No.: [1]
Addressed to: *Northern Arc Capital Limited*

PLACEMENT MEMORANDUM / PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

SATYA MICROCAPITAL LIMITED ("Issuer" / "Company")

A public limited company incorporated under the Companies Act, 1956

Placement Memorandum for issue of Debentures on a private placement basis
Dated: October 19, 2022

Issue of up to 450 (four hundred and fifty) rated, listed, unsubordinated, secured, redeemable, transferable, Non-Convertible Debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregating to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of 350 (Three Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 35,00,00,000 (Thirty-Five Crores) ("Green Shoe Option") on a private placement basis by Satya Microcapital Limited (the "Company" or "Issuer") in one or more series/tranches at par comprising of:

a. **200 (Two Hundred) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores Only) inclusive of Green Shoe Option of 150 (One Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 15,00,00,000 (Indian Rupees Fifteen Crores) ("Series A Debentures") and**

b. **250 (Two Hundred and Fifty) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 25,00,00,000 (Indian Rupees Twenty-Five Crores Only) inclusive of Green Shoe Option of 200 (Two Hundred) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 20,00,00,000 (Indian Rupees Twenty Crores) ("Series B Debentures").**

PART A: DISCLOSURES AS PER SEBI DEBT LISTING REGULATIONS:

** *Please refer pages 1-4 for all information required to be placed on the front page of a placement memorandum as per Schedule II of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.*

Please see below the disclosures as required under the terms of the SEBI Debt Listing Regulations (as defined below):

S.no	Particulars	Relevant Disclosure
1.	**Corporate Identity Number of the Issuer:**	U74899DL1995PLC068688
2.	**Permanent Account Number of the Issuer:**	AAACT2834L

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3.	**Date and place of Incorporation of the Issuer**:	Date of incorporation: May 18, 1995 Place of incorporation: Delhi, India
4.	**Latest registration / identification number issued by any regulatory authority which regulates the Issuer (in this case the RBI)**:	14.01513
5.	**Registered Office address of the Issuer**:	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase I, Delhi, South Delhi - 110020
6.	**Corporate Office address of the Issuer**:	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase I, Delhi, South Delhi - 110020
7.	**Telephone No of the Issuer**:	+91 11 49724000
8.	**Details of Compliance officer of the Issuer**:	Name: Choudhary Runveer Krishanan Telephone Number: +91 11 49724000 Email address: runveer.krishanan@satyamicrocapital.com
9.	**Details of Company Secretary of the Issuer**:	Name: Choudhary Runveer Krishanan Telephone Number: +91 11 49724000 Email address: runveer.krishanan@satyamicrocapital.com
10.	**Details of Chief Financial Officer of the Issuer**:	Name: Ms. Vandita Kaul Telephone Number: +91 11 49724000 Email address: vandita.kaul@satyamicrocapital.com
11.	**Details of Promoters of the Issuer:**	
12.	**Website address of the Issuer**:	http://www.satyamicrocapital.com
13.	**Email address of the Issuer**:	cs@satyamicrocapital.com +91-11-49724000
14.	**Details of debenture trustee for the Issue:**	Name: **Catalyst Trusteeship Limited** Address: Windsor,6th Floor, Office No.604, C.S.T Road, Kalina, Santa Cruz (East), Mumbai 400098 Logo: Telephone Number: 022-49220555

Sr. No.	Name	Telephone Number	Email Id
1.	Vivek Tiwari	+91 11 49724000	vivek.tiwari@satyamicrocapital.com
2.	Ratnesh Tiwari	+91 11 49724000	rtiwariiitd@gmail.com
3.	Sadhna Tiwari	+91 11 49724000	sana.dec23@gmail.com
4.	Vandana Tiwari	+91 11 49724000	vandna.t@yahoo.com
5.	Koshish Marketing Solutions Pvt. Ltd.	+91 11 49724001	rtiwariiitd@gmail.com

