

S.N. Dhawan & CO LLP

Chartered Accountants

2nd Floor, 51-52, Sector-18,
Phase IV, Udyog Vihar, Gurugram,
Haryana 122016, India

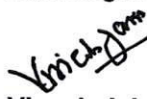
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Independent Auditor's Limited Review Report on the unaudited quarterly and year to date Financial Results of Satya MicroCapital Limited, pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
**The Board of Directors
Satya MicroCapital Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of **Satya MicroCapital Limited** ("the Company") for the quarter ended September 30, 2023 and year to date results for the period April 1, 2023 to September 30, 2023 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India ("the SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant Rules issued thereunder; Reserve Bank of India (RBI) guidelines and other accounting principles generally accepted in India and in compliance with Regulation 52 of the listing regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, assets classification, provisioning and other related matters.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045


Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNRX1475



Place: New Delhi
Date: November 02, 2023



SATYA MicroCapital Ltd.

सर्वे भवन्तु सुखिनः

SATYA MicroCapital Limited

CIN : U74899DL1995PLC068688

Registered office : 519, 5th Floor, DLF Prime Towers , Okhla Industrial Area, Phase-I, New Delhi-110020

Website: www.satyamicrocapital.com; E-mail: cs@satyamicrocapital.com ; Phone: 011-49724000

Statement of financial results for the quarter and half year ended September 30, 2023

S.no.	Particulars	(₹ in million except EPS)					
		Quarter ended			Half year ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	
1	Revenue from operations						
	Interest income	2,323.28	2,417.49	1,375.94	4,740.77	2,628.08	5,770.97
	Fees and commission income	261.36	140.68	8.16	402.04	10.86	491.88
	Net gain on fair value changes	53.88	-	-	19.04	-	-
	Net gain on derecognition of financial instruments under amortised cost category	358.36	254.84	345.16	613.20	387.55	1,044.64
	Total revenue from operations	2,996.88	2,813.01	1,729.26	5,775.05	3,026.49	7,307.49
2	Other income	53.06	21.48	12.00	74.54	24.65	52.97
3	Total income (1+2)	3,049.94	2,834.49	1,741.26	5,849.59	3,051.14	7,360.46
4	Expenses						
	Finance costs	1,267.18	1,100.48	700.02	2,367.66	1,329.63	2,972.21
	Net loss on fair value changes	-	34.84	-	-	-	6.95
	Impairment of financial instruments	169.12	274.21	238.56	443.33	296.73	721.31
	Employee benefits expenses	745.55	681.48	460.42	1,427.03	865.65	2,023.58
	Depreciation and amortisation expenses	28.48	19.59	18.46	48.07	31.52	76.99
	Other expenses	331.13	221.02	200.18	552.15	342.51	845.31
	Total expenses	2,541.46	2,331.62	1,617.64	4,838.24	2,866.04	6,646.35
5	Profit before tax (3-4)	508.48	502.87	123.62	1,011.35	185.10	714.11
6	Tax expense:						
	Current tax	105.70	195.72	33.92	301.42	62.61	68.64
	Deferred tax charge/(credit)	22.85	(68.65)	(2.06)	(45.80)	(15.26)	115.03
	Total tax expense	128.55	127.07	31.86	255.62	47.35	183.67
7	Net profit after tax (5-6)	379.93	375.80	91.76	755.73	137.75	530.44
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss	(2.36)	(1.78)	0.11	(4.14)	(0.14)	(6.46)
	Income tax relating to items that will not be reclassified to profit or loss	0.59	0.45	(0.02)	1.04	0.04	1.63
	Total other comprehensive income	(1.77)	(1.33)	0.09	(3.10)	(0.10)	(4.83)
9	Total comprehensive income (7+8)	378.16	374.47	91.85	752.63	137.65	525.61
10	Paid-up equity share capital (face value of ₹ 10 per equity share)						593.20
11	Instruments entirely equity in nature						49.00
12	Other equity						7,730.39
13	Earning per share (EPS) (face value of ₹ 10 per equity share)						
	- Basic (amount in ₹)	6.04	6.33	1.87	12.36	2.80	10.56
	- Diluted (amount in ₹)	5.88	5.81	1.68	11.68	2.58	9.60
	(EPS for the quarter and half year ended are not annualised)						



Signature

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Statement of assets and liabilities as at September 30, 2023

