

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

1. We have reviewed the accompanying Statement of unaudited financial results of **Satya MicroCapital Limited** ("the Company") for the quarter and half-year ended 30 September 2021 ("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 from time to time (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; 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.

Emphasis of Matter

5. We draw attention to Note 10 of the Statement which describes the impact of economic and social consequences of the COVID- 19 pandemic on the Company's business and financial metrics including the Company's estimates of impairment of loans to customers which are highly dependent on uncertain future developments.

Our conclusion is not modified in respect of this matter.

Other matters

6. As described in Note 9 of the Statement, the figures for the quarter ended 30 September 2021 are the balancing figures between figures in respect of the half year ended 30 September 2021 and



the year-to date figures for the quarter ended 30 June 2021 which have not been subjected to limited review / audit. Our conclusion is not modified in respect of this matter.

7. The comparative financial information of the Company for the corresponding year to date results for the period 1 April 2020 to 30 September 2020 were reviewed by predecessor auditor and the financial statements of the Company for the year ended 31 March 2021 was audited by predecessor auditor who expressed an unmodified conclusion/opinion on those financial information and financial statements vide their report dated 6 November 2020 and 21 May 2021 respectively. Our conclusion is not modified in respect of this matter.

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



Vinesh Jain
Partner
Membership No.: 087701
UDIN: 21087701AAAAIZ9298



Place: New Delhi
Date: 13 November 2021



SATYA MicroCapital Ltd.

सर्वे भवन्तु सुखिनः

SATYA MicroCapital Limited
(CIN: U74899DL1995PLC068688)

Registered office address : 519, 5th Floor, DLF Prime Tower, Okhla Industrial Area, Phase-I, New Delhi-110020
Phone No. 011-49724000, Website : www.satyamicrocapital.com

Statement of unaudited financial results for the quarter and half year ended September 30, 2021

(Rupees in million unless otherwise stated)

Particulars	Quarter ended		Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited) (Refer note 9)	(Unaudited) (Refer note 9)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations					
Interest income	745.45	694.76	1,440.21	1,169.81	2,444.99
Fees and commission income	36.84	8.22	45.06	0.40	114.64
Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	108.01
Total revenue from operations	782.29	702.98	1,485.27	1,170.21	2,667.64
Other income	4.39	1.07	5.46	0.87	4.54
Total income	786.68	704.05	1,490.73	1,171.08	2,672.18
Expenses					
Finance cost	367.89	316.63	684.52	660.06	1,278.12
Impairment on financial instruments	(6.17)	20.38	14.21	50.86	256.36
Employee benefits expenses	241.37	228.80	470.17	281.98	687.48
Depreciation and amortisation expense	12.65	8.43	21.08	11.33	27.46
Others expenses	100.52	78.66	179.18	105.82	271.70
Total expenses	716.26	652.90	1,369.16	1,110.05	2,521.12
Profit before tax	70.42	51.15	121.57	61.03	151.06
Tax expense:					
Current tax	15.53	25.22	40.75	18.85	75.62
Deferred tax	2.67	(10.92)	(8.25)	3.91	(26.73)
Income tax expense	18.20	14.30	32.50	22.76	48.89
Profit for the period	52.22	36.85	89.07	38.27	102.17
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement gains/(losses) on defined benefit plans	(0.48)	(0.48)	(0.96)	(0.63)	(0.39)
Income tax effect	0.12	0.12	0.24	0.16	0.10
Total comprehensive income for the period	51.86	36.49	88.35	37.80	101.88
Earnings per share (equity share, par value of Rs. 10 each)					
Computed on the basis of total profit for the period					
Basic (in Rupees)*	1.14	0.80	1.94	1.01	2.57
Diluted (in Rupees)*	1.12	0.79	1.91	1.00	2.53

* not annualised for the half year and quarter ended.