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		Email address: umesh.salvi@ctltrustee.com Contact person: Mr. Umesh Salvi
15.	**Details of credit rating agency for the Issue:**	Name: **Acuite Ratings and Research Limited** Address: 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 Logo: Acuite Website: https://www.acuite.in/ Email address: https://www.acuite.in/ Telephone Number: 022 4929 4000 Contact Person: Chitra Mohan
16.	**Date of placement memorandum / Placement Memorandum**	October 19, 2022
17.	**Type of placement memorandum / Placement Memorandum**	This Placement Memorandum is being issued in relation to the private placement basis of Debentures (which are being issued under the terms hereof in a single series).
18.	**The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable**	Issue of 450 (four hundred and fifty) rated, listed, unsubordinated, secured, redeemable, transferable, Non-Convertible Debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregating to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of 350 (Three Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 35,00,00,000 (Thirty-Five Crores) ("**Green Shoe Option**") on a private placement basis by Satya Microcapital Limited (the "**Company**" or "**Issuer**") in one or more series/tranches at par comprising of: **a.** 200 (Two Hundred) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores Only) inclusive of Green Shoe Option of 150 (One Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 15,00,00,000 (Indian Rupees Fifteen Crores) ("**Series A Debentures**") and **b.** 250 (Two Hundred and Fifty) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 25,00,00,000 (Indian Rupees Two Five Crores Only) inclusive of Green Shoe Option of 200 (Two Hundred) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 20,00,00,000 (Indian Rupees Twenty Crores) ("Series B Debentures").
19.	**The aggregate amount proposed to be raised through all the stages of**	Not applicable.

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	offers of non-convertible securities made through the shelf placement memorandum;	
20.	**Details of Registrar to the Issue:**	Name: KFin Technologies Limited Address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500032, India Logo: Telephone Number: Fax number: Website: Email address: mailto:debtca@linktime.co.in
21.	**Issue Schedule**	Date of opening of the Issue: October 19, 2022 Date of closing of the Issue: October 19, 2022 Payin Date: October 20, 2022 Deemed date of Allotment: October 20, 2022 Date of earliest closing of the Issue (if any): N.A. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.
22.	**Credit Rating of the Issue**	The Rating Agency has vide its letter and rating rationale dated September 30, 2022 assigned a rating of "ACUITE A-Stable" (pronounced as "A minus/Stable") in respect of the Debentures. Please refer to **Annexure II** of this Placement Memorandum for the letter dated September 30, 2022 and rating rationale dated September 30, 2022 from the Rating Agency assigning the credit rating abovementioned and the press release by the Rating Agency in this respect.
23.	**All the ratings obtained for the private placement of Issue**	Please refer to S.No 22 (*Credit Rating of the Issue*) above. No other ratings have been obtained for the purposes of this Issue.
24.	**The name(s) of the stock exchanges where the securities are proposed to be listed**	The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited / Bombay Stock Exchange ("**BSE**").
25.	**The details about eligible investors;**	The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"): (a) Mutual Funds (b) NBFCs (c) Provident Funds and Pension Funds (d) Corporates (e) Banks (f) Foreign Institutional Investors (FIIs) (g) Qualified Foreign Investors (QFIs)

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		(h) Foreign Portfolio Investors (FPIs) (i) Insurance Companies (j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. **Note:** Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
26.	**Coupon rate, coupon payment frequency, redemption date, redemption amount and details of debenture trustee**	In respect of the coupon rate, the coupon payment frequency, the redemption date and redemption amount in respect of the Debentures, please refer to Section 5.37 (*Issue Details*) of this Placement Memorandum. The details of Debenture Trustee are provided under S. No. 14 above.
27.	**Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable**	Issue of 450 (four hundred and fifty) rated, listed, unsubordinated, secured, redeemable, transferable, Non-Convertible Debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregating to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of 350 (Three Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 35,00,00,000 (Thirty-Five Crores) ("Green Shoe Option") on a private placement basis by Satya Microcapital Limited (the "**Company**" or "**Issuer**") in one or more series/tranches at par comprising of: **a.** 200 (Two Hundred) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores Only) inclusive of Green Shoe Option of 150 (One Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 15,00,00,000 (Indian Rupees Fifteen Crores) ("**Series A Debentures**") and **b.** 250 (Two Hundred and Fifty) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 25,00,00,000 (Indian Rupees Two Five Crores Only) inclusive of Green Shoe Option of 200 (Two Hundred) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 20,00,00,000 (Indian Rupees Twenty Crores) ("Series B Debentures").

