrying amount of non controlling interest due to change in interest	-	(14.55)	-	-	(14.55)	(14.55)	14.55	-
Other adjustments	(68.67)	3.73	-	-	(64.94)	(64.94)	-	(64.94)
Dividend paid on non- cumulative compulsorily convertible preference shares*	-	(0.00)	-	-	(0.00)	(0.00)	-	(0.00)
Amount recoverable from SATYA Employee Welfare Trust	12.03	-	-	-	12.03	12.03	-	12.03
Premium on issue of non- cumulative compulsorily convertible preference shares	2,006.55	-	-	-	2,006.55	2,006.55	-	2,006.55
Balance as at March 31, 2023	**6,754.05**	**727.61**	**213.31**	**25.19**	**7,720.16**	**7,720.16**	**14.58**	**7,734.74**

*₹ 508.26

As per our report of even date

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701

Place: Gurugram
Date: May 24, 2023

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

SATYA MicroCapital Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2023

1. Group Overview

SATYA MicroCapital Limited ('SATYA' or the 'Holding Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on May 18, 1995. The Holding Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND-SI') with the Reserve Bank of India ('RBI') and got classified as Non-Banking Financial Company – Micro Finance Institution (NBFC – MFI) effective February 2, 2018. The registered office address of the Group is 519, 5th Floor, DLF Prime Tower, Okhla Industrial Area, Phase-1, New Delhi-110020.

The consolidated financial statements relate to SATYA MicroCapital Limited, its subsidiary and its associate (collectively referred as "the Group").

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

During the year, SATYA Micro Housing Finance Private Limited (Formerly known as Baid Housing Finance Private Limited) ('SMHFPL') has become the subsidiary Company with effect from June 14,2022 and holding 96.66% as on March 31, 2023 (March 31, 2022: 24%) SATYA Micro Housing Finance Private Limited is engaged in business of Housing Finance.

The Reserve Bank of India (RBI) has introduced the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ('the Framework') through Circular No. RBI/2021- 22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 issued in October 2021. Under this Framework, NBFCs are categorized into different layers, namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL), and Top Layer (NBFC-TL).

The Holding Company has been classified as a "Middle Layer" NBFC in accordance with the Framework.

2.Basis of preparation

a) Statement of compliance in preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company an Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The consolidated financial statement has been prepared on a going concern basis.

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

b) Principles of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the holding and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively

ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method (see (iii) below) of accounting, after initially being recognised at cost.

iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The said investments are tested for impairment atleast annually and whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use)

iv) Changes in Ownership Interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and noncontrolling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Presentation of consolidated financial statements

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

d) The subsidiary and associate company considered in the consolidated financial statements are as below:

Name	Relationship	Country of Incorporation	Share of ownership as at March 31, 2023	Share of ownership as at March 31, 2022
SATYA Micro Housing Finance Private Limited	**Subsidiary (w.e.f. June 14, 2022)**	**India**	**96.66%**	**-**
	Associate (till June 14, 2022)	**India**	**-**	**24%**

3A. Significant accounting policies

a) Use of estimates, judgments and assumptions

The preparation of consolidated financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes

(i) Defined employee benefit assets and liabilities

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

ii) Fair value measurement

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

iii) Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Group makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

The Group's Expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Group's internal model, which assigns Probability of defaults ('PDs') to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on Probability of defaults ('PDs'), Exposure at Default ('EADs') and Loss given Defaults ('LGDs')

(iv) Provisions other than impairment on loan portfolio

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

(v) Share-Based Payment

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

vi) Non-Cumulative Compulsory Convertible Preference Shares (NCCCPS)

Non-cumulative compulsory convertible preference shares (NCCCPS) are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS - 32 (Financial instruments: Presentation). NCCCPS issued by the Group classified as equity is carried at its transaction value and shown within "other equity"

vii) Effective Interest Rate ('EIR') method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

viii) Other estimates

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

b) Recognition of income and expense

(i) Interest and Processing Fee income on loans

The Group's earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest and loan processing fees are recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

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

(ii) Revenue from Contracts with Customers

The Group recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from Contracts with Customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable

a) Facilitation fees income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognized on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

b) Revenue from business correspondence services is recognized point in time when performance obligation is satisfied as per agreed terms and conditions of the contract.

c) Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

(iii) Finance Cost

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed.

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the financial liability. Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc. provided these are incremental costs that are directly related to the issue of a financial liability.

(iv) Dividend income

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

(v) Other income and expense

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

c) Property, plant and equipment (PPE), intangible asset and capital work in progress

PPE

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

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

Intangible Asset

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

Capital work in progress

Capital work-in-progress is carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets which are not ready to intend use are also shown under capital work-in-progress.

d) Depreciation and amortization

Depreciation

i) Depreciation on property, plant and equipment provided on a written down value method at the rates arrived based on useful life of the assets, prescribed under Schedule II to the Companies Act, 2013, which also represents the estimate of the useful life of the assets by the management.

ii) Property, plant and equipment costing up to Rs.5,000 individually are fully depreciated in the year of purchase.

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

Asset Category	Useful Life (In Years)
(i) Furniture and fittings	10
(ii) Computers and data processing units	
(a) Servers and networks	6
(b) End user devices, such as, desktops, laptops, etc.	3
(iii) Office equipment	5
(iv) Motor vehicles	
(a) Motor cars	8
(b) Two-Wheeler Vehicles	10
(v) Building	60

Amortization

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

e) Impairment

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

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

Stage I

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

Stage II

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

Stage III

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

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

Methodology for calculating ECL

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

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

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

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

Forward looking information

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

Definition of default and cure

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

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

Write-offs

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

(ii) Non-financial assets

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

(f) Leases

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

Where the Group is lessee

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

i) Right-of-use assets

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

ii) Lease Liability

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

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

iii) Short term lease

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as and when due.

(g) Foreign currency transactions

- **Functional and presentation currency**

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

- **Transaction and balance**

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

h) Retirement benefits

The Group operates following employee benefit plans:

i) Defined contribution schemes

The group pays contributions to publicly administered provident funds and employee state insurance schemes as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Employee Provident Fund

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

iii) Defined benefit plan

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

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

Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassi ed to pro t and loss in subsequent periods

iv) Other long term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss. The group presents the provision for compensated absences under provisions in the Balance Sheet.

iv) Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The cost of equity-settled transactions is measured using the fair value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for the year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense.

i) Income taxes

Current tax

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

Deferred taxes

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

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

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

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

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

j) Earnings per share (EPS)

The Group reports basic and diluted earnings per share in accordance with Ind AS33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

k) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognized within finance costs.

l) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not have any contingent assets in the consolidated financial statements.

m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Measurement and recognition

Financial assets are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- Loan Portfolio at amortized cost
- Loan Portfolio at fair value through other comprehensive income (FVOCI)
- Equity instruments and mutual funds

Loan Portfolio at amortized cost:

Loan Portfolio is subsequently measured at amortized cost where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3(e)).

Loan Portfolio at FVOCI:

Loan Portfolio is subsequently measured at FVOCI where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- the financial asset is held within a business model where objective is achieved by both collecting contractual cash flows and selling financial assets.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognized as interest income using the EIR method.

Equity instruments and Mutual Funds

Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

De-recognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognized when the rights to receive cash flows from the financial asset have expired. The Group also de-recognizes the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:

– It has transferred its contractual rights to receive cash flows from the financial asset
or
– It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

– The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
– The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
– The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

– The Group has transferred substantially all the risks and rewards of the asset
or
– The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss account.

Derecognition due to modification of terms and conditions

The Group de .recognizes a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchase Oriented Credit Impaired ("POCI").

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Financial Liabilities

Financial liability is de-recognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

n) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Group's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said consolidated financial statements.

Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy described as follows:

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments – include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

o) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insigni cant risk of changes in value.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment.

q) Investment

Investment in Security receipts issues by trust floated by asset reconstruction company are accounted for at fair value through profit and loss (FVTPL).

r) Derivative financial instruments at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

i. Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

ii. t requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

iii. It is settled at a future date.

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as currency and interest rate swaps , to hedge its foreign currency risks and interest rate risks, respectively. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Changes in the fair value of currency and interest rate swaps entered to hedge foreign currency risks and interest rate risks, respectively, on external commercial borrowing are included in Net loss / (gain) on fair value of derivative contracts measured at fair value through profit or loss under finance cost. Changes in the fair value of other derivatives are included in net gain/(loss) on fair value changes unless hedge accounting is applied. The Group does not apply hedge accounting.

3B. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies instead of their significant accounting policies. Accounting policy information is considered material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have a significant impact on its consolidated financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 has been narrowed so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, on its consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments help entities distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have a significant impact on its consolidated financial statements.

SATYA MicroCapital Limited
Notes to the Consolidated Financial Statements for the Year Ended March 31, 2023

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
4: Cash and cash equivalents		
Cash on hand	17.27	2.91
Balances with banks		
On current accounts	2,288.63	765.49
Deposits with original maturity of less than three months	-	510.04
	2,305.90	**1,278.44**

Balances with banks in current accounts do not earn any interest. Short-term deposits are made for varying maturity upto three months, depending upon the funding requirements of the Group, and earn interest at the respective short-term rates.

The Group has not taken any bank overdraft against such deposits, therefore the cash and cash equivalents for consolidated statement of cash flow are the same as cash and cash equivalents given above.

Particulars	As at March 31, 2023	As at March 31, 2022
5: Bank balance other than cash and cash equivalents		
Deposits with maturity of less than 12 months	38.93	164.47
Deposits with maturity of more than 12 months	-	36.57
Margin money deposits (refer note b below)	2,053.62	3013.85
	2,092.55	**3214.89**

Note:
(a) Fixed deposits and margin money deposits with banks earn interest at fixed rates or floating rates based on daily bank deposit rates.
(b) The amount under lien as security against term loan, overdraft facility availed, assets securitized and business correspondence.

Particulars	As at March 31, 2023	As at March 31, 2022
6: Trade receivables (at amortized cost)		
Unsecured, considered good	106.48	73.40
	106.48	**73.40**

Trade receivables are non-interest bearing and generally due in short-term. Based on the management's assessment, no impairment allowance is considered necessary for trade receivables.

Trade Receivable as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment*						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2.40	93.19	4.41	6.48	-	-	**106.48**
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Trade Receivable as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment*						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	64.27	1.76	737	-	-	**73.40**
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

*in case where due date of payment is not specified, disclosure has been given based on the date of transaction.

Particulars	As at March 31, 2023	As at March 31, 2022
7: Loan portfolio		
(a) Portfolio loans (at amortised cost)		
Joint Liability Group Loans	37,808.57	23,356.88
Individual Loans	597.78	204.42
Housing Loans	246.47	-
Less: Impairment loss allowance	(421.23)	(399.96)
Total (net)	**38,231.59**	**23,161.34**

Contd...

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(b) (i) Secured (ii) Unsecured Less: Impairment loss allowance	692.34 37,960.48 (421.23)	- 23,561.30 (399.96)
Total (net)	**38,231.59**	**23,161.34**
- Secured by Land and property - Secured by book debts - Unsecured	674.14 14.89 37,542.56	- - 23,161.34
Total (net)	**38,231.59**	**23,161.34**
(c) Loans in India (i) Public Sector (ii) Others Less: Impairment loss allowance	 - 38,652.82 (421.23)	 - 23,561.30 (399.96)
Total (net)	**38,231.59**	**23,161.34**

Overview of the loan portfolio of the Group

The Group is primarily in the business of providing micro loans towards income generating activities with its operations spread out in different parts of India. The Group's focus is to reach out to the unbanked section of society and providing financial services to women entrepreneurs.

The table below discloses credit quality of the Group's exposures (net of impairment loss allowance) as at reporting date:

Portfolio classification as at March 31, 2023:

Particulars	Stage I	Stage II	Stage III*	Total
Portfolio Loans				
Joint Liability Group Loans	37,138.33	177.35	492.89	37,808.57
Individual Loans	591.16	2.57	4.05	597.78
Housing Loans	243.67	2.40	0.40	246.47
Less: Impairment loss allowance	(58.53)	(45.10)	(317.60)	(421.23)
Total (net)	**37,914.63**	**137.22**	**179.74**	**38,231.59**

*it includes 19,106 cases wherein principal and interest outstanding for more than 90 days are ₹ 472.85 million and ₹ 24.58 million respectively.

Portfolio classification as at March 31, 2022:

Particulars	Stage I	Stage II	Stage III	Total
Portfolio Loans				
Joint Liability Group Loans	21,626.71	905.00	825.17	23,356.88
Individual Loans	182.42	8.00	14.00	204.42
Less: Impairment loss allowance	(35.93)	(164.90)	(199.13)	(399.96)
Total (net)	**21,773.20**	**748.10**	**640.04**	**23,161.34**

*it includes 37,272 cases wherein principal and interest outstanding for more than 90 days are ₹ 785.44 million and ₹ 53.73 million respectively.

Gross portfolio movement for the year ended March 31, 2023:

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 01, 2022	21,809.13	913.00	839.17	23,561.30
Total (A)	**21,809.13**	**913.00**	**839.17**	**23,561.30**
Inter-stage movements				
Stage I	31.10	(27.63)	(3.47)	-
Stage II	(258.06)	258.93	(0.87)	-
Stage III	(1,321.67)	(621.18)	1,942.85	-
Total (B)	**(1,548.63)**	**(389.88)**	**1,938.51**	**-**
Write-offs	(0.70)	(0.54)	(208.81)	(210.05)
Total (C)	**(0.70)**	**(0.54)**	**(208.81)**	**(210.05)**
New assets originated (netted off for repayment and loans derecognised during the year)	17,713.36	(340.26)	(2,071.53)	15,301.57
Total (D)	**17,713.36**	**(340.26)**	**(2,071.53)**	**15,301.57**
Gross carrying amount as at March 31, 2023	37,973.16	182.32	497.34	38,652.82
Total (A+B+C+D)	**37,973.16**	**182.32**	**497.34**	**38,652.82**

Gross portfolio movement for the year ended March 31, 2022:

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2021	11,133.41	1,173.30	191.95	12,498.66
Total (A)	**11,133.41**	**1,173.30**	**191.95**	**12,498.66**
Inter-stage movements				
Stage I	142.74	(134.57)	(8.17)	-
Stage II	(581.07)	583.49	(2.42)	-
Stage III	(390.14)	(366.72)	756.86	-
Total (B)	**(828.47)**	**82.20**	**746.27**	**-**

Contd...

(₹ in million unless otherwise stated)

Particulars	Stage I	Stage II	Stage III	Total
Write-offs	-	-	(123.41)	(123.41)
Total (C)	**-**	**-**	**(123.41)**	**(123.41)**
New assets originated (netted off for repayment and loans derecognised during the year)	11,504.19	(342.50)	24.36	11,186.05
Total (D)	**11,504.19**	**(342.50)**	**24.36**	**11,186.05**
Gross carrying amount as at March 31, 2022	21,809.13	913.00	839.17	23,561.30
Total (A+B+C+D)	**21,809.13**	**913.00**	**839.17**	**23,561.30**

ECL movement during the year ended March 31, 2023:

Particulars	Stage I	Stage II	Stage III	Total
Balance at the beginning of the year	35.93	164.90	199.13	399.96
Provision made/ (reversed) during the year(refer notes below)	23.31	(119.26)	327.28	231.32
Write-offs	(0.70)	(0.54)	(208.81)	(210.05)
Balance at the end of the year	**58.54**	**45.10**	**317.60**	**421.23**

Notes:
1. It includes ECL provision of ₹ 491.21 million which has been reversed on account of sale of portfolio of such loans to trust floated by Phoenix ARC Private Limited.
2. ECL as at April 01,2022 of SATYA Micro Housing Finance Private Limited ₹ 0.49 million included in provision made/(reversed) during the year.

ECL movement during the year ended March 31, 2022:

Particulars	Stage I	Stage II	Stage III	Total
Balance at the beginning of the year	22.13	218.74	111.79	352.66
Provision made/ (reversed) during the year	13.80	(53.84)	210.75	170.71
Write-offs	-	-	(123.41)	(123.41)
Balance at the end of the year	**35.93**	**164.90**	**199.13**	**399.96**

Particulars	As at March 31, 2023	As at March 31, 2022
8: Investment		
Equity instrument (at cost)		
Investment in SATYA Micro Housing Finance Private Limited (Formerly known as Baid Housing Finance Private Limited) NIL (March 31, 2022: 360,107) equity shares of face value of ₹ 10 each	-	46.36
Less: Share of net profits/(losses) of associates accounted for using the equity method	-	(0.22)
Security Receipts		
1,304,340 (March 31, 2022 : Nil) security receipts in Phoenix Trust (Trust floated by Phoenix ARC Private Limited)	1,261.30	-
	1,261.30	**46.14**
Investment in India	1,261.30	46.14
Investment outside India	-	-
Total	**1,261.30**	**46.14**

SATYA Micro Housing Finance Private Limited (Formerly known as Baid Housing Finance Private Limited) ('SMHFPL') has become the subsidiary Company with effect from June 14,2022 and holding 96.66% as on March 31, 2023 (March 31, 2022: 24%)

Particulars	As at March 31, 2023	As at March 31, 2022
9: Other financial assets (at amortised cost)		
A. Security deposits		
Unsecured, considered good	11.20	8.33
(A)	**11.20**	**8.33**
B. Other assets		
Loans to employees	51.10	19.44
Margin money held with financial institution	303.29	215.00
Interest only strip receivable	758.04	310.73
Other recoverable	105.54	16.76
(B)	**1,217.97**	**561.93**
Total (A+B)	**1,229.17**	**570.26**

Note: The margin money held with financial institution are under lien as security against term loan and business correspondence.