Place: New Delhi
Date: November 13, 2021



For and on behalf of the Board of Directors of
SATYA MICROCAPITAL LIMITED

Vivek Tiwari
Managing Director, CEO and CIO



Registered and 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

Notes to the unaudited financial results:

- The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 13, 2021, in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 and are subjected to limited review by the statutory auditors of the Company.
- Disclosure pursuant to RBI notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework for COVID-19-related Stress):

(Rupees in million)

Type of Borrower	(A) Number of accounts when resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned (if any) including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan**
Personal Loans*	12,348	272.48	-	-	-
Total	12,348	272.48	-	-	-

* Includes joint liability group loan (JLG) and individual loan (IL)

** The Management has made the required provision in accordance with the expected credit loss (ECL) model as per Ind AS-109

(Rupees in million)

Type of Borrower	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan – Position as at the end of previous half year	Of(A), aggregate debt that slipped into NPA during the half-year	Of(A) amount written off during the half-year	Of(A) amount paid by borrower during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan – Position as at the end of half year
Personal Loans*	339.70	-	-	35.66	304.04
Total	339.70	-	-	35.66	304.04

* Includes joint liability group loan (JLG) and individual loan (IL)

- Details of resolution plans implemented under the resolution Framework for Covid- 19 related stress of individual and small borrowers as per RBI circular dated May 5, 2021 (Resolution Framework 2.0):

(Rupees in million)

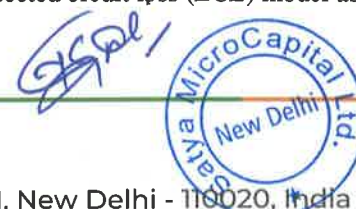
Description	Personal Loans*
(A) Number of requests received for invoking resolution process under Part A	71,381
(B) Number of accounts where resolution plan has been implemented under this window	71,381
(C) Exposure to accounts mentioned at (B) before implementation of the plan	1,812.48
(D) Of (C), aggregate amount of debt that was converted into other securities	-
(E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-
(F) Increase in provisions on account of the implementation of the resolution plan**	-

* Includes joint liability group loan (JLG) and individual loan (IL)

** The Management has made the required provision in accordance with the expected credit loss (ECL) model as per Ind AS-109



Registered and 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

Notes:

4. Statement of assets and liabilities

(Rupees in million unless otherwise stated)

Particulars	As at September 30, 2021	As at March 31, 2021
	(Unaudited)	(Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	1,072.54	1,689.14
Bank balance other than cash and cash equivalents	3,892.40	1,477.19
Trade receivables	113.46	107.42
Loan portfolio	13,662.10	12,146.00
Other financial assets	127.60	44.45
Total financial assets	18,868.10	15,464.20
Non-financial assets		
Current tax assets (net)	27.29	29.38
Deferred tax assets (net)	80.64	72.14
Property, plant and equipment	100.92	75.74
Intangible assets	0.25	0.87
Other non - financial assets	232.36	231.05
Total non-financial assets	441.46	409.18
Total assets	19,309.56	15,873.38
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payable		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	25.40	36.30
Debt securities	4,293.22	2,851.39
Borrowings (other than debt securities)	10,116.75	7,845.09
Subordinated liabilities	545.31	574.28
Other financial liabilities	129.69	442.89
Total financial liabilities	15,110.37	11,749.95
Non-financial liabilities		
Provisions	25.68	25.24
Other non-financial liabilities	33.48	53.90
Total non-financial liabilities	59.16	79.14
EQUITY		
Equity share capital	459.61	458.50
Other equity	3,680.42	3,585.79
Total Equity	4,140.03	4,044.29
Total liabilities and equity	19,309.56	15,873.38



Registered and 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

Notes:

5. Statement of cash flows

(Rupees in million unless otherwise stated)

Particulars	For the half year ended September 30, 2021
	(Unaudited)
Cash flows from operating activities	
Profit before tax	121.57
Adjustments for:	
Depreciation and amortization	21.08
Share based payment to employees	2.40
Financial assets write off	6.80
Impairment of financial instruments	(6.21)
Interest income	(1,440.21)
Interest expense	684.52
	(610.05)
Operating cash flows on account of:	
Interest income	1,226.81
Interest expense	(689.97)
Lease rental reversed upon implementation of Ind AS 116	(4.34)
Operating profit before working capital changes	(77.55)
Movements in working capital:	
Increase/(decrease) in provision	(0.52)
Increase/(decrease) in other financial liabilities	(324.10)
Increase/(decreases) in other non-financial liabilities	(20.43)
(Increase)/decrease in bank balances other than cash and cash equivalents	(2,415.22)
(Increase)/decrease in trade receivables	(6.04)
(Increase)/decrease in loan portfolio	(1,239.48)
(Increase)/decrease in other financial assets	(83.15)
(Increase)/decrease in other non-financial assets	(58.09)
Cash used in operations	(4,224.58)
Income-tax paid	(39.15)
Net cash used in operating activities (A)	(4,263.73)
Cash flow from investing activities	
Purchase of property, plant and equipment	(25.78)
Net cash used in investing activities (B)	(25.78)
Cash flows from financing activities	
Net proceeds from borrowings	3,672.91
Net cash from financing activities (C)	3,672.91
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(616.60)
Cash and cash equivalents at the beginning of the period	1,689.14
Cash and cash equivalents at the end of the period	1,072.54
Components of cash and cash equivalents as at the end of period	
Cash on hand	5.37
Balance with banks - on current account	756.91
Deposits with original maturity of less than three months	310.26
Total cash and cash equivalents	1,072.54