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<table>
<tr><td>28.</td><td>Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:</td><td>Not applicable</td></tr>
<tr><td>29.</td><td>Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable.</td><td>This Issue, offer and subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI and BSE under the EBP Guidelines (as defined below) by placing bids on the EBP Platform during the period of the Issue. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines (as defined below) are set out hereinbelow:
<table>
<tr><td>Details of size of the Issue including green shoe option, if any</td><td>Total Issue size of Issue: Indian Rupees 45,00,00,000 (Indian Rupees Fifty Five Crores Only, including Green Shoe Option of INR 35,00,00,000 (Indian Rupees Thirty Five Crores Only) comprising of:

Series A Debentures: Rs. 20,00,00,000/- (Indian Rupees Twenty Crores Only), including Green Shoe Option of Rs. 15,00,00,000 (Indian Rupees Fifteen Crores Only)
Series B Debentures: Rs. 25,00,00,000/- (Indian Rupees Twenty-Five Crores Only) including Green Shoe Option of Rs. 20,00,00,000 (Indian Rupees Twenty Crores Only)</td></tr>
<tr><td>Bid opening and closing date</td><td>Bid opening date: October 19, 2022; and
Bid closing date: October 19, 2022</td></tr>
<tr><td>Minimum Bid lot</td><td>1 Debenture (being INR 10,00,000 (Indian Rupees Ten Lakh)), and in the multiples of 1 Debenture thereafter (being INR 10,00,000 (Indian Rupees Ten Lakh))</td></tr>
<tr><td>Manner of bidding in the Issue</td><td>Closed Bidding</td></tr>
<tr><td>Manner of allotment in the Issue</td><td>The allotment will be done on Uniform Yield basis in accordance with EBP Guidelines.</td></tr>
<tr><td>Manner of settlement in the Issue</td><td>Pay-in of funds through ICCL and the account details are given in the Clause 8.9 (Issue Procedure) of this Placement Memorandum</td></tr>
<tr><td>Settlement cycle</td><td>T+1; where T refers to the date of bid opening date / issue opening date</td></tr>
</table>
Please refer Section 8.9 below</td></tr>
<tr><td>30.</td><td>Specific declaration requested by BSE: non-equity regulatory capital</td><td>This issue of Debentures does not form part of non-equity regulatory capital mentioned under Chapter V of the SEBI ILNCS Regulations. The face value of each Debenture is INR 10,00,000 (Indian Rupees Ten Lakh).</td></tr>
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Background
This Placement Memorandum (as defined below) is related to the Debentures to be issued by Satya MicroCapital Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on July 06, 2022 and the Board of Directors of the Issuer on May 19, 2022, and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated July 06, 2022 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding Rs. 15,00,00,00,000 (Rupees One Thousand and Five Hundred Crores). The present issue of Debentures in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

Issuer's Absolute Responsibility
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

Issue Schedule	
Particulars	**Date**
Issue Opening Date	October 19, 2022
Issue Closing Date	October 19, 2022
Pay In Date	October 20, 2022
Deemed Date of Allotment	October 20, 2022



SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	The allotment of the Debentures pursuant to this Issue.
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes IND AS.
Application Form	The form used by the recipient of this Placement Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Placement Memorandum and marked as **Annexure IV**.
Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with Applicable Accounting Standards
Beneficial Owner(s)	means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository
Board / Board of Directors	The Board of Directors of the Issuer.
BSE	means the BSE Limited.
Business Day	means any day, other than a Saturday, Sunday or any day which is a public holiday, on which the commercial banks are open for business in Mumbai, and India and "**Business Days**" shall be construed accordingly. For the purpose of this definition, in respect of: (a) Announcement of issue period: Business Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. (b) The time period between the Issue Closing Date and the listing of the Debentures on the BSE: Business Day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board.
Capital Adequacy Ratio	means the ratio as defined by the Reserve Bank of India from time to time as applicable for non-banking financial companies.
CDSL	Central Depository Services (India) Limited.
CERSAI	shall mean the Central Registry of Securitisation Asset Reconstruction and Security Interest.

