

Independent Auditor's Limited Review Report on the unaudited quarterly and nine months ended financial results of Satya MicroCapital Limited, pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review report to
The Board of Directors of
Satya MicroCapital Limited**

1. We have reviewed the accompanying statement of unaudited financial results of **Satya MicroCapital Limited** ("the Company") for the quarter and nine months ended December 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India ("the SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 '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 guidelines, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNFT6241



Place: New Delhi
Date: January 14, 2023



SATYA MicroCapital Ltd.

सर्वे भवन्तु सुखिनः

SATYA MicroCapital Limited

CIN : U74899DL1995PLC068688

Registered office : 519, 5th Floor, 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 nine months ended December 31, 2022

(₹ in million except EPS)

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Revenue from operations						
	Interest income	1,323.15	1,375.94	865.75	3,951.23	2,305.96	3,333.22
	Fees and commission income	134.16	8.16	42.24	145.02	87.30	291.22
	Net gain on derecognition of financial instruments under amortised cost category	190.93	345.16	139.35	578.48	139.35	366.57
	Total revenue from operations	1,648.24	1,729.26	1,047.34	4,674.73	2,532.61	3,991.01
2	Other income	38.89	12.00	8.90	63.54	14.36	24.40
3	Total income (1+2)	1,687.13	1,741.26	1,056.24	4,738.27	2,546.97	4,015.41
4	Expenses						
	Finance costs	769.22	700.02	489.32	2,098.85	1,173.84	1,711.05
	Impairment of financial instruments	181.76	238.56	91.08	478.49	105.29	170.71
	Employee benefits expenses	484.34	460.42	295.66	1,349.99	765.83	1,167.99
	Depreciation and amortisation expenses	20.46	18.46	16.90	51.98	37.98	57.46
	Other expenses	226.50	200.18	111.64	569.01	290.82	473.11
	Total expenses	1,682.28	1,617.64	1,004.60	4,548.32	2,373.76	3,580.32
5	Profit before tax (3-4)	4.85	123.62	51.64	189.95	173.21	435.09
6	Tax expense:						
	Current tax	(62.50)	33.92	2.92	0.11	43.67	102.11
	Deferred tax charge/(credit)	64.87	(2.06)	8.96	49.61	0.71	7.95
	Total tax expense	2.37	31.86	11.88	49.72	44.38	110.06
7	Net profit/(loss) after tax (5-6)	2.48	91.76	39.76	140.23	128.83	325.03
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss	(0.08)	0.11	(0.49)	(0.22)	(1.45)	(0.99)
	Income tax relating to items that will not be reclassified to profit or loss	0.01	(0.02)	0.12	0.05	0.36	0.25
	Total other comprehensive income	(0.07)	0.09	(0.37)	(0.17)	(1.09)	(0.74)
9	Total comprehensive income (7+8)	2.41	91.85	39.39	140.06	127.74	324.29
10	Paid-up equity share capital (face value of ₹ 10 per equity share)						490.64
11	Instruments entirely equity in nature						29.85
12	Other equity						5,002.18
13	Earning per share (EPS) (face value of ₹ 10 per equity share)						
	- Basic (amount in ₹)	0.05	1.87	0.87	2.81	2.80	7.05
	- Diluted (amount in ₹)	0.04	1.68	0.86	2.57	2.76	6.94
	(EPS for the quarter and nine months ended are not annualised)						



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Notes to the unaudited financial results:

- The above financial results for the quarter and nine months ended December 31, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on January 14, 2023, in accordance with requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)
- The financial results 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. Accordingly, these financial results together with the results for the comparative reporting period have 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'), and other recognized accounting practices generally accepted in India, in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended.
- Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (amended) for the nine months ended December 31, 2022 are presented in below table:

S.No.	Particulars	Nine months ended December 31, 2022
1	Debt-equity ratio (no. of times)*	4.10
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)	6,405.98
7	Net profit after tax (₹ in million)	140.23
8	Earnings per share: Basic (not annualised)	2.81
	Diluted (not annualised)	2.57
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***	0.78
14	Debtors turnover**	Not applicable
15	Inventory turnover**	Not applicable
16	Operating margin (%)**	Not applicable
17	Net profit margin (%) #	2.96%
18	Sector specific equivalent ratios, as applicable:	
	a) Net interest margin (%)	7.54%
	b) GNPA (%) ##	1.05%
	c) NNPA (%) ###	0.50%
	d) CRAR (%) §	21.95%

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
- 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 nine months ended December 31, 2022:

Particular	NBFC-MFI	
	Quarter ended December 31, 2022	Nine months ended December 31, 2022
Number of loan accounts assigned	84,810	201,666
Aggregate amount of loan assigned (₹ in million)	2,683	6,667
Sale consideration (₹ in million)	2,683	6,667
Weighted average remaining maturity (in months)	18.09	18.27
Weighted average holding period after origination (in months)	NA	NA
Retention of beneficial economic interest (MRR)	10%-15%	10%-15%
Number of Transactions	4	9
Coverage of tangible security coverage	Nil	Nil
Rating wise distribution of rated loans	Unrated	Unrated



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- 5 The Company has transferred certain stressed loans during the quarter ended December 31, 2022, details of which are given below:

Particular	To ARC's	To permitted transferees
Number of loan accounts assigned during the quarter	73,081	Nil
Aggregate principal outstanding of loan transferred (₹ in million)	2,015.77	Nil
Weighted average remaining maturity (in months)	13.30	Nil
Net book value of loan transferred (at the time of transfer) (₹ in million)*	2,107.57	Nil
Aggregate consideration (₹ in million)	1,500.00	Nil
Additional consideration realized in respect of account transferred in earlier year	Nil	Nil

*excludes ECL provision of ₹ 491.21 million which has been reversed on account of sale of portfolio of such loans.

Particular	As at December 31, 2022
Security receipts under trust floated by ARC's (₹ in million)	1,304.34

- 6 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.
- 7 The Company has evaluated the impact of COVID-19 on the business and operations of the Company as at December 31, 2022 and is of the view that it does not have any material impact on the financial results of the Company on the basis of the facts and events upto the date of approval of these financial results. However, in view of the dynamic nature of the pandemic, the Company will continue to monitor future events/developments that may result in an adverse effect on the business and operations of the Company.
- 8 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.
- 9 The listed secured non-convertible debentures of the Company aggregating to ₹ 6,143.24 million as at December 31, 2022 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.
- 10 The comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.
- 11 The above unaudited financial results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.satyamicrocapital.com).



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



Vivek Tiwari
Managing Director, CEO and CIO
DIN: 02174160

Place: New Delhi

Date: January 14, 2023

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