Registered and 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

Notes:

6. Disclosure in compliance with Regulation 52 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the half year ended September 30, 2021

S.No	Particulars	Ratio
1	Debt-equity ratio*	3.61
2	Debt service coverage ratio**	NA
3	Interest service coverage ratio**	NA
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve/debenture redemption reserve (Rupees in Millions) -Refer note (a)	Nil
6	Net worth (Rupees in million)	4,140.03
7	Net profit after tax (Rupees in million)	89.07
8	Earnings per share: Basic (not annualised)	1.94
	Diluted (not annualised)	1.91
9	Current ratio**	NA
10	Long term debt to working capital**	NA
11	Bad debts to Account receivable ratio**	NA
12	Current liability ratio**	NA
13	Total debts to total assets***	0.77
14	Debtors turnover**	NA
15	Inventory turnover**	NA
16	Operating margin (%)**	NA
17	Net profit margin (%) #	5.97%
18	Sector specific equivalent ratios, as applicable:	
18 a	Gross NPA (%) ##	1.95%
18 b	Net NPA (%) ###	0.29%
18 c	Capital risk adequacy ratio (CRAR) % \$	30.21%

Notes:

a. The Company does not have any non- convertible redeemable preference shares/ non- convertible preference shares/ redeemable preference shares.

b. 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 for Stage III)

\$ CRAR = Adjusted net worth/ Risk weighted assets, calculated as per RBI guidelines.



Registered and Corporate Office

519, 5th Floor, DLF Prime Tower, Okhla Industrial Area, Phase - 1, New Delhi - 110020, India

Email : info@satyamicrocapital.com | Web : www.satyamicrocapital.com

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





SATYA MicroCapital Ltd.

सर्वे भवन्तु सुखिनः

7. The Company operates in a single reportable segment i.e., lending to members, having similar risks and returns for the purpose of Ind AS 108 -Operating Segments. The Company operates in single geographic segment i.e., domestic.
8. As per SEBI circular SEBI/HO/DDHS/CIR/2021/0000000637 dated October 5, 2021, since the Company does not have the corresponding quarterly financial results for the quarter ended September 30, 2020 and corresponding cash flow statement for the half year ended September 30, 2020, columns related to these corresponding figures for such quarter/ half year are not applicable and hence not disclosed.
9. The figures for the quarter ended September 30, 2021 are the balancing figures between figures in respect of the half year ended September 30, 2021 and the year to date figures for the quarter ended June 30, 2021 which have not been subjected to limited review / audit.
10. The outbreak of COVID- 19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. The continuing impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to several management judgements and estimates. In relation to COVID-19, judgements and assumptions include the possible extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries. Further, the Company has in addition to the moratorium benefit discussed above restructured certain loan accounts in accordance with the Resolution Framework for COVID-19 related stress as per the RBI Circular dated May 5, 2021. These accounts have been classified on the basis of the historical behaviour of such loans and applying suitable macro-economic outlook and expected credit losses have been provided in respect of those loans as well.
11. 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.
12. The listed secured non-convertible debentures of the company aggregating to Rs.3,269.15 million as at September 30, 2021 are secured by way of exclusive charge on Book debts/Receivables hypothecated in favour of Debenture Trustee, with a cover of 1.10 times or more as required under Information Memorandum/Debenture Trustee Deed..
13. Pursuant to the approval of the Board of Directors at its meeting held on September 20, 2021, Credentia Finclusion Private Limited has been incorporated as Wholly Owned Subsidiary of the Company with the Registrar of Companies, vide Certificate of Incorporation bearing Corporate Identification Number U65929DL2021PTC388931 dated October 25, 2021.
14. The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.
15. The above 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 13, 2021

For and on behalf of the Board of Directors of
SATYA MICROCAPITAL LIMITED


Vivek Tiwari
Managing Director, CEO and CIO*



Registered and 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