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Charge-Offs	for a period means the cumulative total amount of defaulted Client Loans that have been deleted from the Issuer's balance sheet and expensed / written-off against the Loan Loss Reserve.
Client Loan	means each loan made by the Issuer as a lender and "Client Loans" shall refer to the aggregate of such loans.
Company/Issuer	Satya MicroCapital Limited, a public limited company incorporated under the Companies Act, 1956 having corporate identity number U74899DL1995PLC068688 and registered as a non-banking financial company - micro-finance institution with the Reserve Bank of India, having its registered office at 519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, New Delhi - 110020, India.
Conditions Precedent	means the conditions precedent set out under the heading in Section 5.37 (*Issue Details*) of this Placement Memorandum.
Conditions Subsequent	means the conditions subsequent set out in Section 5.37 (*Issue Details*) of this Placement Memorandum.
Coupon	means the coupon payable on the Debentures on the Coupon Payment Date(s), at the Coupon Rate.
Coupon Payment Date	mean the date(s) as specified in Schedule VI of this Placement Memorandum.
Coupon Rate	means Series A: 12.00% (twelve percent) Series B: 12.75% (twelve decimal seven five percent)
Crore	means ten million
Debentures/NCDs	450 (four hundred and fifty) rated, listed, unsubordinated, secured, redeemable, transferable, Non-Convertible Debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) aggregating to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of 350 (Three Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 35,00,00,000 (Thirty-Five Crores) ("**Green Shoe Option**") on a private placement basis by Satya Microcapital Limited (the "**Company**" or "**Issuer**") in one or more series/tranches at par comprising of Series A: 200 (Two Hundred) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores Only) inclusive of Green Shoe Option of 150 (One Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 15,00,00,000 (Indian Rupees Fifteen Crores) Series B: 250 (Two Hundred and Fifty) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 25,00,00,000 (Indian Rupees Two Five Crores Only) inclusive of Green Shoe Option of 200 (Two Hundred) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten

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	Lakh only) each aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores).
Debenture Holders / Investors	means each who fulfils the following requirements: (a) Persons who are registered as Beneficial Owners; and (b) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s), (and shall include registered transferees of the Debentures from time to time with the Issuer and the Depository) and in the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail.
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	means the agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed/DTD	means the trust deed executed / to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	shall have the meaning assigned to such term in Section 5.37 (*Issue Details*) of this Placement Memorandum.
Deemed Date of Allotment	October 20, 2022
Default Interest	shall have the meaning assigned to such term in Section 5.37 (*Issue Details*) of this Placement Memorandum.
Demat	means dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depositories	means NSDL and CDSL
Depository	means a Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
Due Date	means any date on which the holders of the Debentures are entitled to any payments whether on maturity (or upon exercise of the option to redeem the Debentures) or otherwise prior to the scheduled Redemption Date or upon acceleration.
EBP Platform	has the meaning given to it under the EBP Requirements.
EBP Requirements	means the requirements with respect to electronic book mechanism prescribed in Chapter VI (*Electronic Book Provider platform*) of the Listed NCDs Operational Circular and the operational guidelines

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	issued by the relevant Electronic Book Provider, as may be restated, amended, modified or updated from time to time.
EFT	Electronic Fund Transfer
Eligible Investors	Shall have the meaning specified in S.no 25 of Part A (*Disclosures*) above.
Equity	means the total equity of the Issuer, including shareholder's equity, reserves, retained earnings or losses and current year cumulated net income or loss.
Event of Default	means the events of default set out in Section 5.37 (*Issue Details*) of this Placement Memorandum.
Exclusion List	means the list of prohibited activities set out in the DTD.
Final Settlement Date	shall mean the date on which the Payments have been irrevocably discharged in full and/or the Debentures have been redeemed by the Issuer in full in accordance with the terms of the Transaction Documents.
Financial Indebtedness	means any indebtedness for or in respect of: (a) monies borrowed; (b) any amount availed of by acceptance of any credit facility; (c) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (i) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; (j) any put option, guarantees, keep fit letter(s), letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s); (k) any preference shares (excluding any compulsorily convertible preference shares); or (l) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items