Particulars	As at March 31, 2023	As at March 31, 2022
10: Current tax assets (net)		
Advance income-tax (net of provision for income-tax)	141.44	46.17
	141.44	**46.17**

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
11: Deferred tax assets/(liabilities) (net) - Holding company		
(A) Deferred tax assets		
Impairment of financials instruments	105.71	100.66
Provision for employee benefits	17.72	9.21
Property, plant and equipment	17.07	10.09
Financial assets measured at amortised cost	50.75	-
Fair valuation of derivative financial instruments	1.75	-
Liability against leases and right of use assets	1.75	1.80
Others	-	35.15
Total deferred tax assets	**194.75**	**156.91**
(B) Deferred tax liabilities		
Interest only strip receivable	190.78	78.20
Others	52.92	14.26
Total deferred tax liabilities	**243.70**	**92.47**
Net deferred tax assets/(liabilities) (A-B)	**(48.95)**	**64.45**

Particulars	As at March 31, 2023	As at March 31, 2022
11: Deferred tax assets/(liabilities) (net) - Subsidiary Company		
(A) Deferred tax assets		
Provision for employee benefits	0.12	-
Impairment of financials instruments	0.31	-
Financial assets measured at amortised cost	0.89	-
Total deferred tax assets	**1.32**	**-**
(B) Deferred tax liabilities		
Property, plant and equipment	0.03	-
Total deferred tax liabilities	**0.03**	**0.00**
Net deferred tax assets (A-B)	**1.29**	**0.00**
Deferred tax charge/(credit) recognised in Statement of profit or loss	114.60	7.95
Deferred tax charge/(credit) recognised in other comprehensive income	(1.63)	(0.25)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

12A: Property, plant and equipment

Particulars	Furniture and Fixtures	Office Equipment	Vehicles	Computers and Data Processing Units	Office Premises	Right-of-use Asset	Total
Gross block (at cost)							
As at April 1, 2021	**25.23**	**14.80**	**4.22**	**58.68**	**32.10**	**13.24**	**148.27**
Additions	27.84	9.28	4.43	39.32	-	22.48	103.35
Disposals	(0.86)	(0.47)	-	(6.06)	-	-	(7.39)
As at March 31, 2022	**52.20**	**23.61**	**8.65**	**91.94**	**32.10**	**35.75**	**244.23**
Additions	12.78	29.15	15.39	55.04	-	6.97	119.33
Disposals	(1.00)	(0.20)	(0.73)	(20.75)	-	-	(22.68)
As at March 31, 2023	**63.98**	**52.56**	**23.31**	**126.24**	**32.10**	**42.69**	**340.88**
Accumulated depreciation							
As at April 1, 2021	**13.81**	**7.62**	**2.29**	**35.80**	**0.27**	**12.75**	**72.53**
Charge for the year	12.49	4.92	0.91	24.30	1.55	13.04	57.22
Disposals	(0.48)	(0.18)	-	(5.42)	-	-	(6.09)
As at March 31, 2022	**25.82**	**12.36**	**3.20**	**54.68**	**1.82**	**25.79**	**123.67**
Charge for the year	14.16	13.83	3.54	36.02	1.47	7.90	76.92
Disposals	(0.90)	(0.18)	(0.21)	(18.87)	-	-	(20.16)
As at March 31, 2023	**39.08**	**26.01**	**6.53**	**71.83**	**3.29**	**33.69**	**180.43**
Net carrying amount							
As at March 31, 2022	26.39	11.25	5.45	37.26	30.28	9.93	120.56
As at March 31, 2023	**24.90**	**26.55**	**16.78**	**54.41**	**28.81**	**9.00**	**160.45**

12B: Capital work-in-progress

Particulars	Land and Building	Total
As at April 1, 2021	-	-
Additions	-	-
As at March 31, 2022	**-**	**-**
Additions	612.12	612.12
As at March 31, 2023	**612.12**	**612.12**

Note : Capital work-in-progress ageing schedule as at March 31, 2023

(₹ in million unless otherwise stated)

Particulars	Amount in Capital work-in-progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Land and building*	612.12	-	-	-	**612.12**

*includes interest capitalised of ₹ 27.20 Million.

12C: Intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
As at April 1, 2021	**2.90**	**2.90**
Additions	0.15	0.15
Disposals	(1.03)	(1.03)
As at March 31, 2022	**2.02**	**2.02**
Additions	0.06	2.06
Disposals	-	-
As at March 31, 2023	**2.08**	**2.08**
Accumulated amortization		
As at April 1, 2021	**2.03**	**2.03**
Charge for the year	0.24	0.24
Disposals	(0.58)	(0.58)
As at April 1, 2022	**1.69**	**1.69**
Charge for the year	0.19	0.19
Disposals	-	-
As at March 31, 2023	**1.88**	**1.88**
Net carrying amount		
As at March 31, 2022	0.33	0.33
As at March 31, 2023	**0.20**	**0.20**

Note:

1. There have been no acquisitions through business combinations and no change of amount due to revaluation of Property, plant and equipment, right-of-use asset and intangible assets during the year ended March 31, 2023 and March 31, 2022.
2. Carrying value of property, plant and equipment and capital work-in-progress pledged as collateral for liabilities are ₹ 621.64 million as at March 31, 2023 (March 31, 2022: ₹ Nil)

Particulars	As at March 31, 2023	As at March 31, 2022
13 : Other non-financial assets		
Unsecured, considered good		
Prepaid expenses	276.55	192.13
Balance in employee imprest accounts	80.71	32.32
GST receivable	4.23	9.64
Capital Advances	1.13	11.21
Other advances	47.88	51.09
	410.50	**296.39**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional Amount (INR)	Fair Value (INR)	Notional Amount (INR)	Fair Value (INR)
14: Derivative financial instruments				
Currency and interest swap	329.48	6.95	-	
Total	**329.48**	**6.95**	**-**	

The Group entered derivatives for risk management purposes. Derivatives (i.e., currency and interest rate swaps) held for risk management purposes include hedges that are economic hedges, but the group has elected not to apply hedge accounting requirements.

Particulars	As at March 31, 2023	As at March 31, 2022
15: Trade Payable		
A. Trade Payable		
(i) total outstanding dues of micro enterprises and small enterprises (MSME)(refer note 42)	0.53	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	103.46	82.49
	103.99	**82.49**

Trade Payable as at March 31, 2023:

Particulars	Unbilled dues	Outstanding for following periods from due date of payment*				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.53	-	-	-	**0.53**
(ii) Others	20.44	80.56	1.94	0.33	0.19	**103.46**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv)Disputed dues - Others	-	-	-	-	-	**-**

Trade Payable as at March 31, 2022:

(₹ in million unless otherwise stated)

Particulars	Unbilled dues	Outstanding for following periods from due date of payment*				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	19.52	62.26	0.41	0.20	0.10	**82.49**
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

*in case where due date of payment is not specified, disclosure has been given based on the date of transaction.

Particulars	As at March 31, 2023	As at March 31, 2022
16: Debt Securities (at amortised cost)		
(a) Debentures		
Secured*		
Nil (March 31, 2022: 1,500), 14.50%, senior secured, unlisted, rated, transferable, redeemable, principal protected market linked debentures of ₹100,000 each	-	231.44
400 (March 31, 2022: 400), 13.80%, secured, rated, listed transferable non-convertible debentures of ₹ 1,000,000 each	410.86	403.05
Nil (March 31, 2022: 24,983) 13.60%, secured, unlisted, rated, redeemable, non-convertible debenture of ₹10,000 each	-	83.46
Nil (March 31, 2022: 24,983) 13.60%, unlisted, unsubordinated, secured, transferable, redeemable non-convertible debentures of ₹10,000 each	-	82.91
285 (March 31, 2022: 285) 12.85%, secured, listed, non-convertible debentures of ₹ 1,000,000 each	287.84	286.68
380 (March 31, 2022: 380) 12.40% secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	291.28	388.38
345 (March 31, 2022: 345) 12.40% secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	352.41	352.49
25,000,000 (March 31, 2022: 25,000,000) 13.75% fully paid-up unlisted, senior, secured, rated, redeemable taxable, transferable non-convertible debentures each having a face value of ₹ 10/- each	86.32	172.09
260 (March 31, 2022: 260) 12.30% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	260.99	261.65
2,000 (March 31, 2022: 2,000) 13.16% secured, rated, listed, redeemable, transferable, principal protected market linked non-convertible debentures of face value of ₹ 100,000/- each	244.05	218.42
221 (March 31, 2022: 221) 12.40% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	225.40	226.34
161 (March 31, 2022: 161) 12.40% secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	164.09	164.71
161 (March 31, 2022: 161) 12.40% secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	164.23	164.74
800 (March 31, 2022: 800) 12.38% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	805.62	808.97
Nil (March 31, 2022: 300) 11.50% secured, rated, unlisted, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	-	302.85
420 (March 31, 2022: 420) 12.44% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	427.77	429.64
225 (March 31, 2022: 225) 12.45% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	223.82	224.90
225 (March 31, 2022: 225) 12.45% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	223.82	224.90
260 (March 31, 2022: 260) 11.76% secured, rated, unlisted, senior, transferable, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	181.61	257.84
225 (March 31, 2022: Nil) 12.45% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	232.92	-
150 (March 31, 2022: Nil) 12.45% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	155.22	-
240 (March 31, 2022: Nil) 12% secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	136.92	-
250 (March 31, 2022: Nil) 11.61% senior, rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures of face value of ₹ 1,000,000/- each	142.19	-
467 (March 31, 2022: Nil) 11.42% secured, rated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹ 1,000,000/- each	464.75	-
350 (March 31, 2022: Nil) 10.11% fully paid, senior, secured, rated, listed, taxable principal protect market linked, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	361.55	-
300 (March 31, 2022: Nil) 13.31% secured, listed, rated, unsubordinated, transferable, redeemable, principal protected, market linked non-convertible debentures of face value of ₹ 1,000,000/- each	320.60	-
150 (March 31, 2022: Nil) 13.31% secured, listed, rated, unsubordinated, transferable, redeemable, principal protected, market linked non-convertible debentures of face value of ₹ 1,000,000/- each	160.26	-

Contd...

(₹ in million unless otherwise stated)

200 (March 31, 2022: Nil) 12% senior, rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures of face value of ₹ 1,000,000/-each	157.38	-
250 (March 31, 2022: Nil) 12.75% senior, rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures of face value of ₹ 1,000,000/- each	213.86	-
700 (March 31, 2022: Nil) 12% unlisted, secured, rated, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	700.99	-
300 (March 31, 2022: Nil) 12% unlisted, secured, rated, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	300.33	-
20,500 (March 31, 2022: Nil) 11.85% unlisted, senior, secured, redeemable, transferable, non-convertible debentures of face value of ₹ 100,000/- each	2,036.02	-
Unsecured		
610 (March 31, 2022: Nil) 11.75% unlisted, unsecured, transferable, redeemable and interest bearing non-convertible debentures of face value of ₹ 1,000,000/- each	627.59	-
Total debt securities	**10,360.69**	**5,285.46**
Borrowings in India	10,360.69	5,285.46
Borrowings outside India	-	-
Total	**10,360.69**	**5,285.46**

* Loans are secured by hypothecation of book debts.

Particulars	As at March 31, 2023	As at March 31, 2022
(b) Borrowings (other than debt securities) (at amortised cost)		
Secured		
Term loan**		
From banks	14,488.64	10,059.53
From others	9,010.44	3,985.39
Car loan***	8.55	-
Bank overdraft*	308.96	1,328.46
External commercial borrowings**	324.50	-
Borrowing under securitization arrangement**		
From banks	1,001.38	766.29
From others	-	196.89
Total borrowings (other than debt securities)	**25,142.47**	**16,336.56**
Borrowings in India	24,817.97	16,336.56
Borrowings outside India	324.50	-
Total	**25,142.47**	**16,336.56**

*Bank overdraft is secured by term deposits with banks.
**Loans are secured by hypothecation of book debts, margin money deposits and land and building (capital work-in-progress).
***Loans are secured by hypothecation of vehicle.

(c) Subordinated liabilities (at amortised cost)		
Unsecured debentures #		
200 (March 31, 2022: 200) 15.75% rated, unlisted, subordinated, unsecured, transferable, redeemable, non-convertible debentures of ₹1,000,000 each	206.81	206.47
25,000,000 (March 31, 2022: 25,000,000) 14.27% rated, listed, unsecured, subordinated, redeemable, taxable, non-convertible debentures of ₹ 10 each	244.90	243.56
3,000 (March 31, 2022: 3,000) 14.75% rated, unlisted, subordinate, unsecured, redeemable, transferable, non-convertible debentures of face value of ₹ 100,000/- each	301.89	302.26
300 (March 31, 2022: 300) 15.15% rated, unlisted, subordinate, unsecured, taxable, redeemable, non-convertible debentures of face value of ₹ 1,000,000/- each	311.20	301.98
Unsecured term loan#		
From banks	96.09	95.96
From others	-	-
Total subordinated liabilities	**1,160.89**	**1,150.23**
Borrowings in India	1,160.89	1,150.23
Borrowings outside India	-	-
Total	**1,160.89**	**1,150.23**

The unsecured borrowings are in the nature of subordinated liabilities and non-convertible debentures.

Above amount includes		
Secured borrowings*	34,875.57	21,622.02
Unsecured borrowings #	1,788.48	1,150.23
Net amount	**36,664.05**	**22,772.25**

* Loans are secured by hypothecation of book debts and margin money deposits.
# The unsecured borrowings are in the nature of subordinated liabilities and non-convertible debentures.

16A. Terms of principal repayment of borrowings as at March 31, 2023

(₹ in million unless otherwise stated)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Debt Securities										
NCD										
Monthly										
1-3 years	11.51%-12.00%	12	100.00	7	58.33	0	-	0	-	158.33
	12.51%-13.00%	12	83.33	12	83.33	7	48.61	0	-	215.27
Quarterly										
1-3 years	11.51%-12.00%	4	150.00	4	150.00	0	-	0	-	300.00
		4	137.14	0	-	0	-	0	-	137.14
		4	142.86	0	-	0	-	0	-	142.86
		4	350.00	4	350.00	0	-	0	-	700.00
Half Yearly										
Above 3 years	11.01%-11.50%	0	-	1	116.75	2	350.25	0	-	467.00
	11.51%-12.00%	1	410.00	0	-	1	410.00	3	1,230.00	2,050.00
Yearly					-					
1-3 years	11.51%-12.00%	1	78.00	1	104.00	0	-	0	-	182.00
	13.51%-14.00%	1	83.33	0	-	0	-	0	-	83.33
Above 3 years	12.01%-12.50%	0	-	0	-	2	225.00	0	-	225.00
		0	-	0	-	2	225.00	0	-	225.00
		0	-	0	-	1	56.25	1	168.75	225.00
		0	-	0	-	1	37.50	1	112.50	150.00
		0	-	0	-	0	-	1	285.00	285.00
Bullet										
1-3 years	10.01%-10.50%	1	350.00	0	-	0	-	0	-	350.00
	11.51%-12.00%	0	-	0	-	1	610.00	0	-	610.00
	13.51%-14.00%	0	-	1	150.00	0	-	0	-	150.00
Above 3 years	12.01%-12.50%	0	-	1	345.00	1	-	0	-	345.00
		0	-	0	-	1	260.00	0	-	260.00
		0	-	0	-	0	420.00	0	-	420.00
		0	-	0	-	0	-	1	800.00	800.00
		0	-	0	-	0	-	1	161.00	161.00
		0	-	0	-	0	-	1	161.00	161.00
		0	-	0	-	0	-	1	221.00	221.00
	12.51%-13.00%	0	-	0	-	0	-	1	400.00	400.00
	13.01%-13.50%	0	-	1	200.00	0	-	0	-	200.00
	13.51%-14.00%	1	285.00	0	-	0	-	0	-	285.00
	15.01%-15.50%	0	-	0	-	1	300.00	0	-	300.00
Borrowings (Other than Debt Securities)										
Term Loan										
Monthly										
1-3 years	8.51%-9.00%	7	166.67	0	-	0	-	0	-	166.67
		12	182.40	12	182.40	1	11.36	0	-	376.16
		7	381.82	0	-	0	-	0	-	381.82
	9.01%-9.50%	12	72.73	7	42.42	0	-	0	-	115.15
		12	188.40	6	90.97	0	-	0	-	279.37
		6	90.00	0	-	0	-	0	-	90.00
		9	112.50	0	-	0	-	0	-	112.50
		10	82.50	0	-	0	-	0	-	82.50
		12	333.33	7	193.83	0	-	0	-	527.16
	9.51%-10.00%	12	37.50	7	21.88	0	-	0	-	59.38
		12	196.57	0	-	0	-	0	-	196.57
	10.01%-10.50%	9	375.00	0	-	0	-	0	-	375.00
		12	120.00	5	50.00	0	-	0	-	170.00
		12	175.00	1	14.58	0	-	0	-	189.58
		11	114.58	8	83.33	0	-	0	-	197.91
		9	112.50	12	150.00	11	137.28	0	-	399.78
		12	53.68	12	59.57	0	-	0	-	113.25
	10.51%-11.00%	12	100.00	5	41.67	0	-	0	-	141.67
		12	500.00	5	208.33	0	-	0	-	708.33
		12	64.83	0	-	0	-	0	-	64.83
		12	228.57	0	-	0	-	0	-	228.57
		6	136.36	0	-	0	-	0	-	136.36
		12	130.34	1	11.54	0	-	0	-	141.88
		12	100.00	2	16.67	0	-	0	-	116.67

Contd...