Particulars	(₹ in million)	
	As at September 30,2023 (Un-audited)	As at March 31,2023 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	10,546.69	2,199.93
Bank balances other than cash and cash equivalents	4,437.89	2,092.55
Derivative financial instruments	12.09	-
Trade receivables	145.41	106.48
Loan portfolio	38,527.71	37,903.04
Investments	1,487.75	1,733.40
Other financial assets	1,148.64	1,225.08
	56,306.18	45,260.48
Non-financial assets		
Current tax assets (net)	-	139.53
Property, plant and equipment	220.55	159.65
Capital work-in-progress	683.54	612.12
Intangible assets	0.17	0.20
Other non-financial assets	526.59	410.06
Total non-financial assets	1,430.85	1,321.56
TOTAL ASSETS	57,737.03	46,582.04
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
Derivative financial instruments	-	6.95
Trade payables		
(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	118.41	100.84
Debt securities	10,040.47	10,360.69
Borrowings (other than debt securities)	34,283.42	25,142.47
Subordinated liabilities	2,604.30	1,160.89
Other financial liabilities	1,382.80	1,205.30
	48,429.40	37,977.67
Non-financial liabilities		
Current tax liabilities (net)	3.26	-
Provisions	75.41	69.34
Deferred tax liabilities (net)	2.11	48.95
Other non-financial liabilities	87.89	113.49
	168.67	231.78
Equity		
Equity share capital	640.24	593.20
Instruments entirely equity in nature	2.50	49.00
Other equity	8,496.22	7,730.39
	9,138.96	8,372.59
TOTAL LIABILITIES AND EQUITY	57,737.03	46,582.04



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Statement of Cash flows for the half year ended September 30, 2023

Particulars	(₹ in million)	
	For half year ended September 30, 2023	For half year ended September 30, 2022
	(Un-audited)	(Un-audited)
Cash flow from operating activities		
Profit before tax	1,011.35	185.10
Adjustments for:		
Depreciation and amortisation	45.14	27.87
Depreciation of right-of-use asset	2.93	3.65
Share based payment to employees	6.08	2.89
Interest expense for leasing arrangements	1.01	1.09
Impairment of financial instruments	443.60	296.73
Net gain on fair value changes	(19.04)	-
Loss/(Profit) on sale of property plant and equipment	(0.51)	(0.25)
Net gain on derecognition of financials instruments under amortised cost category	(613.20)	(387.55)
Operating profit before working capital changes	877.36	129.53
Movements in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	193.14	71.31
Increase/(decreases) in other non-financial liabilities	(25.60)	(33.30)
Increase/(decreases) in provisions	6.07	4.48
(Increase)/decrease in bank balances other than cash and cash equivalents	(2,345.34)	1,099.95
(Increase)/decrease in trade receivables	(38.93)	33.66
(Increase)/decrease in loan portfolio	(779.74)	(2,411.26)
(Increase)/decrease in other financial assets	689.64	156.89
(Increase)/decrease in other non-financial assets	(116.53)	(136.31)
Cash used in operations	(1,539.93)	(1,085.05)
Income-tax paid	(162.76)	(127.27)
Net cash used in operating activities (A)	(1,702.69)	(1,212.32)
Cash flow from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(185.75)	(617.48)
Proceeds from derecognition of property, plant and equipment	12.16	0.46
Purchase of investment	(250.00)	(194.98)
Proceeds from investment	207.39	-
Net cash used in investing activities (B)	(216.20)	(812.00)
Cash flow from financing activities		
Proceeds from issue of share capital (including premium and net of issue expenses)	7.66	734.36
Proceeds from debt securities	665.01	3,142.00
Repayment of debt securities	(985.24)	(922.62)
Proceeds from borrowings other than debt securities	17,487.28	7,553.07
Repayment of borrowings other than debt securities	(8,346.32)	(6,419.77)
Proceeds from subordinated liabilities	1,450.00	10.57
Repayment of subordinated liabilities	(6.59)	-
Payment of lease liabilities	(6.15)	(4.84)
Net cash from financing activities (C)	10,265.65	4,092.77
Net increase / (decrease) in cash and cash equivalents (A + B + C)	8,346.76	2,068.45
Cash and cash equivalents at the beginning of the year	2,199.93	1,278.44
Cash and cash equivalents at the end of the year	10,546.69	3,346.89
Components of cash and cash equivalents as at the end of the year		
Cash on hand	28.48	79.67
Balance with banks - on current accounts	3,315.46	2,366.83
Deposits with original maturity of less than 3 months	7,202.75	900.39
Total cash and cash equivalents	10,546.69	3,346.89



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Notes to the unaudited financial results:

- The above financial results for the quarter and half year ended September 30, 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on November 02, 2023, in accordance with requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The statutory auditors of the Company have carried out a limited review of the aforesaid financial results.
- These financial results have been prepared in accordance with Indian accounting standards prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued thereunder ("Ind AS") and the other accounting principles generally accepted in India, to the extent applicable.
- Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended) for the half year ended September 30, 2023 are presented in below table:

S.No.	Particulars	Half year ended September 30, 2023
1	Debt-equity ratio (no. of times)*	5.13
2	Debt service coverage ratio	Not applicable
3	Interest service coverage ratio	Not applicable
4	Outstanding redeemable preference shares (in numbers)- refer note (a)	Nil
5	Capital redemption reserve/debenture redemption reserve (₹ in million)	Nil
6	Net worth (₹ in million)	9,138.96
7	Net profit after tax (₹ in million)	755.73
8	Earnings per share: Basic (not annualised)	12.36
	Diluted (not annualised)	11.68
9	Current ratio (no. of times)**	Not applicable
10	Long term debt to working capital (no. of times)**	Not applicable
11	Bad debts to account receivable ratio**	Not applicable
12	Current liability ratio (no. of times)**	Not applicable
13	Total debts to total assets***	0.81
14	Debtors turnover**	Not applicable
15	Inventory turnover**	Not applicable
16	Operating margin (%)**	Not applicable
17	Net profit margin (%) #	12.92%
18	Sector specific equivalent ratios, as applicable:	
	a) GNPA (%) ##	1.58%
	b) NNPA (%) ###	0.96%
	c) CRAR (%) \$	23.28%
	d) Provision Coverage Ratio (%) ^	68.04%

Notes:

- The Company does not have any non-convertible redeemable preference shares/ non-convertible preference shares/ redeemable preference shares.
- Ratio computation :**
 - * Debt Equity ratio = (Debt securities+ Borrowing (other than debt securities)+ Subordinated liabilities)/Net worth
 - ** The Company is registered under Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are not applicable.
 - *** Total debts to total assets = (Debt securities+ Borrowing (other than debt securities)+ Subordinated liabilities)/Total Assets
 - # Net Profit Margin = Profit after tax/ Total income
 - ## Gross NPA(%) = Gross NPA (Stage III) loan EAD/Gross total loan EAD. Exposure at default (EAD) includes loan balances and interest thereon. Stage-III loans has been determined as per IND AS 109.
 - ### Net NPA(%) = (Gross Stage III Loans EAD – Impairment loss allowance for stage III)/(Gross total loan EAD- Impairment loss Allowance)
 - \$ CRAR = Adjusted net worth/ Risk weighted assets, calculated as per RBI guidelines
 - ^ Provision Coverage Ratio (%) = Expected credit loss/Gross NPA (Stage III) loan EAD
- Disclosure pursuant to RBI Notification – RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the following table sets forth details of loans not in default assigned through direct assignment during the quarter and half year ended September 30, 2023:

Particular	NBFC-MFI	NBFC-MFI
	Quarter ended September 30, 2023	Half year ended September 30, 2023
Number of loan accounts assigned	105,272	176,740
Aggregate amount of loan assigned (₹ in million)	3,304.93	5,666.50
Sale consideration (₹ in million)	3,304.93	5,666.50
Weighted average remaining maturity (in months)	16.78	16.60
Weighted average holding period after origination (in months)	NA	NA
Retention of beneficial economic interest (MRR)	10%	10%
Number of Transactions	4	6
Coverage of tangible security coverage	Nil	Nil
Rating wise distribution of rated loans	Unrated	Unrated

- The Company has not transferred any stressed loan during the quarter and half year ended September 30, 2023.
- The Company has not acquired any stressed loan during the quarter and half year ended September 30, 2023.



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- 7 India Ratings & Research Private Ltd has assigned a rating of 'IND RR3' i.e 50% -75% on a recovery rating scale to Security Receipts ("SRs") of ₹ 1,151.73 million as on June 30, 2023. The Company is holding impairment allowance of ₹ 288.26 million as on September 30, 2023.
- 8 The Company operate in a single reportable segment i.e., financing, which has similar risks and returns for the purpose of Ind AS 108- Operating Segments. The Company operate in single geographic segment i.e., domestic.
- 9 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 10 The listed secured non-convertible debentures of the Company aggregating to ₹ 5,580.57 million as at September 30, 2023 are secured by way of exclusive charge on Book debts/Receivables hypothecated in favour of Debenture Trustee, with a security cover of 1.10 times or more as required under Information Memorandum/Debenture Trustee Deed.
- 11 During the half year ended, the Company has further acquired 7,142,857 equity shares of Satya Micro Housing Finance Private Limited (Subsidiary Company), taking the aggregate shareholding of the Company in Satya Micro Housing Finance Private Limited as on September 30, 2023 to 97.15%.
- 12 During the half year ended, conversion of non- cumulative compulsorily convertible preference shares ("NCCCPs") into equity shares was as follows:
 - a. 4,450,000 NCCCPs held by Gojo & Company, Inc. (Holding Company) were converted into 4,338,257 equity shares.
 - b. 200,000 NCCCPs held by other promoters were converted into 194,978 equity shares.
- 13 Following options were exercised during the half year ended September 30, 2023 and equity shares were allotted as mentioned below:

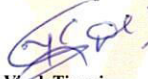
ESOP Scheme	Number of equity shares
Satya ESOP 2018	161,877

- 14 The comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.
- 15 The above un-audited financial results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.satyamicrocapital.com).

Place: New Delhi
Date : November 02, 2023

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




Vivek Tiwari
Managing Director, CEO and CIO
DIN: 02174160



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