16A. Terms of principal repayment of borrowings as at March 31, 2023

(₹ in million unless otherwise stated)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
1-3 years	10.51%-11.00%	12	75.00	0	-	0	-	0	-	75.00
		12	100.00	9	75.00	0	-	0	-	175.00
		8	380.95	13	619.05	0	-	0	-	1,000.00
		9	600.00	12	800.00	9	600.00	0	-	2,000.00
		11	137.50	6	75.00	0	-	0	-	212.50
	11.01%-11.50%	12	54.96	6	29.18	0	-	0	-	84.14
		12	200.00	8	133.33	0	-	0	-	333.33
		12	50.00	11	45.83	0	-	0	-	95.83
		12	500.00	12	500.00	0	-	0	-	1,000.00
		10	133.33	12	160.00	2	26.67	0	-	320.00
		12	619.05	0	-	0	-	0	-	619.05
		11	113.44	0	-	0	-	0	-	113.44
	11.51%-12.00%	12	99.79	6	54.56	0	-	0	-	154.35
		6	19.15	0	-	0	-	0	-	19.15
		12	191.97	5	87.09	0	-	0	-	279.06
		12	75.00	9	56.25	0	-	0	-	131.25
		12	53.50	0	-	0	-	0	-	53.50
		12	125.00	2	20.83	0	-	0	-	145.83
		12	64.69	1	6.21	0	-	0	-	70.90
		9	106.71	11	143.29	0	-	0	-	250.00
		10	95.24	11	104.76	0	-	0	-	200.00
		10	142.86	11	157.14	0	-	0	-	300.00
		11	106.85	12	131.33	1	11.81	0	-	249.99
		12	250.00	9	187.50	0	-	0	-	437.50
	12.01%-12.50%	12	256.80	3	69.32	0	-	0	-	326.12
		12	101.75	0	-	0	-	0	-	101.75
		12	160.75	1	18.98	0	-	0	-	179.73
		10	44.64	0	-	0	-	0	-	44.64
		12	105.00	0	-	0	-	0	-	105.00
		11	27.82	12	34.20	9	28.59	0	-	90.61
		1	4.22	0	-	0	-	0	-	4.22
		12	110.00	12	110.00	3	27.50	0	-	247.50
		12	47.67	12	52.00	7	30.33	0	-	130.00
		12	60.00	12	60.00	0	-	0	-	120.00
		11	152.78	7	97.22	0	-	0	-	250.00
		12	75.00	8	50.00	0	-	0	-	125.00
	12.51%-13.00%	7	15.92	0	-	0	-	0	-	15.92
		9	112.50	0	-	0	-	0	-	112.50
		12	25.00	0	-	0	-	0	-	25.00
		12	50.00	0	-	0	-	0	-	50.00
		3	12.50	0	-	0	-	0	-	12.50
		6	37.50	0	-	0	-	0	-	37.50
		12	75.00	0	-	0	-	0	-	75.00
		12	73.02	3	19.87	0	-	0	-	92.89
		12	125.00	3	31.25	0	-	0	-	156.25
		12	100.00	6	50.00	0	-	0	-	150.00
		12	100.00	8	66.67	0	-	0	-	166.67
		12	48.31	9	40.56	0	-	0	-	88.87
		12	71.72	9	67.09	0	-	0	-	138.81
		1	0.83	0	-	0	-	0	-	0.83
		12	275.00	12	275.00	0	-	0	-	550.00
		12	125.00	10	104.17	0	-	0	-	229.17
	12.51%-13.00%	12	61.88	12	70.26	10	65.64	0	-	197.78
		11	55.99	12	68.99	4	25.02	0	-	150.00
		12	54.34	12	61.73	6	33.93	0	-	150.00
	13.01%-13.50%	12	119.52	10	111.55	0	-	0	-	231.07
		1	6.25	0	-	0	-	0	-	6.25
		12	103.03	12	103.03	9	77.27	0	-	283.33
	13.51%-14.00%	12	75.00	8	50.00	0	-	0	-	125.00
	14.51%-15.00%	8	327.45	0	-	0	-	0	-	327.45
Above 3 years	9.01%-9.50%	12	76.92	12	76.92	12	76.92	18	114.51	345.27
	10.01%-10.50%	12	1.15	12	1.46	12	1.75	1	0.12	4.48
	12.01%-12.50%	11	39.36	12	48.38	12	54.79	1	4.96	147.49
	12.51%-13.00%	12	75.80	12	75.80	0	-	0	-	151.60

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16A. Terms of principal repayment of borrowings as at March 31, 2023

(₹ in million unless otherwise stated)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Quarterly										
1-3 years	9.51%-10.00%	4	200.00	2	100.00	0	-	0	-	300.00
		4	83.33	4	83.33	3	62.50	0	-	229.16
	11.01%-11.50%	4	370.00	4	360.00	3	270.00	0	-	1,000.00
		4	50.00	4	50.00	0	-	0	-	100.00
		4	250.00	0	-	0	-	0	-	250.00
	11.51%-12.00%	4	150.00	0	-	0	-	0	-	150.00
	12.01%-12.50%	4	66.67	4	66.67	0	-	0	-	133.34
		4	400.00	3	300.00	0	-	0	-	700.00
		4	185.00	3	138.75	0	-	0	-	323.75
		4	125.00	4	125.00	0	-	0	-	250.00
		4	40.00	4	40.00	0	-	0	-	80.00
	12.51%-13.00%	4	83.33	0	-	0	-	0	-	83.33
		4	125.00	4	125.00	0	-	0	-	250.00
	13.01%-13.50%	4	125.00	2	62.50	0	-	0	-	187.50
Bullet										
1-3 years	5.51%-6.00%	1	49.50	0	-	0	-	0	-	49.50
Car Loan										
Bullet										
Above 3 years	8.51%-9.00%	12	0.17	12	0.19	12	0.20	19	0.36	0.92
		12	0.22	12	0.24	12	0.26	15	0.36	1.08
		12	0.32	12	0.35	12	0.38	17	0.60	1.65
	11.51%-12.00%	12	0.28	12	0.32	12	0.36	20	0.70	1.66
	12.51%-13.00%	12	0.24	12	0.28	12	0.31	22	0.68	1.51
		12	0.27	12	0.30	12	0.34	22	0.75	1.66
Bank Overdraft										
Repayable on Demand										
1-3 years	8.01%-8.50%	1	308.96	0	-	0	-	0	-	308.96
ECB										
Bullet										
1-3 years	12.01%-12.50%	0	-	0	-	1	329.48	0	-	329.48
Securitization										
1-3 years	9.01%-9.50%	6	52.26	0	-	0	-	0	-	52.26
	10.01%-10.50%	10	260.09	0	-	0	-	0	-	260.09
	11.51%-11.00%	10	549.67	0	-	0	-	0	-	549.67
Subordinated Liabilities										
Half Yearly										
Above 3 years	14.01%-14.50%	0	-	0	-	2	160.00	1	90.00	250.00
Bullet										
Above 3 years	14.51%-15.00%	0	-	1	50.00	0	-	0	-	50.00
		0	-	0	-	0	-	1	300.00	300.00
	15.01%-15.50%	0	-	0	-	0	-	1	300.00	300.00
	15.51%-16.00%	0	-	0	-	1	200.00	0	-	200.00
	16.51%-17.00%	1	45.00	0	-	0	-	0	-	45.00
Total		**1133**	**17,430.66**	**640**	**9,428.33**	**210**	**5,175.30**	**149**	**4,352.29**	**36,386.58**
Impact of EIR on Borrowing										**138.72**
Impact of EIR on Securitization										**139.36**
Impact of Foreign Exchange Fluctuation										**(0.61)**
Grand Total										**36,664.05**

16B. Terms of principal repayment of borrowings as at March 31, 2022

(₹ in million unless otherwise stated)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Debt Securities										
NCD										
Yearly										
1-3 years	11.51%-12.00%	1	78.00	1	78.00	1	104.00	0	-	260.00
		1	83.28	0	-	0	-	0	-	83.28
		1	83.28	0	-	0	-	0	-	83.28
		1	83.33	1	83.34	0	-	0	-	166.67
Above 3 years	12.01%-12.50%	0	-	0	-	0	-	2	225.00	225.00
		0	-	0	-	0	-	2	225.00	225.00
		1	95.00	0	-	0	-	1	285.00	380.00
Bullet										
1-3 years	11.01%-11.50%	1	300.00	0	-	0	-	0	-	300.00
Above 3 years	12.01%-12.50%	0	-	0	-	1	345.00	0	-	345.00
		0	-	0	-	0	-	1	260.00	260.00
		0	-	0	-	0	-	1	420.00	420.00
		0	-	0	-	0	-	1	800.00	800.00
		0	-	0	-	0	-	1	161.00	161.00
		0	-	0	-	0	-	1	161.00	161.00
		0	-	0	-	0	-	1	221.00	221.00
	13.01%-13.50%	0	-	0	-	1	200.00	0	-	200.00
	13.51%-14.00%	1	400.00	0	-	0	-	0	-	400.00
		0	-	1	285.00	0	-	0	-	285.00
	14.01%-14.50%	1	150.00	0	-	0	-	0	-	150.00
Borrowings (Other than Debt Securities)										
Term Loan										
Monthly										
1-3 years	6.51%-7.00%	6	120.00	0	-	0	-	0	-	120.00
	8.51%-9.00%	12	285.71	7	166.67	0	-	0	-	452.38
		12	654.55	7	381.82	0	-	0	-	1,036.37
	9.01%-9.50%	12	72.73	12	72.73	7	42.42	0	-	187.88
		12	188.40	12	188.40	6	91.80	0	-	468.60
		12	180.00	6	90.00	0	-	0	-	270.00
		12	150.00	9	112.50	0	-	0	-	262.50
		12	99.00	10	82.50	0	-	0	-	181.50
		12	333.33	12	333.34	7	194.44	0	-	861.11
	9.51%-10.00%	11	34.38	12	37.50	7	21.87	0	-	93.75
		12	181.82	12	196.97	0	-	0	-	378.79
	10.01%-10.50%	12	500.00	9	375.00	0	-	0	-	875.00
		12	120.00	12	120.00	5	50.00	0	-	290.00
		9	36.75	12	53.68	12	59.57	0	-	150.00
	10.51%-11.00%	11	229.17	0	-	0	-	0	-	229.17
		12	125.00	0	-	0	-	0	-	125.00
		12	58.25	12	64.83	0	-	0	-	123.08
		9	171.43	12	228.57	0	-	0	-	400.00
		12	272.73	6	136.36	0	-	0	-	409.09
		11	108.12	12	130.34	1	11.54	0	-	250.00
		10	83.33	12	100.00	2	16.67	0	-	200.00
		12	75.00	12	75.00	0	-	0	-	150.00
		12	150.00	0	-	0	-	0	-	150.00
	11.01%-11.50%	8	33.33	0	-	0	-	0	-	33.33
		8	36.36	0	-	0	-	0	-	36.36
		8	380.95	12	619.05	0	-	0	-	1,000.00
		12	123.75	11	113.44	0	-	0	-	237.19
		8	2.58	0	-	0	-	0	-	2.58
	11.51%-12.00%	6	54.39	0	-	0	-	0	-	54.39
		12	35.14	6	19.15	0	-	0	-	54.29
		11	157.04	12	191.97	5	87.09	0	-	436.10
		11	100.00	0	-	0	-	0	-	100.00
		12	46.50	12	53.50	0	-	0	-	100.00
		10	104.17	12	125.00	2	20.83	0	-	250.00
		12	57.41	12	64.69	1	6.22	0	-	128.32
		9	75.00	0	-	0	-	0	-	75.00

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16B. Terms of principal repayment of borrowings as at March 31, 2022

(₹ in million unless otherwise stated)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
1-3 years	12.01%-12.50%	5	52.08	0	-	0	-	0	-	52.08
		12	89.37	12	100.63	0	-	0	-	190.00
		11	131.98	12	162.65	1	15.37	0	-	310.00
		12	47.88	10	44.64	0	-	0	-	92.52
		12	105.00	12	105.00	0	-	0	-	210.00
		9	37.50	0	-	0	-	0	-	37.50
		12	47.24	1	4.22	0	-	0	-	51.46
		12	142.86	1	11.90	0	-	0	-	154.76
	12.51%-13.00%	12	24.69	7	15.92	0	-	0	-	40.61
		12	150.00	9	112.50	0	-	0	-	262.50
		12	25.00	12	25.00	0	-	0	-	50.00
		12	50.00	12	50.00	0	-	0	-	100.00
		12	50.00	3	12.50	0	-	0	-	62.50
		12	75.00	6	37.50	0	-	0	-	112.50
		12	75.00	12	75.00	0	-	0	-	150.00
		12	64.17	12	73.02	3	19.87	0	-	157.06
		6	45.00	0	-	0	-	0	-	45.00
		8	36.23	0	-	0	-	0	-	36.23
		11	58.77	0	-	0	-	0	-	58.77
		12	28.57	0	-	0	-	0	-	28.57
		12	42.54	0	-	0	-	0	-	42.54
		12	9.21	1	0.83	0	-	0	-	10.04
		12	53.23	0	-	0	-	0	-	53.23
		12	28.57	0	-	0	-	0	-	28.57
	13.01%-13.50%	6	27.57	0	-	0	-	0	-	27.57
		3	51.34	0	-	0	-	0	-	51.34
		5	20.83	0	-	0	-	0	-	20.83
		7	29.17	0	-	0	-	0	-	29.17
		9	20.32	0	-	0	-	0	-	20.32
		9	37.50	0	-	0	-	0	-	37.50
		11	22.92	0	-	0	-	0	-	22.92
		12	62.50	0	-	0	-	0	-	62.50
		12	75.00	1	6.25	0	-	0	-	81.25
		2	11.92	0	-	0	-	0	-	11.92
	13.51%-14.00%	8	100.00	0	-	0	-	0	-	100.00
		10	90.35	0	-	0	-	0	-	90.35
		1	2.25	0	-	0	-	0	-	2.25
		1	12.32	0	-	0	-	0	-	12.32
	14.01%-14.50%	2	4.27	0	-	0	-	0	-	4.27
		12	4.68	9	0.02	0	-	0	-	4.70
	14.51%-15.00%	1	0.21	0	-	0	-	0	-	0.21
	15.01%-15.50%	2	3.70	0	-	0	-	0	-	3.70
		2	3.67	0	-	0	-	0	-	3.67
		2	6.64	0	-	0	-	0	-	6.64
		2	3.00	0	-	0	-	0	-	3.00
		7	11.46	0	-	0	-	0	-	11.46
Above 3 years	12.51%-13.00%	0	-	12	75.80	12	75.80	0	-	151.60
	13.01%-13.50%	5	35.10	0	-	0	-	0	-	35.10
Quarterly										
1-3 years	11.51%-12.00%	4	150.00	4	150.00	0	-	0	-	300.00
	12.01%-12.50%	4	66.67	4	66.67	4	66.67	0	-	200.00
	12.51%-13.00%	4	83.33	4	83.33	0	-	0	-	166.66
ECB										
Bullet										
Above 3 years	12.01%-12.50%	2	106.00	0	-	0	-	0	-	106.00
Bank Overdraft										
Repayable on Demand										
1-3 years	5.51%-6.00%	1	300.99	0	-	0	-	0	-	300.99
	8.01%-8.50%	1	448.64	0	-	0	-	0	-	448.64
		1	578.83	0	-	0	-	0	-	578.83
Securitization										
1-3 years	9.01%-9.50%	12	126.90	6	75.25	0	-	0	-	202.15
	9.51%-10. 00%	7	60.15	0	-	0	-	0	-	60.15
		8	88.13	0	-	0	-	0	-	88.13
		6	59.89	0	-	0	-	0	-	59.89
	10.01%-10.50%	8	99.21	0	-	0	-	0	-	99.21
	10.51%-11.00%	9	290.09	0	-	0	-	0	-	290.09

Contd...

16B. Terms of principal repayment of borrowings as at March 31, 2022

(₹ in million unless otherwise stated)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due beyond 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Subordinated Liabilities										
Half Yearly										
Above 3 years	14.01%-14.50%	0	-	0	-	0	-	3	250.00	250.00
Bullet										
Above 3 years	14.51%-15.00%	0	-	0	-	1	50.00	0	-	50.00
		0	-	0	-	0	-	1	300.00	300.00
	15.01%-15.50%	0	-	0	-	0	-	1	300.00	300.00
	15.51%-16.00%	0	-	0	-	0	-	1	200.00	200.00
	16.51%-17.00%	0	-	1	45.00	0	-	0	-	45.00
Total		**858**	**11,274.65**	**441**	**5,912.99**	**79**	**1,479.17**	**17**	**3,808.00**	**22,474.79**
Impact of EIR on borrowings										**133.90**
Impact of EIR on securitization										**163.56**
Grand Total										**22,772.25**

Particulars	As at March 31, 2023	As at March 31, 2022
17: Other financial liabilities		
Payable towards direct assignment and asset reconstruction company	996.76	353.59
Lease liability (refer note 41)	15.96	17.08
Other liabilities	193.14	14.53
	1,205.86	**385.20**

Particulars	As at March 31, 2023	As at March 31, 2022
18: Provisions		
Provision for employee benefits		
Gratuity (refer note 40)	29.33	17.09
Compensated absences	40.52	19.49
	69.85	**36.58**

Particulars	As at March 31, 2023	As at March 31, 2022
19: Other non-financial liabilities		
Statutory dues payable	113.07	67.64
Other liabilities	2.77	5.76
	115.84	**73.40**

Particulars	As at March 31, 2023	As at March 31, 2022
20: Equity Share capital		
Authorized		
80,000,000 (March 31, 2022: 80,000,000) equity shares of ₹ 10 each	800.00	800.00
Total	**800.00**	**800.00**
Issued and subscribed		
61,148,256 (March 31, 2022: 51,374,506) equity shares of ₹ 10 each fully paid up	611.48	513.75
Total	**611.48**	**513.75**
Paid-up		
56,148,256 (March 31, 2022: 48,874,506) equity shares of ₹ 10 each fully paid up	561.48	488.75
5,000,000 (March 31, 2022: 2,500,000) equity shares of ₹ 10 partly paid-up to the extent of ₹ 7.5 per share (March 31, 2022: ₹ 4 per share)	37.50	10.00
	598.98	**498.75**
Less: Amount recoverable from Satya Employee Welfare Trust	(5.78)	(8.11)
Total	**593.20**	490.64

(a) Terms/rights attached to equity shares

The Group has one class of fully paid and three class of partly paid equity shares of face value of 10 per share. Each holder of equity shares is entitled to one vote per share. Dividend if proposed by the Board of Directors, shall be subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event, the Group declares any dividend the same shall be paid in Indian rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in million unless otherwise stated)

(b) Reconciliation of the number of equity shares issued and subscribed at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	51,374,506	513.75	48,724,506	487.25
Add: Issued during the year	5,000,000	50.00	2,650,000	26.50
Add: Conversion of NCCCPS into Equity Shares (refer note below)	4,773,750	47.73	-	-
Outstanding at the end of the year	**61,148,256**	**611.48**	**51,374,506**	**513.75**

Note:

During the year ended March 31, 2023, the Company has converted 0.001%, 5,700,000 non-cumulative compulsorily convertible preference shares ('NCCCPS') of face value of ₹ 10 each into 4,773,750 equity share at the conversion price of ₹ 240 each to Gojo & Company, Inc.

(c) Reconciliation of the number of equity shares paid-up outstanding at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	51,374,506	498.75	48,724,506	468.50
Add: Issued during the year*	5,000,000	52.50	2,650,000	30.25
Add: Conversion of NCCCPS into Equity shares	4,773,750	47.73	-	-
Outstanding at the end of the year	**61,148,256**	**598.98**	**51,374,506**	**498.75**

* include amount received on party paid up equity shares of ₹ 37.5 million issued during the year (March 31, 2022: ₹ 3.75 million)

(d) Shares held by the Holding Company

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
GOJO & Company, Inc.	38,510,540	62.98%	26,963,315	52.48%

(e) Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
GOJO & Company, Inc.	38,510,540	62.98%	26,963,315	52.48%
Vivek Tiwari*	16,680,200	27.28%	11,668,200	22.72%
Dia Vikas Capital Private Limited	-	-	6,773,475	13.18%

*includes of 5,000,000 partly-paid equity shares, ₹ 7.5 per share paid up (March 31, 2022: includes of 2,500,000 partly-paid equity shares, ₹ 4 per share paid up).

(f) Shareholdings of Promoters

(i) For fully paid shares

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Vivek Tiwari	11,680,200	19.10%	9,168,200	17.85%
Koshish Marketing Solutions Pvt. Ltd.	1,996,700	3.27%	1,902,300	3.70%
Vandna Tiwari	113,500	0.19%	113,500	0.22%
Sadhna Tiwari	20,000	0.03%	20,000	0.04%
Ratnesh Tiwari	51,500	0.08%	51,500	0.10%
Total	**13,861,900**	**22.67%**	**11,255,500**	**21.91%**

(ii) For Partly paid shares

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Vivek Tiwari	5,000,000	8.18%	2,500,000	4.87%
Total	**5,000,000**	**8.18%**	**2,500,000**	**4.87%**

(₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
21: Instruments entirely equity in nature		
Authorized 20,000,000 (March 31, 2022: 20,000,000) preference shares of Rs. 10 each	200.00	200.00
	200.00	**200.00**
Issued, subscribed 7,150,000 (March 31, 2022: 2,985,100) preference shares of ₹ 10 each	71.50	29.85
	71.50	**29.85**
Paid up 4,650,000 (March 31, 2022: 2,985,100) preference shares of ₹ 10 each	46.50	29.85
2,500,000 (March 31, 2022: Nil) preference shares of ₹ 10 each partly paid-up to the extent of ₹ 1 per share (March 31, 2022: Nil)	2.50	-
	49.00	**29.85**

(a) Terms/rights attached to non- cumulative compulsorily convertible preference shares

During the current financial year, the Company has issued the following non-cumulative compulsorily convertible preference shares (NCCCPS):

1. 2,714,900, 0.001% non-cumulative compulsorily convertible preference shares (NCCCPS) at ₹201 per NCCCPS (face value of ₹10 and premium of ₹191 per NCCCPS) to Gojo & Company, Inc.. The terms of NCCCPS are as follows:

(i) Tenor & Conversion: On or before 10 (Ten) years.

(ii) NCCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the NCCCPS shall rank pari-passu in all respects with the existing Equity Shares of the Company.

(iii) Priority with respect to payment of dividend or repayment of capital: NCCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

2. 2,500,000, 0.001% non-cumulative compulsorily convertible preference shares (NCCCPS) at ₹211 per NCCCPS (face value of ₹10 and premium of ₹201 per NCCCPS) to Mr. Vivek Tiwari. The terms of NCCCPS are as follows:

(I) Tenor & Conversion: At any time prior to 10 years from the date of allotment of NCCCPS or initial public offer whichever is earlier.

(ii) NCCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the NCCCPS shall rank pari-passu in all respects with the existing Equity Shares of the Company.

(iii) Priority with respect to payment of dividend or repayment of capital: NCCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

3. 4,450,000, 0.001% non-cumulative compulsorily convertible preference shares (NCCCPS) at ₹ 330 per NCCCPS (face value of ₹ 10 and premium of ₹ 320 per NCCCPS) to Gojo & Company, Inc. and 200,000, 0.001% non-cumulative compulsorily convertible preference shares (NCCCPS) at ₹ 330 per NCCCPS (face value of ₹ 10 and premium of ₹ 320 per NCCCPS) to other indian promoters. The terms of NCCCPS are as follows:

(i) Tenor & Conversion: On or before March 31, 2025.

(ii) NCCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the NCCCPS shall rank pari-passu in all respects with the existing Equity Shares of the Company.

(iii) Priority with respect to payment of dividend or repayment of capital: NCCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

4. During the current financial year, the Board of Directors of the Company has declared an interim dividend of ₹ 508.26 (inclusive of applicable taxes) on 0.001% 57,00,000, non-cumulative compulsorily convertible preference shares of face value of ₹ 10 each held by Gojo & Company, Inc, Holding Company.

(b) Reconciliation of the number of non- cumulative compulsorily convertible preference shares issued and subscribed at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,985,100	29.85	-	-
Add: Issued during the year	9,864,900	98.65	2,985,100	29.85
Less: Conversion of NCCCPS into Equity shares	5,700,000	57.00	-	-
Outstanding at the end of the year	**7,150,000**	**71.50**	**2,985,100**	**29.85**

(c) Reconciliation of the number of non- cumulative compulsorily convertible preference shares paid-up outstanding at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,985,100	29.85	-	-
Add: Issued during the year	9,864,900	76.15	2,985,100	29.85
Less: Conversion of NCCCPS into Equity shares	5,700,000	57.00	-	-
Outstanding at the end of the year	**7,150,000**	**49.00**	**2,985,100**	**29.85**

(₹ in million unless otherwise stated)

(d) Shares held by the Holding Company

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
GOJO & Company, Inc.	4,450,000	62.24%	2,985,100	100.00%

(e) Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
GOJO & Company, Inc.	4,450,000	62.24%	2,985,100	100.00%
Vivek Tiwari	2,500,000	34.97%	-	-

(f) Shareholdings of Promoters

For Partly paid shares

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Vivek Tiwari	2,500,000	34.97%	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
22: Other equity		
Share options outstanding account	25.19	22.90
Statutory reserves	213.15	107.06
Securities premium	6,754.05	4,553.74
Retained earnings	727.60	318.26
Total other equity	**7,720.16**	**5,001.96**
Share options outstanding reserve (refer note a)		
Balance at the beginning of the year	22.90	17.57
Fair value of stock option	2.29	5.33
Balance at the end of the year	**25.19**	**22.90**
Statutory reserves (refer note b)		
Balance at the beginning of the year	107.06	42.05
Add: Amount transferred from statement of profit and loss	106.25	65.01
Balance at the end of the year	**213.31**	**107.06**
Securities premium (refer note c)		
At the beginning of the year	4,595.11	3,516.45
Add: Premium on issue of equity shares	240.43	506.12
Add: Premium on issue of preference shares	2,006.55	570.12
Add: Premium on ESOP	9.97	2.42
Less; Other adjustments	(68.67)	-
	6,783.39	**4,595.11**
Less: Amount recoverable from SATYA Employee Welfare Trust	(29.34)	(41.37)
Balance at the end of the year	**6,754.05**	**4,553.74**
Retained earnings (refer note d)		
Balance at the beginning of the year	318.26	59.20
Add: Profit/(loss) for the year	531.25	324.81
Add: Other comprehensive income (re-measurement gains/(losses) on defined benefit plans)	(6.46)	(0.99)
Less: Income-tax effect on other comprehensive income	1.63	0.25
Less: Dividend paid on NCCCPS*	(0.00)	-
Less: Transfer to Statutory Reserve (20% of profit after tax as required by Section 45-IC ofthe Reserve Bank of India Act, 1934)	(106.25)	(65.01)
Less: Adjustment to carrying amount of non controlling interest due to change in interest	(14.55)	-
Add: Other adjustments	3.73	-
Net surplus/(deficit) in the statement of profit and loss	**727.61**	**318.26**

* ₹ 508.26

a. Share options outstanding reserve is created as required by Ind AS-102 'Share Based Payment' on the employees option scheme operated by the group for employees (refer note 46).

b. In terms of section 45IC of the Reserve Bank of India Act, 1934, the Group is required to transfer atleast 20% of its profit after tax to statutory reserve. Accordingly, the Group has transferred a sum of ₹ 106.26 million (March 31, 2022: ₹ 65.01 million), representing 20% of its profit after tax for the current financial year.

c. Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

d. Retained earnings are the profit/loss that the Group has earned/incurred till date, less any transfers to statutory reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earning till date.

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
23: Interest Income		
Measured at amortised cost		
Interest income on portfolio loans	5,607.46	3,140.01
Interest on fixed deposits*	149.82	193.21
Interest income on investment	35.24	12.66
	5,792.52	**3,345.88**

* Includes interest income on margin money deposits placed to avail term loans from banks, non-banking financial companies and placed as cash collateral in connection with securitisation transactions.

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
24: Fee and commission income		
Fee and commission income	491.88	291.22
	491.88	**291.22**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Type of Services or service		
Fee and commission income	491.88	291.22
Total revenue from contracts with customers	**491.88**	**291.22**
Geographical markets		
India	491.88	291.22
Outside India	-	-
Total revenue from contracts with customers	**491.88**	**291.22**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	491.88	291.22
Total revenue from contracts with customers	**491.88**	**291.22**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Contract balances		
Trade receivable	28.96	41.45
Contract assets	-	-
Contract liabilities	-	-

Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Revenue as per contract	491.88	291.22
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**491.88**	**291.22**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
25: Net gain on derecognition of financial instruments under amortised cost category		
Net gain on derecognition of financials instruments under amortised cost category	1,044.64	366.57
	1,044.64	**366.57**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
26: Other income		
Net gain or loss on foreign currency transaction and translation	0.61	-
Advertisement income	26.53	-
Miscellaneous income	28.86	14.13
	56.00	**14.13**

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
27: Finance costs		
Interest		
On debt securities	884.98	497.50
On borrowings (other than debt securities)	1,899.28	1,102.25
On subordinated liabilities	176.97	108.09
On lease liabilities (refer note 41)	2.04	2.29
On tax liability	-	0.11
Other finance cost	8.94	0.83
	2,972.21	**1,711.07**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
28: Net loss on fair value changes		
Derivatives	6.95	-
	6.95	**-**
Fair value changes		
Realised	-	-
Unrealised	6.95	-
	6.95	**-**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
29: Impairment on financial instruments		
Impairment on portfolio loans measured at amortised cost	512.00	47.30
Portfolio loans written off	210.05	123.41
	722.05	**170.71**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
30: Employee benefits expenses		
Salaries and bonus	1,807.15	1,011.68
Contribution to provident fund and other funds (refer note 40A)	120.11	74.44
Expense for employee stock option plan (refer note 45)	16.13	9.24
Gratuity expense (refer note 40B)	7.32	6.03
Staff welfare expenses	88.75	68.48
	2,039.46	**1,169.87**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
31: Depreciation and amortization expense		
Depreciation	76.92	57.23
Amortisation	0.19	0.24
	77.11	**57.47**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
32: Other expenses		
Business promotion and advertisement expenses	32.45	21.85
Postage, internet, courier and telephone expenses	47.10	32.58
General insurance expenses	12.47	2.71
Legal and professional fee	241.85	80.08
Auditor's remuneration (refer note below)	6.16	4.46
Meeting and conference	24.11	4.94
Software expenses	70.61	42.37
Net loss on sale of property, plant and equipment	1.41	0.88
Electricity charges	11.30	6.39
Printing and stationeries	19.07	14.07
Repair and maintenance	101.64	60.05
Rates and taxes	0.84	0.08
Rent including lease rent (refer note 41)	94.31	60.18
Director siting fee	14.26	6.52
Travelling and conveyance	73.30	57.45
Donation and corporate social responsibility expenditure	15.25	10.00
Cenvat credit disallowed	50.03	32.24
Miscellaneous expenses	35.23	36.73
	851.39	**473.59**

Note:

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Payment to auditors		
As auditor		
Audit fees	5.60	4.00
Certification fees	0.33	0.40
Out of pocket expenses	0.23	0.06
	6.16	**4.46**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
33: Income-tax expense		
A. Income-tax expense in the standalone statement of profit and loss consists of:		
Income-tax:		
Current year tax	69.93	102.11
Deferred tax credit	114.60	7.95
Income-tax expense reported in the standalone statement of profit or loss	**184.53**	**110.06**
Income-tax recognised in other comprehensive income		
Deferred tax arising on income and expenses recognised in other comprehensive income	(1.63)	(0.25)
Total	**182.90**	**109.81**
B. The reconciliation between the provision for income-tax of the Company and amounts computed by applying the Indian statutory income-tax rate to profit before taxes is as follows:		
Profit before tax	715.87	435.09
Enacted tax rates in India	25.168%	25.168%
Computed tax expense	180.17	109.50
Effect of :		
Non-deductible expenses	4.25	2.86
Earlier year tax	0.11	(2.30)
Total Income-tax expense	**184.53**	**110.06**

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
34: Earnings per share		
Net profit for the year attributable to owners of the Holding Company	531.25	324.81
Less: Dividend paid on NCCCPS*	(0.00)	-
Net profit for calculation of basic earnings per share	**531.25**	**324.81**
* ₹ 508.26		
Net profit as above	531.25	324.81
Add: Dividend on preference shares and tax thereon	(0.00)	-
Net profit for calculation of diluted earnings per share	**531.25**	**324.81**
Calculation of weighted average number of equity shares for basic earning per share		
Equity shares		
Number of shares at the beginning of the year	49,063,391	45,944,492
Add: Issued during the year	1,163,369	184,112
Add: CCPS converted during the year	13,079	-
Number of shares at the end of the year	**50,239,839**	**46,128,604**
Effect of dilution		
Employee stock option	610,389	670,542
Non- cumulative compulsorily convertible preference shares (NCCCPS)	4,420,618	61,644
Weighted average number of equity shares for diluted earning per share	**55,270,846**	**46,860,790**
Basic earnings per share (amount in ₹)	**10.57**	**7.05**
Diluted earnings per share (amount in ₹)	**9.61**	**6.94**
Nominal value per share: ₹10 (Previous year: ₹10)		

35: Segment Reporting

The Group operates in a single business segment i.e. financing, as the nature of the loans are exposed to similar risk and return profiles, hence they are collectively operating under a single segment as per Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic, hence there is no external revenue or assets which require disclosure.

36: Related parties under IndAS 24 with whom transactions have taken place during the year.

(₹ in million unless otherwise stated)

Holding Company

GOJO & Company, Inc. — w.e.f March 21, 2022

Substantial Shareholders

Dia Vikas Capital Private Limited — upto October 21,2022

Associate Entity

SATYA Micro Housing Finance Private Limited
(Formerly known as Baid Housing Finance Private Limited) — w.e.f. November 11, 2021 and upto June 13, 2022

Other related party in accordance with Ind AS 24

(a) Koshish Sustainable Solutions Private Limited
(b) Koshish Marketing Solutions Private Limited
(c) Satya Employee Welfare Trust
(d) Ananya Finance For Inclusive Growth Private Limited
(e) Satya Shakti Foundation
(f) Credentia Finclusion Private Limited — w.e.f March 24, 2022

Key managerial personnel

Name of key managerial personnel	Designation	
Mr. Vivek Tiwari	Managing Director, Chief Executive Officer and Chief Information Officer	
Dr. Deepali Pant Joshi	Independent Director	w.e.f. September 24, 2021
Mr. C. P. Mohan	Independent Director	upto August 11,2022 and w.e.f December 13,2022
Mr. Naveen Surya	Independent Director	
Dr. Ratnesh Tiwari	Non-Executive Director	
Mr. Saneesh Singh	Nominee Director	upto July 11, 2022
Mr. Sanjay Gandhi	Nominee Director	
Mr. Taejun Shin	Nominee Director	
Ms. Surekha Marandi	Independent Director	
Mr. Mukul Jaiswal	Independent Director	upto September 21, 2021
Mr. Sudhindra Kumar Sharma	Chief Financial Officer	upto October 31, 2021
Ms. Vandita Kaul	Chief Financial Officer	w.e.f. November 1, 2021
Mr. Amit Jain	Company Secretary	w.e.f. October 01, 2020 and upto April 17, 2022
Choudhary Runveer Krishanan	Company Secretary and Chief Compliance Officer	w.e.f. April 18, 2022

Relatives of Key managerial personnel

(a) Mr.Girijesh Tiwari
(b) Ms. Vandna Tiwari
(c) Dr. Ratnesh Tiwari

Related party transactions during the year:

(₹ in million unless otherwise stated)

S. No.	Nature of Transactions	Related Party	Transactions during year ended March 31, 2023	Transactions during year ended March 31, 2022	(Payable)/Receivable	
					As at March 31, 2023	As at March 31, 2022
1.	Remuneration*	Mr.Vivek Tiwari	56.63	34.56	-	-
		Mr.Sudhindra Sharma	-	4.61	-	(0.34)
		Ms. Vandita Kaul	9.17	3.27	-	-
		Mr. Amit Jain	0.33	2.95	-	-
		Choudhary Runveer Krishanan	6.34	-	-	-
		Mr. Girijesh Tiwari	2.16	1.29	-	-
2.	Investment	SATYA Micro Housing Finance Private Limited	-	46.14	-	46.14
3.	Share allotment including premium (fully paid-up Equity Shares)	GOJO & Company, Inc.	-	532.65	-	-
4.	NCCCPS converted into Equity share	GOJO & Company, Inc.	1,145.70	-	-	-
5.	Issue of preference shares Including premium	GOJO & Company, Inc.	2,014.19	600.01	-	-
		Mr. Vivek Tiwari	2.50	-	-	-
		Koshish Marketing Solution Pvt. Ltd.	46.20	-	-	-
		Ms. Vandna Tiwari	11.55	-	-	-
		Dr. Ratnesh Tiwari	8.25	-	-	-
6.	Call money received against equity share capital including premium	Mr. Vivek Tiwari	215.00	3.75	-	-
7.	Non- Convertible debentures Issued	GOJO & Company, Inc.	610.00	-	(627.59)	-
8.	Portfolio/(Borrowing)	Ananya Finance For Inclusive Growth Private Limited	-	-	316.64/(327.45)	-
9.	Margin Money received/(paid) to Financial Institution	Ananya Finance For Inclusive Growth Private Limited	120.53	(111.81)	58.61	176.33
10.	Advance Given/(Repaid)	Credentia Finclusion Private Limited	25/(8.28)	-	16.72	-
		Choudhary Runveer Krishanan	1.80	-	1.80	-
11.	Amount received/(paid) against Business partnership	Ananya Finance For Inclusive Growth Private Limited	-	982.02/(1,363.27)	-	(13.99)
12.	Amount received/Adjusted on ESOP exercised by employees	SATYA Employee Welfare Trust	14.37	8.50	36.13	50.49
13.	Interest income on loan given	Credentia Finclusion Private Limited	2.60	-	-	-
14.	Interest income on margin money	Ananya Finance For Inclusive Growth Private Limited	8.69	4.45	-	-
15.	Interest income/ (Finance Cost)	Ananya Finance For Inclusive Growth Private Limited	5.24/(5.24)	-	-	-
16.	Fee and commission income	Ananya Finance For Inclusive Growth Private Limited	0.15	170.39	0.01	-
17.	Finance cost	GOJO & Company, Inc.	60.29	-	(0.28)	-
18.	Professional Fees	Credentia Finclusion Private Limited	35.26	-	-	-
19.	Expense reimbursement paid/ (received)	GOJO & Company, Inc.	-	10.85	-	-
		Credentia Finclusion Private Limited	-	0.48	-	-
		SATYA Micro Housing Finance Private Limited	-	0.02	-	0.02
		SATYA Shakti Foundation	-	4.27	-	-
20.	Donation and corporate social responsibility expenditure	SATYA Shakti Foundation	13.00	10.00	-	-
21.	Director sitting fees and Commission	Dr. Deepali Pant Joshi	2.80	0.38	(1.00)	-
		Mr. C. P. Mohan	2.24	0.84	(1.00)	-
		Mr. Naveen Surya	2.24	0.87	(1.00)	-
		Dr. Ratnesh Tiwari	1.31	0.59	-	-
		Mr. Saneesh Singh	0.32	0.97	-	-
		Mr. Sanjay Gandhi	1.62	0.97	-	-
		Mr. Taejun Shin	1.04	0.70	(0.07)	-
		Ms. Surekha Marandi	2.69	0.90	(1.00)	-
		Mr. Mukul Jaiswal	-	0.30	-	-

* As the provision for gratuity, leave compensation and share based compensation is made for the Company as a whole, the amount pertaining to the Key Management Personnel is not specifically identified and hence not included above.

37: Fair Value

(₹ in million unless otherwise stated)

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets				
Loan portfolio	38,231.59	23,161.34	38,231.59	23,161.34
Investment	1,261.30	46.14	1,261.30	46.14
Financial liabilities				
Borrowings*	36,664.05	22,772.25	36,664.05	22,772.25
Derivative financial instruments	6.95	-	6.95	-

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets/liabilities, other non-financial assets/liabilities and provisions are considered to be the same as their fair values, due to their short-term nature.

38: Fair Value Hierarchy of assets and liabilities

Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Hierarchy includes financial instruments of which prices is available in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure is required):-

I. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2023 is as follows:

Assets

Particulars	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Loan portfolio (Amortised cost)	38,231.59	38,231.59	-	-	38,231.59	38,231.59
Investment (Fair value through profit and loss)	1,261.30	1,261.30	-	-	1,261.30	1,261.30
Total	**39,492.89**	**39,492.89**	**-**	**-**	**39,492.89**	**39,492.89**

Liabilities

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Borrowings (Amortised cost)*	36,664.05	36,664.05	-	-	36,664.05	36,664.05
Derivative financial instruments at fair value through profit and loss account						
Currency and interest swaps	6.95	6.95	-	6.95	-	6.95
Total	**36,671.00**	**36,671.00**	**-**	**6.95**	**36,664.05**	**36,671.00**

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

II. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2022 is as follows:

Assets

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Loan portfolio	23,161.34	23,161.34	-	-	23,161.34	23,161.34
Investment	46.14	46.14	-	-	46.14	46.14
Total	**23,207.48**	**23,207.48**	**-**	**-**	**23,207.48**	**23,207.48**

Liabilities

Particulars	Measured at amortised cost					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Borrowings*	22,772.25	22,772.25	-	-	22,772.25	22,772.25
Total	**22,772.25**	**22,772.25**	**-**	**-**	**22,772.25**	**22,772.25**

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

(₹ in million unless otherwise stated)

39: Capital management

The Group's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

The Holding company has a board approved policy on resource planning which states that the resource planning of the Group shall be based on its Asset Liability Management (ALM) requirement. The policy of the Holding company on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Particulars	March 31, 2023	March 31, 2022
Borrowings	36,664.05	22,772.25
Equity	8,376.94	5,522.45
Debt-equity ratio (no. of times)	**4.38**	**4.12**

40: Employee Benefit Plans

A. Defined contribution plans

Provident and other funds

The Group makes contribution to provident fund, employee state insurance scheme contributions, labour welfare fund and national pension scheme which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

Particulars	March 31, 2023	March 31, 2022
Employee providend fund	92.62	59.80
Employee state insurance	24.27	13.90
Labour welfare fund	0.26	0.20
National pension scheme	2.96	0.54
Total	**120.11**	**74.44**

B. Defined benefit plans

The Group has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity, on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 2 million as per the Payment of Gratuity Act, 1972. Provision for unfunded gratuity liability for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. In accordance with Indian Accounting Standard (Ind AS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the statement of profit and loss as other comprehensive income.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the Balance Sheet for the gratuity plan:

Movement in defined benefit obligations

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligation as at the beginning of the year	17.09	10.07
Current service cost	5.67	5.37
Interest on defined benefit obligation	1.17	0.66
Re-measurement (gains)/losses on defined benefit plans	6.46	0.99
Benefits paid	(1.06)	-
Defined benefit obligation as at the end of the year	**29.33**	**17.09**

Balance Sheet

Amount recognised in balance sheet

Particulars	March 31, 2023	March 31, 2022
Present value of obligations	29.33	17.09
Fair value on plan assets	NA	NA
Net defined benefit liability recognised in balance sheet	**29.33**	**17.09**

Expenses charged to the statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Current service cost	6.15	5.37
Interest cost	1.17	0.66
Total	**7.32**	**6.03**

Re-measurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2023	March 31, 2022
Re-measurement gains/(losses) on defined benefit plans	(6.46)	(0.99)
Amount recognised under other comprehensive income	**(6.46)**	**(0.99)**

Actuarial gain/(loss) on defined benefit obligation

(₹ in million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Actuarial gain/(loss) from change in demographic assumptions	-	2.57
Actuarial gain/(loss) from change in financial assumptions	0.98	0.96
Actuarial gain/(loss) from change in experience adjustments	(7.44)	(4.52)

Summary of actuarial assumptions

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.30% - 7.45%	7.10%
Expected return on plan assets	NA	NA
Rate of Increase in compensation levels	4% p.a.	4% p.a.
Withdrawal rates	40% at lower service reducing to 0% at higher service	40% at lower service reducing to 0% at higher service

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2023	March 31, 2022
Discount rate (+0.5%)	(27.54)	(16.30)
Discount rate (-0.5%)	31.20	17.96
Salary Inflation (+0.5%)	31.04	17.83
Salary Inflation (-0.5%)	(27.69)	(16.35)
Withdrawal Rate (+10%)	(28.37)	(16.65)
Withdrawal Rate (-10%)	30.23	17.54

Maturity profile of defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
Year 1	3.04	1.24
Year 2	3.65	1.88
Year 3	3.81	2.11
Year 4	4.41	2.19
Year 5	3.77	2.36
Year 6 to Year 10	6.19	4.03

Discount rate: The rate used to discount post-employment benefit obligation is determined by reference to market yield at the balance sheet date on government bonds.

Salary escalation rate: This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

41: Leases

Group as a lessee

The Group has lease contracts for office premises taken on lease. The lease terms are between 1 to 10 years.

The Group also has certain lease with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	9.93	0.49
Additions made during the year	6.97	22.48
Depreciation charge for the year	(7.90)	(13.04)
Balance at the end of the year	9.00	9.93

ROU assets and lease liability have been included in the property, plant and equipment and other financial liabilities respectively in the balance sheet.

The carrying amounts of lease liabilities and the movements during the year are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	17.08	0.96
Additions made during the year	6.97	22.47
Interest accretion for the year	2.04	2.29
Payments made during the year	(10.13)	(8.64)
Balance at the end of the year	15.96	17.08

The following are the amounts recognised in standalone statement of profit and loss :

Particulars	March 31, 2023	March 31, 2022
Depreciation expense in respect of right-of-use asset	7.90	13.04
Interest expense in respect of lease liabilities	2.04	2.29
Expense relating to short-term leases (included on other expenses)	94.31	60.18
Total amount recognised in standalone statement of profit or loss	104.25	75.51

The Group's total cash outflow for leases was ₹ 104.44 million during year ended March 31, 2023 (₹ 68.82 million during the year ended March 31, 2022).

(₹ in million unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	March 31, 2023	March 31, 2022
Less than one year	11.91	9.03
One to five year	6.62	10.60
More than five years	-	-
Total	**18.53**	**19.63**

42: Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Particulars	March 31, 2023	March 31, 2022
The principal amount remaining unpaid to any supplier as at the end of year		
- The principal amount due to micro and small enterprises	0.53	Nil
- Interest due on the above	Nil	Nil
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during year	Nil	Nil
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

43: Risk Management and financial objectives

Risk is an integral part of the Group's business and sound risk magement is critical to the success. As a financial intermediary, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

The Group has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

43.1 Credit risk

Credit risk is the risk of loss that may occur from defaults by Borrowers under loan agreements. In order to address credit risk, the Group have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behavior also supplement the efforts for containing credit risk. The Group also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area. Further, client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet our criteria.

The Group is an urban, semi-urban and rural focused NBFC-MFI with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in urban, semi-urban and rural areas. Further, as it focuses on providing micro-loans in urban, semi-urban and rural areas, the Group's results of operations are affected by the performance and the future growth potential of microfinance in India. The Group's borrowers typically have limited sources of income, savings and credit history and the loans are typically provided free of collateral. The borrowers generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, the Group relies on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of loans.

In order to mitigate the impact of credit risk in the future profitability, the Group creates impairment loss allowance basis the Expected Credit Loss (ECL) model for the outstanding loans as at balance sheet date. refer note 3A(e) for details.

43.2 Liquidity risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. The Group's resource mobilization team sources funds from multiple sources, which inter-alia includes banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. Further, the maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The Group has a Asset Liability Management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

Maturity pattern of assets and liabilities as at March 31, 2023:

(₹ in million unless otherwise stated)

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	1,688.95	1,742.23	1,686.95	6,097.43	9,545.13	17,498.92	4,997.97	-	**43,257.57**
Trade payables	101.97	-	0.50	-	1.52	-	-	-	**103.99**
Other financial liabilities	1,190.33	0.99	1.55	2.97	5.98	4.16	2.46	-	**1,208.44**
Loan portfolio	1,913.34	2,707.00	2,734.93	8,171.83	11,954.39	19,962.22	258.02	302.34	**48,004.07**
Investments	31.40	22.81	22.81	68.44	416.92	547.50	148.99	2.43	**1,261.30**
Financial assets (other) #	579.46	168.44	163.44	546.46	1,097.00	1,027.78	16.30	2.61	**3,601.49**

*represents debt securities, borrowings (other than debt securities), subordinated liabilities and interest.
The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements where such assets and liabilities have been recognised.
#It includes trade receivables, balance with banks/financials institutions and other financials assets.

Maturity pattern of assets and liabilities as at March 31, 2022:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	2,137.26	1,167.28	1,358.95	3,234.35	5,377.15	8,982.78	3,062.03	1,564.96	**26,884.76**
Trade payables	82.49	-	-	-	-	-	-	-	**82.49**
Other financial liabilities	368.87	0.75	0.75	2.26	4.54	10.60	-	-	**387.77**
Loan portfolio	1,562.11	1,308.83	1,513.10	4,364.34	7,454.54	12,082.18	168.73	82.69	**28,536.52**
Investments	-	-	-	-	-	-	-	46.14	**46.14**
Financial assets (other) #	1,396.51	44.64	33.37	847.53	1,424.22	2,445.55	3.38	2.27	**6,197.47**

*represents debt securities, borrowings (other than debt securities), subordinated liabilities and interest.
The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements where such assets and liabilities have been recognised.
#It includes trade receivables, balance with banks/financials institutions and other financials assets.

43.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Group is exposed primarily to interest rate risk which has been discussed below:

Interest rate risk

The Group is subject to interest rate risk, principally because it lends to clients at fixed interest rates and for periods that may differ from its funding sources, while the Group's borrowings are at both fixed and variable interest rates for different periods. The Group assesses and manages its interest rate risk by managing its assets and liabilities. The Group's Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Group has an Asset Liability Management (ALM) policy, approved by the Board of Directors, for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows :

Finance cost	For year ended March 31, 2023	For year ended March 31, 2022
0.50% increase	(23.83)	(13.13)
0.50% decrease	23.83	13.13

44: Transfer of financial assets

a. Securitization transactions:

During the year, the Group has entered into securitization arrangement with two party. Under such arrangement, the Group has transferred a pool of loan portfolio, which does not fulfil the derecognition criteria specified under Ind AS 109 as the risk and rewards with respect to these assets are not substantially transferred.

Following such transfer, the Group's involvement in these assets is as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties

The value of financial assets and liabilities as on:

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of associated assets	1,052.23	998.23
Carrying amount of associated liabilities	1,001.38	963.18
Fair value of associated assets	1,052.23	998.23
Fair value of associated liabilities	1,001.38	963.18

The carrying value of securitized loans approximate their fair value as the loans once sold cannot be transferred again.

b. Assignment transactions:

The Group has transferred a part of its loan portfolio (measured at amortized cost) vide assignment deals executed with various parties, as a source of finance. As per the terms of deal, the derecognition criteria as per Ind AS 109 (as all the risks and rewards relating to assets being transferred to the buyer) being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions executed during the year on its business model. Based on the future business plan, the Group's business model remains to hold the assets for collecting contractual cash flows.

(₹ in million unless otherwise stated)

The table below summarises the carrying amount of the derecognised financial assets and the gain/(loss) on derecognition:

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Carrying amount of derecognised financial assets	8,867.83	3,785.21
Gain from derecognition during the year	1,160.99	366.57

Since the Group transferred the above financial assets in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial assets.

c. The Group has transferred certain stressed loans to asset reconstruction company trust, details of which are given below:

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Number of loan accounts assigned during the year	73,081.00	-
Aggregate principal outstanding of loan transferred as on March 31, 2023 (₹ in million)	1,915.00	-
Weighted average remaining maturity (in months)	13.30	-
Net book value of loan transferred (at the time of transfer) (₹ in million)*	2,107.57	-
Aggregate consideration (₹ in million)	1,500.00	-
Additional consideration realized in respect of account transferred in earlier year	Nil	-

*excludes ECL provision of ₹ 491.21 million which has been reversed on account of sale of portfolio of such loans.

45: Employee Stock Option Plan (ESOP)

The Group has provided an equity settled share based payment scheme to its employees. The details of such share based payment scheme are as follows:

Particulars	Grant	Number of options granted	Vesting period (in years)	Vesting conditions
SATYA ESOP 2018	Grant I	995,200	4	25% vests every year subject to continuance of service
SATYA ESOP 2018	Grant II	258,800	4	25% vests every year subject to continuance of service
SATYA ESOP 2018	Grant III	170,000	4	25% vests every year subject to continuance of service

Exercise period is 3 years from the date of vesting of options.

The expense recognised for employee services received during the year is ₹16.13 million (March 31, 2022: 9.24 million).

(a) The following table lists the input to the Black-Scholes Model used for the options granted by the Group:

Particulars	Grant I	Grant II	Grant III
Date of Grant	May 01, 2019	November 05, 2020	May 01, 2022
Date of Board/Compensation Committee approval	October 22, 2018	November 05, 2020	November 09, 2022
Number of options granted	9,95,200	2,58,800	1,70,000
Method of settlemen	Equity	Equity	Equity
Graded vesting period			
Day following the expiry of 12 months from grant	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%
Exercise period	3 years from the date of vesting of options	3 years from the date of vesting of options	3 years from the date of vesting of options
Vesting conditions	Minimum period of one year between Grant of Options and Vesting of Options; Vesting Period in any case shall not exceed 5 (Five) years from the Grant Date; Employee must be in service at the time of vesting and must neither be serving his notice for termination of employment with the Company nor be subject to any disciplinary proceedings pending against him on the Vesting Date.	Minimum period of one year between Grant of Options and Vesting of Options; Vesting Period in any case shall not exceed 5 (Five) years from the Grant Date; Employee must be in service at the time of vesting and must neither be serving his notice for termination of employment with the Company nor be subject to any disciplinary proceedings pending against him on the Vesting Date.	Minimum period of one year between Grant of Options and Vesting of Options; Vesting Period in any case shall not exceed 5 (Five) years from the Grant Date; Employee must be in service at the time of vesting and must neither be serving his notice for termination of employment with the Company nor be subject to any disciplinary proceedings pending against him on the Vesting Date.
Weighted average of remaining contractual life in years	1.49	3.10	4.59
Year I	0.00	1.60	3.08
Year II	0.99	2.60	4.08
Year III	1.99	3.60	5.09
Year IV	2.99	4.60	6.09

(b) The details of activity under Satya ESOP 2018 with an exercise price of ₹ 45 for the year ended March 31, 2023 have been summarised below:

Particulars	Grant I	Grant II	Grant III
Options outstanding at the beginning of the year	3,92,465	2,24,300	-
Options granted during the year	-	-	1,70,000
Options excerised during the year	1,66,636	74,850	-
Options lapsed during the year	37,025	10,200	-
Options outstanding at the end of the year	1,88,804	1,39,250	1,70,000
Options excersiable at the end of the year	1,88,804	31,450	-

(₹ in million unless otherwise stated)

(c) Details of stock options granted by the Group:

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Grant I	Grant II	Grant III
Share price on the date of grant (in ₹)	61	110	141
Exercise price (in ₹)	45	45	45
Historic volatility (%)	37.44%	48.65%	62.61%
Life of the options granted in years	2.50-5.50	4.00	4.00
Risk free interest rate (%)	6.85%	5.85%	7.12%
Expected dividend rate (%)	0.00%	0.00%	0.00%
Weighted fair value of stock option	27.74	72.94	105.93

46: Disclosure of investing and financing transactions that do not require the use of cash and cash equivalents

For the year ended March 31, 2023

Name of instrument	Opening Balance	Cash flows	Premium added on conversion of preference shares into equity shares	Conversion	Other	Closing Balance
Equity share capital (including securities premium)	4,474.27	225.49	1,097.96	47.74	13.78	5,859.24
Non- Cumulative Compulsorily convertible preference shares (including securities premium)	600.01	2,082.70	(1,097.96)	(47.74)	-	1,537.01
Right-of-use assets	9.93	-	-	-	(0.93)	9.00
Borrowings*	22,772.25	13,891.80	-	-	-	36,664.05
Total	**27,856.46**	**16,199.99**	**-**	**-**	**12.85**	**44,069.30**

* represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

For the year ended March 31, 2022

Name of instrument	Opening Balance	Cash flows	Premium added on conversion of preference shares into equity shares	Conversion	Other	Closing Balance
Equity share capital (including securities premium)	3,925.46	544.90	-	-	3.91	4,474.27
Non- Cumulative Compulsorily convertible preference shares (including securities premium)	-	600.01	-	-	-	600.01
Right-of-use assets	0.49	-	-	-	9.44	9.93
Borrowings*	11,270.76	11,501.49	-	-	-	22,772.25
Total	**15,196.71**	**12,646.40**	**-**	**-**	**13.35**	**27,856.46**

* represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

47: Maturity analysis of assets and liabilities

(₹ in million unless otherwise stated)

Maturity analysis of assets and liabilities as at March 31, 2023:

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	2,305.90	-	2,305.90
Bank balances other than cash and cash equivalents	1,521.23	571.32	2,092.55
Trade receivables	106.48	-	106.48
Loan portfolio	20,889.45	17,342.14	38,231.59
Investment	562.39	698.91	1,261.30
Other financial assets	869.15	360.02	1,229.17
Total financial assets	**26,254.60**	**18,972.39**	**45,226.99**
Non-financial assets			
Current tax assets (net)	-	141.44	141.44
Deferred tax assets (net)	-	1.29	1.29
Property, plant and equipment	-	160.45	160.45
Capital work-in-progress	-	612.12	612.12
Goodwill	-	39.44	39.44
Intangible assets	-	0.20	0.20
Other non-financial assets	348.10	62.40	410.50
Total non-financial assets	**348.10**	**1,017.34**	**1,365.44**
Total Assets	**26,602.70**	**19,989.73**	**46,592.43**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	-	6.95	6.95
Trade payables	103.99	-	103.99
Borrowings*	17,430.66	19,233.39	36,664.05
Other financial liabilities	1,200.37	5.49	1,205.86
Total financial liabilities	**18,735.02**	**19,245.83**	**37,980.85**
Non-financial liabilities			
Provisions	18.66	51.19	69.85
Deferred tax liabilities (net)	-	48.95	48.95
Other non-financial liabilities	115.84	-	115.84
Total non-financial liabilities	**134.50**	**100.14**	**234.64**
Equity			
Equity share capital	-	593.20	593.20
Instruments entirely equity in nature	-	49.00	49.00
Other equity	-	7,720.16	7,720.16
Equity attributable to equity holders of the holding company	**-**	**8,362.36**	**8,362.36**
Non-controlling interest	-	14.58	14.58
Total Liabilities and Equity	**18,869.52**	**27,722.91**	**46,592.43**

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

Maturity analysis of assets and liabilities as at March 31, 2022:

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	1,278.44	-	1,278.44
Bank balances other than cash and cash equivalents	1,605.32	1,609.57	3,214.89
Trade receivables	73.40		73.40
Loan portfolio	12,275.69	10,885.65	23,161.34
Investment	-	46.14	46.14
Other financial assets	382.27	187.99	570.26
Total financial assets	**15,615.12**	**12,729.35**	**28,344.47**
Non-financial assets			
Current tax assets (net)	-	46.17	46.17
Deferred tax assets (net)	-	64.45	64.45
Property, plant and equipment	-	120.56	120.56
Intangible assets	-	0.33	0.33
Other non-financial assets	249.29	47.10	296.39
Total non-financial assets	**249.29**	**278.61**	**527.90**
Total Assets	**15,864.41**	**13,007.96**	**28,872.37**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade Payable	82.49	-	82.49
Borrowings*	11,274.64	11,497.61	22,772.25
Other financial liabilities	375.39	9.81	385.20
Total financial liabilities	**11,732.52**	**11,507.42**	**23,239.94**
Non-financial liabilities			
Provisions	9.14	27.44	36.58
Other non-financial liabilities	71.98	1.42	73.40
Total non-financial liabilities	**81.12**	**28.86**	**109.98**
Equity			
Equity share capital	-	490.64	490.64
Instruments entirely equity in nature	-	29.85	29.85
Other equity	-	5,001.96	5,001.96
Total Equity	**-**	**5,522.45**	**5,522.45**
Total Liabilities and Equity	**11,813.64**	**17,058.73**	**28,872.37**

*represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

(₹ in million unless otherwise stated)

48: Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Holding Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures as certified by Management are as follows:

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
(a) Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	4.65	1.72
(b) Amount approved by the board to be spent during the year	13.00	10.00
(c) Amount of expenditure incurred (as per table below) (refer note below)	13.00	4.39
(i) Construction/acquisition of any asset	-	-
	-	-
(ii) On purposes other than (i) above		
Health and Welfare	13.00	4.39
Contribution to PM CARES Fund	-	-
	13.00	**4.39**
(d) Shortfall/(Excess) at the end of the year (a - c)	(8.35)	(2.67)
(e) Total of previous year shortfall/(excess)	(2.67)	(1.68)
(f) Reason for shortfall/(Excess)	-	-
(g) Details of related party transactions	13.00	4.39
(h) Liability against contractual obligations for CSR	-	-

Details of ongoing projects under 135(6) of the Companies Act, 2013

Balance as on April 1, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as on March 31, 2023	
With the Group	In separate CSR unspent account		From the Group's Bank account	From the separate CSR unspent account	With the Group	In separate CSR unspent account
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Balance as on April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as on March 31, 2022	
With the Group	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance as on April 1, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on March 31, 2023
Nil	Nil	4.65	13.00	Nil

Balance as on April 1, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on March 31, 2022
Nil	Nil	1.72	4.39	Nil

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2022	Amount required to be spent during the year	Amount spent during the year	Balance as on March 31, 2023
Nil	4.65	13.00	(8.35)

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance as on March 31, 2022
Nil	1.72	4.39	(2.67)

49: Interest in other entities

Subsidiaries

Name of entities	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			As at March 31, 2023	As at March 31, 2022	
SATYA Housing Micro Finance Limited	India	INR	96.66%	24.00%	Financing

Subsidiary with material non-contolling interests (NCI)

No subsidiary company has no material non-controlling interests to the group for the year ended March 31, 2023.

50: Additional information in pursuant to Schedule III of the Companies Act, 2013

(₹ in million unless otherwise stated)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit & loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent SATYA MicroCapital limited	99.95%	8,372.59	99.84%	530.44	100.00%	(4.83)	99.84%	525.61
Indian subsidiaries SATYA Housing Micro Finance Limited	5.22%	437.02	0.17%	0.90	0.00%	-	0.17%	0.90
Share of net profits/(losses) of associates accounted for using the equity method	-	-	(0.01%)	(0.06)	0.00%	-	0.00%	(0.06)
Elimination	(5.17%)	(432.67)	0.00%	-				-
Total	**100.00%**	**8,376.94**	**100.00%**	**531.28**	**100.00%**	**(4.83)**	**100.01%**	**526.45**

51: Commitment and contingencies

(i) The estimated value of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to ₹ Nil (previous year ₹ 476.29).

(ii) The Group has other commitments for services in normal course of business, the Group's operations does not give raise to any commitments for purchase of goods and employee benefits.

(iii) The Group does not have any pending litigations which would impact its financial position in its financial statements. Contingent liabilities ₹ Nil (Previous year ₹ Nil).

(iv) The Group does not have any long term commitments/contracts for which there will be any material foreseeable losses except as shown in note 14 to consolidated financial statement.

(v) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

52: With regard to the new amendments under "Division III of Schedule III" under "Part II-Statement of Profit and Loss-General Instructions for preparation of Statement of Profit and Loss:

(i) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2023 and March 31, 2022.

(ii) The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023 and March 31, 2022.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

(v) The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2023 and March 31, 2022.

(vi) There have been no transactions which have not been recorded in the books of account, that have been surrendered or disclosed as income during the year ended March 31, 2023 and March 31, 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2023 and March 31, 2022.

(vii) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Group have not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall :
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Group have not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(ix) The Group has working capital limits from banks on the basis of security of fixed deposits kept as margin money with banks and as these sanctioned working capital limits is against the margin money with banks, accordingly the Group is not required to file any quarterly returns or statements with such banks

(x) The Group has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2023 are held by the Group in the form of deposits till the time the utilisation is made subsequently.

53: The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable to current period.

54: Event after reporting period:

There is no matter after the balance sheet data which are required to be disclosed in the consolidated financial statement.

55: The consolidated financial statements were approved for issue by the Board of Directors on May 24, 2023

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701

Place: Gurugram
Date: May 24, 2023

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Gurugram
Date: May 24, 2023

NOTICE

NOTICE IS HEREBY GIVEN THAT THE (28TH) TWENTY-EIGHTH ANNUAL GENERAL MEETING OF SATYA MICROCAPITAL LIMITED WILL BE HELD ON MONDAY, JULY 3RD, 2023, AT 06:00 P.M., AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 519, 5TH FLOOR, DLF PRIME TOWERS, OKHLA INDUSTRIAL AREA, PHASE-1, NEW DELHI-110020, INDIA, TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business :

1. **Adoption of Annual Audited (Standalone & Consolidated) Financial Statements and Reports thereon**

   To receive, consider and adopt the Annual Audited (Standalone & Consolidated) Financial Statements of the Company for the financial year ended March 31, 2023 including Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. **Re-Appointment of Dr. Ratnesh Tiwari (Din: 07131331), as Director, Liable to Retire By Rotation**

   To appoint a Director in place of Dr. Ratnesh Tiwari (Din: 07131331), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

3. **Enhancement in the limit of Borrowings**

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

   "RESOLVED THAT pursuant to the provisions of section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which terms shall be deemed to include any committee duly constituted by the Board), to raise or borrow from time to time such sum or sums as they may deem appropriate for the purposes of the business 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 of the Company, not set apart for any specific purpose, and Securities Premium Account, provided that the total amount up to which monies may be borrowed by the Board of Directors shall not exceed Rs. 1,00,000 million (Rupees One Hundred Thousand Million only) at any time.

   RESOLVED FURTHER THAT the Board of Directors and Company Secretary 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."

4. **To Provide the Security for securing the Borrowings**

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

   "RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, the consent of the members of the Company be and is hereby accorded, to the Board of Directors of the Company (hereinafter referred to as the "Board" which terms shall be deemed to include any Committee duly constituted by the Board or any Committee, which the Board may hereafter constitute), to pledge, mortgage and/or charge in all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the maximum extent of the indebtedness secured by the properties of the Company does not exceed Rs. 1,00,000 million (Rupees One Hundred Thousand Million only) at any time.

   RESOLVED FURTHER THAT any of Directors and Company Secretary of the Company be and are hereby severally authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution."

5. **Issuance of Non-Convertible Debentures on Private Placement Basis**

   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 subject to all other applicable regulations, rules, notifications, circulars and guidelines prescribed by the Securities Exchange Board of India ("SEBI"), as amended, including SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, and subject to the applicable regulations, rules, notifications, circulars and guidelines prescribed by Reserve Bank of India ("RBI") 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. 35,000 Million (Rupees Thirty-Five Thousand Million only) on such terms and conditions and at such times whether at par/premium/discount, as may be decided by the Board to such person or persons including one or more company(ies), body Corporate(s), statutory corporation(s), commercial Bank(s), Lending Agency(ies), Financial Institution(s), insurance company(ies), foreign portfolio investor(s), mutual fund(s) and individual(s), Alternative Investment Fund, 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 members, within the overall borrowing limits of the Company, as approved by the members of the Company from time to time.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company 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.

6. **Remuneration of Managing Director**

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

"RESOLVED THAT in continuation to the resolution of the members of the Company passed in their Annual General Meeting held on July 06, 2022 and in accordance with the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force and as may be enacted from time to time) read with Schedule V of the Companies Act, 2013, and such other approvals, permissions and sanctions and subject to the provisions of Articles of Association of the Company , the approval of the members of the Company be and are accorded for approving the payment of remuneration of Rs. 65.8 Million w.e.f. April 01, 2023 along with year-on-year revision of remuneration of 25% on and above proposed remuneration (i.e. Rs. 65.8 Million) w.e.f. FY 2024-25 and so on, year on year basis, for rest of the tenor and for extended tenor in current capacity, in terms of and subject to the applicable laws.

RESOLVED FURTHER THAT the Board of Directors, which term shall include Committee(s) of the Board of Directors be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

RESOLVED FURTHER THAT the retirement benefits of Gratuity and Leave encashment and/ or any other benefits as may be applicable from time to time shall be considered over and above the aforesaid proposal as it is not possible to ascertain the amount at present and therefore the same shall be paid as per the statutory guidelines and Company's Policy."

7. **To consider and approve payment of remuneration to Independent Directors**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 197 & 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Securities Exchange Board of India("SEBI") (Listing Obligations and Disclosure Requirement), Regulation, 2015 and Reserve Bank of India ("RBI") Master Directions/Regulations/Circular issue from time to time (including any statutory amendment, modification or re-enactment thereof for the time being in force), the rules, regulations, directions, and notifications issued/ framed thereunder and Schedule V thereto, read with the Articles of Association of the Company and pursuant to the approval of the Board on the basis of recommendation of Nomination & Remuneration Committee, the consent of the members of the Company be and is hereby accorded for payment of remuneration to Independent Directors in case of no profits / inadequate profits in accordance with the provisions of Schedule V of the Act or such other sum as may be permitted under the applicable provisions, as mentioned herein below, for the financial year 2022-23:

(Amount in Million)

Sr. No.	Independent Directors on Board	Annual Remuneration/Compensation FY 2022-23
1.	Dr. Deepali Pant Joshi	1 (One)
2.	Mr. Mohan Chandanathil Pappachan	1 (One)
3.	Mr. Naveen Surya	1 (One)
4.	Ms. Surekha Marandi	1 (One)

RESOLVED FURTHER THAT the amount of total compensation to be paid to Independent Directors as above shall be exclusive of the following:

1) Sitting fee to be paid to each Independent Director for every Board and Committee meetings
2) Re-imbursement of expenses w.r.t. attending Board/Committee meetings - Flight, Transportation, Hotel stays, etc.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission/remuneration and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT Mr. Vivek Tiwari, Managing Director, CEO & CIO and Choudhary Runveer Krishanan, Company Secretary & Chief Compliance Officer of the Company be and are hereby singly and severally authorized to do all the act, deeds and things which are necessary for the aforesaid matter and to do necessary filing, as may be required, in prescribed form to Registrar of Companies, NCT of Delhi & Haryana."

8. **Approval for Alteration of Articles of Association of The Company**

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

"RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the rules made thereunder the consent of the members of the Company be and is hereby accorded subject to the approval of Registrar of Companies, NCT of Delhi or any other regulatory authority for altering the Articles of Association for effecting the following amendment in the existing Articles of Association of the Company:

To insert the following Article 17C in the Articles of Association of the Company :

17C. DIRECTOR NOMINATED BY DEBENTURE TRUSTEE(S)

Subject to the provisions of applicable law, the Board shall appoint a person nominated by Debenture Trustee(s) as a Nominee Director in the event of:

(a) two consecutive defaults in payment of interest to the debenture holders; or

(b) default in creation of security for debentures; or

(c) default in redemption of debentures.

RESOLVED FURTHER THAT Mr. Vivek Tiwari, Managing Director, CEO & CIO and Choudhary Runveer Krishnan, Company Secretary & Chief Compliance Officer of the Company be and are hereby singly and severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolutions, including filing of necessary forms with the Registrar of Companies, NCT of Delhi and Haryana as may be required in relation to such amendments and to comply with all other requirements in this regard.

RESOLVED FURTHER THAT Mr. Vivek Tiwari, Managing Director, CEO & CIO and Choudhary Runveer Krishnan, Company Secretary & Chief Compliance Officer of the Company of the Company be and are hereby singly and severally authorized to issue/ provide certified true copies of these resolutions."

By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED
sd/-
Choudhary Runveer Krishanan
(Company Secretary & Chief Compliance Officer)
M. No- FCS 7437

Place: Gurugram
Dated: May 24, 2023

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, ("Rules") setting out all material facts in respect of the business specified in this notice and the reasons thereto is annexed hereto.

3. The proxy form duly completed must reach the registered office not later than 48 hours before the commencement of the Meeting. A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 113 of the Companies Act, 2013. The representative so appointed, shall have the right to appoint a proxy.

4. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.

5. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the General Meeting.

6. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.

7. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/ name etc. to their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.

8. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

9. Details of Director retiring by rotation/ seeking re-appointment at the ensuing Meeting are provided in the 'Annexure' to the Notice.

10. The Notice calling the AGM along with Annual Report for FY 2022-23 have been uploaded on the website of the Company at www.satyamicrocapital.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com.

11. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company, a certified true copy of the relevant Board Resolution together with specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.

By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED
sd/-
Choudhary Runveer Krishanan
(Company Secretary & Chief Compliance Officer)
M. No- FCS 7437

Place: Gurugram
Dated: May 24, 2023

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 3 & 4

In view of the expected growth in business of the Company and basis the projections as per the detailed Annual Business Plan of the Company which was approved by the Board at its meeting held on March 06, 2023, it is necessary for the Company to borrow from various sources and to increase the existing limit of Rs. 75,000 million (Rupees Seventy-Five Thousand Millions Only) to Rs. 1,00,000 million (Rupees One Hundred Thousand Million only). The Board of Directors at its meeting held on May 24, 2023, has approved the proposal to increase the limit to borrow from time to time such sum or sums of monies as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and Securities Premium Account, provided that the total amount upto which monies may be borrowed and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 1,00,000 million (Rupees One Hundred Thousand Million only). The borrowings of the Company in general are required to be secured from time to time by creation of hypothecation, mortgage or charge on all or any of the movable or immovable property/assets of the Company in such form and manner as may be required by the lenders and acceptable to the Company. Mortgaging or creating charge by the Company of its assets to secure the funds borrowed from time to time within the overall limits of borrowing powers delegated to the Board, may be construed as disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013. It is therefore considered necessary for the Members to authorize the Board to create mortgage/charge on Company's assets in the manner proposed in the Resolution to secure the funds borrowed by the Company from time to time. Further, the provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 read with Rules made thereunder require that such a Resolution be passed by way of a Special Resolution. The consent of the members is hereby requested on the proposed resolution(s) by way of Special Resolution(s).

Your Directors recommend the passing of the Special Resolution(s) proposed at Item Nos. 3 & 4 of this Notice.

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.

Item No. 5

Due to the increased long term capital requirements and to maintain the growth on the basis of the projections as per the detailed Annual Business Plan of the Company which was approved by the Board at its meeting held on March 06, 2023, the issuance of Non-Convertible Debentures (NCDs) in compliance with the provisions of Companies Act, 2013 ("Act") read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the applicable provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, is beneficial for the Company. The Board at its Meeting held on May 24, 2023, has approved the proposal for the issuance of NCDs within the overall borrowing limits of the Company of Rs. 35,000 Million (Rupees Thirty-Five Thousand Millions Only). The NCDs would be issued for cash either at par or premium to face value depending upon the prevailing market conditions. Pursuant to the provisions of Sections 23, 42, 179 and other applicable provisions of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any modifications or re-enactments thereof, for the time being in force), the Proposal requires the approval of members by way of a Special Resolution. Accordingly, the approval of the members is being sought by way of Special Resolution as set out at Item No. 5 for issuance of secured/unsecured, rated/unrated, listed/unlisted Non-Convertible Debentures on a private placement basis, to any category of investors eligible to invest in the Debentures from time to time, for a year from the date of passing of this Resolution, in one or more series or tranches, not exceeding the total borrowing limit of the Company i.e. Rs. 35,000 Million (Rupees Thirty-Five Thousand Millions Only). The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out hereinbelow:

Particulars of the offer including date of passing of board resolution: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time;

a) Kinds of securities offered and price at which security is being offered: This special resolution is restricted to the private placement issuance of Non-Convertible Debentures by the Company which may be secured/unsecured/subordinated, rated/unrated, listed/unlisted with the terms of each issuance being determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time, for each issuance;

b) Basis or justification for the price (including premium, if any) at which offer or invitation is being made: Not applicable;

c) Name and address of valuer who performed valuation: Not applicable;

d) Amount which the Company intends to raise by way of such securities: As may be determined by the Board of Directors from time to time but subject to the limits approved under Section 42 of the Companies Act, 2013 of up to Rs. 35,000 Million (Rupees Thirty-Five Thousand Million only);

e) Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time.

Your Directors recommend the passing of the Special Resolution(s) proposed at Item No. 5 of this Notice.

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.

Item No. 6

The members of the Company in their Annual General Meeting held on June 28, 2021, had approved the appointment & remuneration of Mr. Vivek Tiwari as Managing Director, CEO & CIO of the Company for a period of 5 (five) years, with effect from October 20, 2021, and revised the remuneration in their meeting held on July 06, 2022.

Pursuant to Section 197 read with Schedule V of the Companies Act 2013, in case of inadequacy of profit, the Special Resolution is required to be passed for the payment of remuneration in the General Meeting of the Company for a period not exceeding three years.

Mr. Vivek Tiwari holds rich experience in the Banking and Financial sector particularly and under his leadership and guidance, the Company has made exceptional progress and achieved various milestones successfully. The growth of the business was phenomenal in a highly uncertain competitive environment. His responsibility has considerably increased on account of future business plans and forecast for upcoming years that require more engagement and contribution to meet business expectations.

The Highlights of the achievements of SATYA MicroCapital Limited(SATYA) under the leadership of Mr. Vivek Tiwari are as follows:

- **Year 2017,** SATYA has achieved an AUM of Rs. 100 crores.
- **Year 2018-2019,** SATYA had obtained MFI license from RBI and made cumulative disbursement of INR 500 Cr. ($67 Million) and crossed the landmark achievement of INR 1000 Cr. ($133 Mn) AUM
- **Year 2020-2022,** SATYA crossed landmark achievement AUM of INR 2000 cr. and 600,000 clients.
- **Year 2023 till date**, SATYA has crossed a landmark achievement of AUM of INR 5000 Cr. and client base of more than **14 lac.**
- **He has taken responsibility as CEO and CIO and under his leadership, business and strong team supporting SATYA's growth.** Since the initial three years of its operations, the growth of AUM of SATYA has been Ten-fold till date i.e. 1000% and since 2022, the growth of AUM has been 2.5x i.e 250%.

Performance of SATYA on Financial and Operational Parameters

(INR in Million)

Particulars	2016	2017	2018	2019	2020	2021	2022	2023
Total Revenue	1.73	9.63	269.68	966.44	2,086.13	2,672.18	4,015.41	7360.46
Profit (Loss) after Tax	0.09	(14.62)	(63.86)	32.37	75.29	102.17	325.03	530.44
Earnings Per Share (EPS) Basic	0.06	-6.18	(6.27)	1.46	2.48	2.57	7.05	10.56

The phenomenal growth of SATYA was led by Mr. Vivek Tiwari who has devoted his entire time and strength to build SATYA and worked beyond working hours and successfully guided the core management team to enable SATYA to achieve the AUM more than Rs. 50,000 million in a very short span of time where other MFIs took more than decades to achieve the said milestone(s).

The Nomination & Remuneration Committee was of the view that in view of increased responsibilities, aggressive business plans and considering future strategic growth of SATYA, it is prudent to review and align the current remuneration of Mr. Vivek Tiwari considering package of MD/CEOs of various NBFC/MFIs. Accordingly, The Nomination & Remuneration Committee and Board of Directors of the Company in their meeting held on May 23 & 24, 2023, respectively, accorded their recommendation to the members of the Company to revise and fix the remuneration of Rs. 65.8 Million per annum basis on the performance of Mr. Vivek Tiwari considering his sectoral knowledge, expertise, dedication etc. and also recommended on year-on-year an increment/revision of remuneration of 25% on and above proposed remuneration w.e.f. FY 2024-25 and so on, year on year basis, for rest of the tenor of Mr. Vivek Tiwari and for extended tenor, as and when happen in future, in terms of and subject to the applicable laws, in current capacity and other Terms and Conditions of remuneration as set out herein below:

A. Remuneration

Rs. 65.8 Million (Rupees Sixty Five point Eight Million) w.e.f. April 01, 2023 along with year-on-year revision of remuneration of 25% on and above proposed remuneration (i.e. Rs. 65.8 Million) w.e.f. FY 2024-25 and so on, year on year basis, for rest of the tenor and for extended tenor in current capacity, in terms of and subject to the applicable laws.

To pay, over and above the remuneration mentioned above, 3% of the Profit Before Tax of the Company to Mr. Vivek Tiwari, Managing Director, CEO & CIO of the Company as per Annual Performance Linked Incentives Plan/Scheme for Mr. Vivek Tiwari, Managing Director, CEO & CIO in line with the approval of the Board & Shareholders in their meeting held on May 19, 2022 & July 06, 2022, respectively, on year on year basis, for rest of the tenor and for extended tenor in current capacity, in terms of and subject to the applicable laws, which shall be payable in H1 (First half) of every financial year following to the year for which profit is arrived/calculated.

Retirement benefits of Gratuity and Leave encashment and/ or any other benefits as may be applicable from time to time shall be considered over and above the aforesaid proposal and the same shall be paid as per the statutory guidelines and Company Policy.

- **Withholding Tax**

  The remuneration shall be subject to applicable Taxes and the Company may withhold therefrom any amounts as are required to be withheld pursuant to Applicable Law. Any Tax liability arising in respect of payments made pursuant to the Agreement or income earned by Mr. Vivek Tiwari, Managing Director, CEO & CIO as an employee shall be borne solely by him.

B. Benefits

- **Paid Leave :** It shall be in accordance with the Company's policies as may be outlined from time to time.
- **Perquisites :** The Company shall provide all perquisites as per Company's policy as may be outlined from time to time.
- **Business and Entertainment Expenses :** Reimbursement shall be in accordance with the Company's expense reimbursement policy for all reasonable and necessary approved business and entertainment expenses incurred in connection with the performance of his duties hereunder.

  Pursuant to Section 197 read with Schedule V of the Companies Act 2013, in case of inadequacy of profit and since the revised remuneration of Mr. Vivek Tiwari, Managing Director, CEO & CIO is exceeding the maximum permissible amount as stipulated in Section 197 of the Companies Act, 2013, the proposal is required to be approved by the members through Special Resolution.

Disclosure pursuant to Schedule V of the Companies Act 2013:-

I.	**General Information**	
1.	Nature of industry	NBFC-Microfinance
2.	Date of commencement of commercial production (Micro Finance Business)	February 02, 2018
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4.	Financial performance based on given indicators	Performance for FY 2022-23 Total Income (Rs.) - 7360.46 million PBT(Rs.) - 714.11 million PAT (Rs.) - 530.44 million EPS Basic/Diluted - 10.56/9.60
5.	Foreign investments or collaborations, if any.	The Company has not made any foreign investments or collaborations.
II.	**Information about the appointee**	
6.	Background details	Mr. Vivek Tiwari, holds a Post Graduate Diploma in Rural Development & Management from the institute of Engineering & Rural Technology, Allahabad. Apart from acquiring prolific experience of nearly two decades in the Microfinance and Development Sector; Mr. Tiwari is also a certified professional of Concentration in Management Programme from Boulder Microfinance Training, Italy. His Proficiency outlines extreme focus on the innovative deployment of technological framework for incubating responsible lending, financial inclusion, social entrepreneurship, and impact investing within national boundaries.
7.	Past remuneration	Rs. 56.63 million p.a. for FY 2022-23 (inclusive of Performance linked Incentive)
8.	Recognition or awards	He has also been felicitated with the BFSI Leadership Award as well as "Bharat Jyoti Award" by India International Friendship Society
9.	Job profile and his suitability	Mr. Vivek Tiwari holds rich experience in the Banking and Financial sector particularly and under his leadership and guidance, the Company has made exceptional progress and achieved various milestones successfully. The growth of the business was phenomenal in a highly uncertain competitive environment. His responsibility has considerably increased on account of future business plans and forecast for upcoming years that require more engagement and contribution to meet business expectations. The phenomenal growth of SATYA MicroCapital Limited (SATYA) was led by Mr. Vivek Tiwari who has devoted his entire time and strength to build SATYA and worked beyond working hours and successfully guided the core management team to enable SATYA to achieve the AUM more than Rs. 50,000 million in a very short span of time where other MFIs took more than decades to achieve the said milestone(s). Several new initiatives have been and are being taken to further the growth of the Company. Taking into consideration his qualification, expertise, and experience Mr. Vivek Tiwari is best suited for the responsibilities currently assigned to him by the Board of Directors.
10.	Remuneration proposed	Rs. 65.8 Million (Rupees Sixty Five point Eight Million) w.e.f. April 01, 2023 along with year-on-year revision of remuneration of 25% on and above proposed remuneration (i.e., Rs. 65.8 Million) w.e.f. FY 2024-25 and so on, year on year basis, for rest of the tenor and for extended tenor in current capacity, in terms of and subject to the applicable laws. Further, to pay, over and above the remuneration mentioned above, 3% of the Profit Before Tax of the Company as per Annual Performance Linked Incentives Plan/Scheme for Managing Director in line with the approval of the Board & Shareholders in their meeting held on May 19, 2022 & July 06, 2022, respectively, on, year on year basis, for rest of the tenor and for extended tenor in current capacity, in terms of and subject to the applicable laws.
11.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with the industry standards and Managing Director, CEO & CIO position held in similar sized and similar positioned business.

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12.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	1. Mr. Vivek Tiwari holds the position of Managing Director, CEO and CIO of the Company. 2. Dr. Ratnesh Tiwari (brother) holds the position of Non-Executive Director on the Board of the Company.
III.	**Other Information**	
13.	Reasons of loss or inadequate profits	The Company is in the growing stage and due to the pandemic, there were reduced economic activities, our customers were largely not able to generate sufficient income to meet their livelihood needs and repayment of loans was impacted during this period. Under the leadership of Mr. Vivek Tiwari, the Company has grown exceptionally in last financial year but the profit is not sufficient to augment the proposed remuneration as stipulated above. Aside, the cost of fund raise in challenging times is slightly higher which may go down in upcoming years on account of Company's rating and business improvements.
14.	Steps taken or proposed to be taken for improvement	➢ Company to open 150 new branches in FY'24. ➢ Branches to be gradually opened post August 2023 ➢ Equity infusion of Rs. 3000 Million assumed in FY'24 and Rs. 4000 Million in FY'25 ➢ Company plans to disburse Rs. 67,350 Million in FY'24 ➢ Closing gross AUM and Off Book AUM for FY'24 is expected to be Rs. 76,000 Million and INR 15,000 Million respectively.
15.	Expected increase in productivity and profits in measurable terms	In March 2022, the Reserve Bank of India came up with a new regulatory framework for microfinance loans. This new framework provides a common definition of microfinance for all the regulated entities - Banks as well as NBFCs directed that microfinance lenders cannot charge usurious rate of interest from borrowers. It also relaxes the pricing guidelines and other restrictions which were imposed on the microfinance institutions under the erstwhile regulations. This is a recognition of maturity of the microfinance sector and expected to give a level playing field to all the lenders. For SATYA, this offers flexibility to offer a wide variety of products and enable reaching out to hitherto unreached segments. Further, the Company is expecting in productivity and profits in measurable terms as follows: ➢ Total Income is expected to up by 95.50% i.e Rs. 14,390 million in FY 24 as against Rs. 7360.46 million in FY 23. ➢ PBT is expected to up by 304.67% crore i.e. Rs. 2889.8 million in FY 24 as against Rs. 714.11 million in Fy23. ➢ PAT is expected to up by 307.68% i.e. Rs. 2162.5million in FY 24 as against Rs. 530.44 million in FY23.

Your Directors recommend the passing of the Special Resolution(s) proposed at Item No. 6 of this Notice.

Dr. Ratnesh Tiwari, Non-Executive and Non-Independent Director of the Company, who is a Brother of Mr. Vivek Tiwari may be deemed to be concerned or interested, financial or otherwise, in this Resolution. Except Mr. Vivek Tiwari, Dr. Ratnesh Tiwari and their relative(s) none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the Resolution.

Item No. 7

As per the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on May 23, 2023 & May 24, 2023, respectively, have approved the payment of remuneration to Independent Directors of the Company by a way of fixed commission in accordance with the provisions of Section 197, 198 read with Schedule V of the Companies Act, 2013 and all other applicable provision of the Companies Act, 2013, for the financial year 2022-23. The Ministry of Corporate Affairs has on March 18, 2021 notified the amendments to Sections 149(9) and 197(3) of the Act by the Companies (Amendment) Act, 2020 to enable Companies faced with no profits or inadequate profits to pay certain fixed remuneration to their Non-Executive Directors ('NEDs') and Independent Directors ('IDs'), in accordance with the provisions of Schedule V to the Act.

To give effect to the amendments made to Sections 149(9) and 197(3), a concurrent amendment was also made to Schedule V to the Act through Notification No. S.O. 1256(E), issued by the Ministry of Corporate Affairs on March 18, 2021. This notification has prescribed the limits of the remuneration payable to NEDs and IDs, in the event of no profits or inadequate profits. Under Item (A) of Section II of Part II of Schedule V to the Act, in the event of no profits or inadequate profits NEDs and IDs can receive remuneration in accordance with the limits prescribed therein, which are based on the 'effective capital' of the Company. In case the Company proposes to make payment of remuneration in excess of the limit prescribed under the schedule V of the Companies Act, the approval shareholders vide special resolution is required.

Your Company basis the current Committee membership and composition of Board, proposes to make payment of remuneration to Independent Directors, as mentioned herein below:

(Amount in Million)

Sr. No.	Independent Directors on Board	Annual Remuneration/Compensation FY 2022-23
1.	Dr. Deepali Pant Joshi	1 (One)
2.	Mr. Mohan Chandanathil Pappachan	1 (One)
3.	Mr. Naveen Surya	1 (One)
4.	Ms. Surekha Marandi	1 (One)

The Independent Directors are expected to perform their duties, whether statutory, fiduciary or common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of his/ her role and knowledge, skills and experience. Further, Independent Directors will have to perform all the usual duties as an Independent Director under Company law, SEBI (Listing Obligation & Disclosures Requirements), Regulation, 2015 and RBI Master Directions/Regulation/Circular including attendance at board meetings, the annual general meeting, meetings of independent directors, meetings with other stakeholders and other Board events such as site visits, together with such additional duties as may be agreed with the Board, and which may relate to the business of the Company. The Independent Directors will be required to serve on such committees as the Board may request.

The Independent Directors of the Company are highly experienced professionals having specialized knowledge and skills to guide the Company. Hence, their vast experience and knowledge are best suitable for the Company. The Company is NBFC-MFI and an NBFC-Middle as per RBI's Scale-Based Regulation and High-Value Debt Listed Company in terms of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The roles, obligations and responsibilities of Non-Executive-Independent Directors are huge not only in terms of letter but also in the spirit of law. Further, the increased roles and responsibility is also enhancing in fast-changing regulatory environment with increasing expectations of Regulators and other stakeholders from the Non-Executive Director.

Pursuant to Section 197 read with Schedule V of the Companies Act 2013, in case of inadequacy of profit and since the remuneration/commission payable to the Independent Directors is exceeding the maximum permissible amount as stipulated in Section 197 of the Companies Act, 2013, the proposal is required to be approved by the members through Special Resolution.

Total compensation to be paid to Independent Directors is exclusive of the following:

1) Sitting fee to be paid to each Independent Director for every Board and Committee meetings

2) Re-imbursement of expenses w.r.t. attending Board/ Committee meetings - Flight, Transportation, Hotel stays, etc.

Disclosure pursuant to Schedule V of the Companies Act 2013:-

IV.	General Information	
1.	Nature of industry	NBFC-Microfinance
2.	Date of commencement of commercial production (Micro Finance Business)	February 02, 2018
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4.	Financial performance based on given indicators	Performance for FY 2022-23 Total Income (Rs.)- 7360.46 million PBT(Rs.)- 714.11million PAT (Rs.)-530.44million EPS Basic/Diluted- 10.56/9.60
5.	Foreign investments or collaborations, if any.	The Company has not made any foreign investments or collaborations.
V.	**Information about the appointee**	
6.	Background details	**Dr. Deepali Pant Joshi, Independent Director (DIN-07139051)** She has Four decades of experience in the formulation of macro-economic policies. She joined the Reserve Bank of India (RBI) as a Direct Recruit Grade B officer in 1981 and retired after a long and distinguished career as Executive Director. She has headed various departments in RBI including the Department of Rural Planning and Credit and Financial Inclusion Department and Customer Service & Financial Education Department. During my long career with RBI, she also held some key positions like Banking Ombudsman for the State of Andhra Pradesh, Regional Director at RBI Jaipur, RBI Banking operations in Rajasthan, Principal Bankers Training College, Mumbai, etc. **Mr. Mohan Chandanathil Pappachan, Independent Director (DIN- 02661757)** He holds a Post Graduate Degree in Rural Management from the Institute of Rural Management, Anand, And a graduate from GB Pant University of Agriculture and Technology, pantnagar, Uttarakhand. He served as Chief General Manager for NABARD and is renowned for his expertise in rural finance, microfinance, and banker training. In addition to his efforts creating robust rural finance networks in recently established states like Uttarakhand and Jharkhand during his thirty years at NABARD. As the managing director, he made significant contributions to the development of NABFINS. Mr. Mohan served as the Team Leader of the Support Team for the Khan Committee, whose BC/BF model proposals were approved by RBI/GOI.

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		Mr. Naveen Surya, Independent Director, (DIN- 00094514) Mr. Naveen is a well-known personality in the nation's digital and retail payment systems as well as fintech. He holds a PG in Management with a specialization in finance. He now serves as the Chairman of the Fintech Convergence Council (FCC), which is the part of IAMAI/PCI Industry Association. He also served as the Chairman Emeritus of the Payments Council of India (PCI) for more than ten years. In addition to holding graduate degrees in both law and commerce, he is an Associate Member of the Company Secretaries Institute (ACS), Member of the Innovation Council of the National Payments Corporation of India (NPCI). He is also Advisor to Mitsui & Co. Ltd, Tokyo, Japan. **Ms. Surekha Marandi, Independent Director (DIN-06952573)** Mrs. Surekha has more than three decades of experience in the sectoral BFSI domain. She is an exemplary financial inclusion expert with extensive expertise in financial inclusion and development, customer education and protection, regulation, supervision, and compliance, as well as excellent knowledge in aspects of the economy, microfinance, rural planning, credit, and communications. She holds a master's degree from Jadavpur University and has received an adept certificate in COBOL programming from CMC, advanced management from AIM, Manila, and advanced management in financial management services from Cambridge University, UK.
7.	Past remuneration	Non-Executive Independent Directors were earlier paid only sitting fees for attending the Board and Committee meetings of the Board of Directors
8.	Recognition or awards	**Dr. Deepali Pant Joshi, Independent Director** She has been Awarded the Skoch Challenger award for contribution to Financial Inclusion in March, the Chancellors medal at the University of Allahabad for academic proficiency and the Amarnath Jha Gold Medal. University of Allahabad **Mr. Mohan Chandanathil Pappachan, Independent Director** He is recognized for his contributions to building up NABFINS as its Managing Director. Mr. Mohan was involved as the Leader of the support Team for the Khan Committee whose recommendations for BC/BF model was accepted by RBI/GOI. **Mr. Naveen Surya, Independent Director** Extensive experience of 20+ years across Management Consulting, Digital Payments, Fintech and other financial services domain. **Ms. Surekha Marandi, Independent Director** During her tenure in Reserve Bank of India, she had played an active role in computerisation of banking and issue accounts of RBI Kolkata office and Reverse merger of IDBI with IDBI bank and setting up of SASF. She was instrumental in setting up of Customer Service Department and Financial Inclusion Fund. She had Implemented RBI subvention on identifying and opening of 45 branches in the seven states of North East and Implementation subvention for VSAT facilities in all branches in North East to enable free RTGS and NEFT transactions as envisaged by Thorat Committee Report. She played a key role in drafting National Strategy of Financial Inclusion and setting up National Centre for Financial Education involving all four regulators RBI, SEBI, IRDA and PFRDA approved by the FSDC and revising RBI ombudsman scheme to include NBFC ND-SI and Digital payment providers.

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9.	Job profile and his suitability	The Independent Director are expected to devote such time as is necessary for the proper performance of their duties and as an Independent Director and will be involved in a number of board and committee meetings each year. The Independent Directors are expected to perform their duties, whether statutory, fiduciary or common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of his/ her role and knowledge, skills and experience. The Independent Directors will have to perform all the usual duties as an independent director under Company law, including attendance at board meetings, the annual general meeting, meetings of independent directors, meetings with investors and shareholders and other Board events such as site visits, together with such additional duties as may be agreed with the Board, and which may relate to the business of the Company or any other member of the Group. Independent Directors will be required to serve on such committees as the Board may request. Independent Directors of the Company are highly experienced professionals having specialized knowledge and skills to guide the Company. Hence, there vast experience and knowledge are best suitable for the Company.
10.	Remuneration proposed	It is proposed to pay annual remuneration as mentioned in table below, for the financial year 2022-23: **(Amount in Million)**

Sr. No.	Independent Directors on Board	Annual Remuneration/ Compensation
1.	Dr. Deepali Pant Joshi	1 (One)
2.	Mr. Mohan Chandanathil Pappachan	1 (One)
3.	Mr. Naveen Surya	1 (One)
4.	Ms. Surekha Marandi	1 (One)

11.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The Company is a highly regulated entity, regulated by multiple regulators/authorities i.e. Ministry of Corporate Affairs("MCA"), Securities Exchange Board of India("SEBI") and Reserve Bank of India("RBI") . The Company has done internal benchmarking study of various annual reports/returns of the Listed NBFCs on the remuneration of Non-Executive Independent Directors. Basis these studies the proposed remuneration is close to the median remuneration paid by similar Companies and is justifiable considering the size and scale of the Company. Also the Non-Executive-Independent Directors of the Company are highly experienced professionals having specialized knowledge and skills to guide the Company on latest technological developments in Financial Sectors, market trends, consumer behaviour, consumption pattern and other relevant indicators for business enhancement and product mix. Hence, the remuneration proposed to them is justified and commensurate with other organizations of the similar type, size and nature in the industry.
12.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	There is no pecuniary relationship of any Non-Executive Independent Directors with Company or with any managerial personnel other than remuneration proposed to be paid to the Independent Directors, as mentioned in the aforesaid resolution.
VI.	**Other Information**	
13.	Reasons of loss or inadequate profits	The Company is in the growing stage and due to the pandemic, there were reduced economic activities, our customers were largely not able to generate sufficient income to meet their livelihood needs and repayment of loans was impacted during this period. Under the leadership of Mr. Vivek Tiwari, the Company has grown exceptionally in last financial year but the profit is not sufficient to augment the proposed remuneration as stipulated above. Aside, the cost of fund raise in challenging times is slightly higher which may go down in upcoming years on account of Company's rating and business improvements.
14.	Steps taken or proposed to be taken for improvement	➢ Company to open 150 new branches in FY'24. ➢ Branches to be gradually opened post August 2023 ➢ Equity infusion of Rs. 3000 Million assumed in FY'24 and Rs. 4000 Million in FY'25 ➢ Company plans to disburse Rs. 67,350 Million in FY'24 ➢ Closing gross AUM and Off Book AUM for FY'24 is expected to be Rs. 76,000 Million and INR 15,000 Million respectively.

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15.	Expected increase in productivity and profits in measurable terms	In March 2022, the Reserve Bank of India came up with a new regulatory framework for microfinance loans. This new framework provides a common definition of microfinance for all the regulated entities - Banks as well as NBFCs directed that microfinance lenders cannot charge usurious rate of interest from borrowers. It also relaxes the pricing guidelines and other restrictions which were imposed on the microfinance institutions under the erstwhile regulations. This is a recognition of maturity of the microfinance sector and expected to give a level playing field to all the lenders. For SATYA, this offers flexibility to offer a wide variety of products and enable reaching out to hitherto unreached segments. Further, the Company is expecting in productivity and profits in measurable terms as follows: ➢ Total Income is expected to up by 95.50% i.e Rs. 14,390 million in FY 24 as against Rs. 7360.46 million in FY 23. ➢ PBT is expected to up by 304.67% crore i.e. Rs. 2889.8 million in FY 24 as against Rs. 714.11 million in Fy23. ➢ PAT is expected to up by 307.68% i.e. Rs. 2162.5million in FY 24 as against Rs. 530.44 million in FY23.

Your Directors recommend the passing of the Special Resolution(s) proposed at Item No. 7 of this Notice.

None of the Directors, Key Managerial Personnel and their relatives of the Company are, in any way, concerned or interested in the said resolution, except the Independent Directors or any associate thereof, if any.

Item No. 8

Securities and Exchange Board of India vide Securities and Exchange Board of (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 dated February 02, 2023, mandates the issuer whose debt securities are listed to ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors.

Since the Company has listed debt securities, therefore, in view of the above-mentioned amendment, the Company has altered its Articles of Association of the Company by insertion of Article 17C.

The proposed draft Articles of Association after the above-mentioned changes is available for inspection of the shareholders.

Your Directors recommend the passing of the Special Resolution(s) proposed at Item No. 8 of this Notice.
No Director, Key Managerial Personnel of the Company or their respective relatives are in anyway concerned or interested in the resolution.

By Order of the Board of Directors
For SATYA MICROCAPITAL LIMITED

sd/-

Choudhary Runveer Krishanan
(Company Secretary & Chief Compliance Officer)
M. No- FCS 7437

Place: Gurugram
Dated: May 24, 2023

(ANNEXURE-A)

Details of Director Seeking Appointment/Re-Appointment at the Annual General Meeting of the Company, Pursuant to the Standard 1.2.5 of Secretarial Standard – 2 On General Meetings issued by The Institute of the Company Secretaries of India.

Name of the Director	Dr. Ratnesh Tiwari
Directors Identification Number (DIN)	07131331
Date of Birth	07.04.1987
Date of first appointment on the Board	October 26, 2017
Qualification	He holds an engineering postgraduate and has a doctoral degree (Ph.D.) from Indian Institute of Technology (IIT) Delhi.
Experience & Expertise in specific functional areas	He is an engineering postgraduate and has a doctoral degree (Ph.D.) from Indian Institute of Technology (IIT) Delhi with my research targeted towards biomass-based renewable energy. He has over Eight years of experience working on different sustainable development programs sponsored by different National and International agencies like Ministry of New & Renewable Energy, Ministry of Human Resource Development, The Energy & Resource Institute, Container Corporation of India Ltd, GIZ Germany, World Bank and United Nation Foundation, USA. He is the Chief Executive Officer at Koshish Sustainable Solutions Pvt Ltd. Koshish focuses on promoting sustainable energy solutions, sustainable agriculture practices and sustainable eco-friendly products leading to sustainable economic growth with environmental upgradation leading to irreversible human development. He is passionate about socio-economic development of villages. He has an excellent interpersonal and leadership skills.
Terms and conditions for appointment/ re-appointment	As per the Company`s Policy on the appointment of Board Members
Remuneration sought to be paid	Sitting fee
Remuneration last drawn	NA
Shareholding in the company as on March 31, 2023	Nil
Relationship with other directors and KMPs of the Company	Mr. Vivek Tiwari, Managing Director, CEO & CIO of the Company is Brother of Dr. Ratnesh Tiwari
Number of Board meetings attended during the year	10
List of Companies in which outside directorships in Indian Companies held as on March 31, 2023	1. Koshish Sustainable Solutions Private Limited 2. Koshish Marketing Solutions Private Limited 3. SATYA Shakti Foundation (Limited by Guarantee) 4. Medicall Services Private Limited 5. HDMR Healthcare Private Limited 6. Credentia Finclusion Private Limited 7. LD Educare Private Limited 8. SATYA Micro Housing Finance Private Limited
Chairman/member in Committees of the Board of Directors of other Indian Companies as on March 31, 2023	**SATYA Micro Housing Finance Private Limited** 1. Nomination & Remuneration Committee - Member 2. Asset & Liability Management Committee - Member 3. IT Strategy Committee - Member 4. Risk Management Committee - Member 5. Working Committee - Member

ATTENDANCE SLIP

Folio No.*: ______________________ No. of Shares: ______________________

DP ID: ______________________ Client ID: ______________________

Members or their Proxies are requested to present this Slip in accordance with the Specimen Signatures registered with the Company, at the entrance of the Meeting Hall, for admission.

Name of the attending Member / Proxy(s): ______________________

(in BLOCK LETTERS)

I hereby record my presence at the 28th Annual General Meeting of the Company held on Monday, July 03, 2023 at 06:00 P.M. at the registered office of the Company at 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020.

______________________ Member's Signature ; ______________________ Proxy's Signature

**Applicable for Members holding shares in Physical form.*

Form No. MGT-11
Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : SATYA MICROCAPITAL LIMITED
Registered Office : 519,5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No /Client ID	
DP ID	

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

S. No	Name	Address	Email id	Signature

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company held on Monday, July 03, 2023 at 06:00 P.M. at the registered office of the Company at office 519,5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi-110020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:-

1. Adoption of Annual Audited (Standalone & Consolidated) Financial Statements and Reports thereon
2. Appointment of Director in place of those retiring by rotation
3. Enhancement in the Limit of Borrowings
4. To provide the Security for securing the Borrowings
5. Issuance of Non-Convertible Debentures on Private Placement Basis
6. Approval of Remuneration of Managing Director
7. To consider and approve payment of remuneration to Independent Directors
8. Approval for Alteration of Articles of Association of The Company

Signed this ________day of 2023

Affix Revenue Stamp

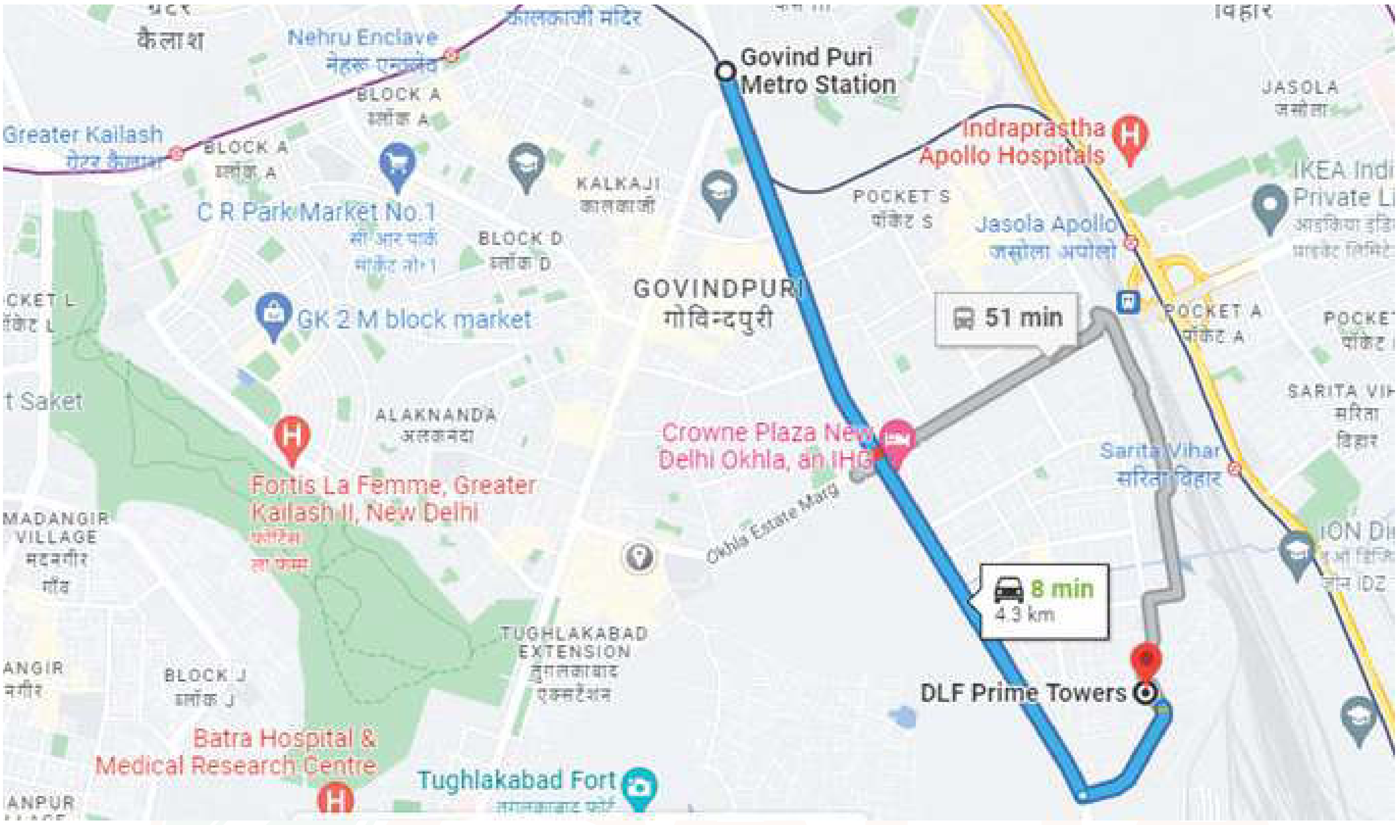
Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP

Date of AGM : July 03, 2023
Time : 06:00 PM
Venue : 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi-110020, India



Contact Us

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Great Place To Work® Certified SEPT 2022 – SEPT 2023 INDIA

Best Workplaces™ in BFSI Great Place To Work® INDIA 2023

SATYA

सर्वे भवन्तु सुखिनः