	referred to in paragraphs (a) to (k) above.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year
Foreign Currency	means a currency other than Indian Rupees.
Foreign-Currency Asset	means any asset of the Issuer consisting of a loan, deposit, claim or other asset that by its terms is payable in Foreign Currency.
Foreign-Currency Liability	means any liability of the Issuer consisting of a loan, deposit, claim or other liability that by its terms is payable in Foreign Currency; provided that a loan payable in Foreign Currency that is indexed to the domestic currency of the Issuer or that is hedged against exchange rate fluctuations with the domestic currency of the Issuer shall not be considered a Foreign-Currency Liability. A loan payable in Foreign Currency that is hedged through back-to-back arrangements will be considered a Foreign-Currency Liability.
Governmental Authority	shall include the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
Hypothecated Property	shall have the meaning assigned to such term in Section 5.37 (*Issue Details*) of this Placement Memorandum.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof.
ICCL	means the Indian Clearing Corporation Limited.
Increased Costs	shall include any fees or costs incurred by the Debenture Holder(s) to enable subscription to this Issue, including but not limited to, all such costs arising out of the termination or liquidation of any swaps or hedging arrangement entered into by the Debenture Holder(s) to enable subscription to this Issue.
IND AS	shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Issuer.
Information Utility	means the National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
Issue	means the private placement of the Debentures.
Issue Closing Date	October 19, 2022
Issue Opening Date	October 19, 2022
Liability / Liabilities	means, for any date of determination, the liabilities of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards.

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Listed NCDs Operational Circular	means the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as amended, modified, or restated from time to time.
Loan Loss Reserves	means the portion of the Issuer's portfolio of Client Loans that has been expensed (provisioned for) in anticipation of losses due to default
Local Currency	means the lawful currency of India.
LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Majority Debenture Holders	means the Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to 100% (One Hundred Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date/Redemption Date	Series A Debentures: October 20, 2024, being 24 (twenty four) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise. Series B Debentures: : October 20, 2025 being 36 (thirty- six) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise
Monthly Hypothecated Property Report	has the meaning given to it in Section 5.37 (*Issue Details*) of this Placement Memorandum.
NBFC	Non-banking financial company
NBFC-MFI	Non-Banking Financial Company - Micro Finance Institution
NBFC Directions	means the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 (each as amended, modified or restated from time to time) as may be applicable, read together with the Master Circular on "Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs) – Direction" issued by the RBI (as amended, modified or restated from time to time).
NCD Issuance Directions	means, collectively, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 and the Foreign Exchange Management (Debt Instruments)

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	Regulations, 2019 read together with: (a) the RBI's circular no. A.P. (DIR Series) Circular No. 31 dated June 15, 2018 on "*Investment by Foreign Portfolio Investors (FPI) in Debt - Review*", the RBI's circular no. A.P. (DIR Series) Circular No. 19 dated February 15, 2019 on "*Investment by Foreign Portfolio Investors (FPI) in Debt*", and the RBI's circular no. A.P. (DIR Series) Circular No. 18 dated January 23, 2020 on "*Investment by Foreign Portfolio Investors (FPI) in Debt*"; and (b) SEBI's circular no. IMD/FPIC/CIR/P/2018/101 dated June 15, 2018 on "*Review of Investment by Foreign Portfolio Investors (FPI) in Debt*" and the SEBI's circular no. IMD/FPIC/CIR/P/2019/37 dated March 12, 2019 on "Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities".
Net Charge-Offs	shall mean total Charge-Offs net of recoveries of previously charged-off loans, over the preceding 12 (Twelve) months from the Deemed Date of Allotment
Net Income	shall mean, for any particular period and with respect to the Issuer, all revenue (including donations and grants) less all expenses (including taxes, if any for such period).
N.A.	Not Applicable
NSDL	National Securities Depository Limited
Outstanding Gross Loan Portfolio	means the outstanding principal balance of all of the Issuer's outstanding Client Loans including current, delinquent and restructured Client Loans, but not including Charge-Offs. It does not include interest receivables and accrued interest
Outstanding Principal Amount	means, at any date, the principal amount outstanding under the Debentures.
PAN	Permanent Account Number
Payments	means all payments, including any partial payment, to be made by the Issuer in relation to the Issue including without limitation, payment of Coupon, Outstanding Principal Amount, Default Interest, remuneration of the Debenture Trustee, and all fees, costs, charges, expenses and other monies.
Payment Default	means any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default under paragraph (i) under the section named "Events of Default" under Section 5.37 (*Issue Details*) of this Placement Memorandum.
Person	shall include an individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Government Authority and in case of a company and a body corporate shall include their respective successors and assigns and in case of any individual his/her respective legal representative, administrators, executors and heirs and in case of trust shall include the trustee(s) for the time being and from time to time. The term "Persons" shall be construed accordingly.

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Placement Memorandum/Offer Document	means this placement memorandum issued by the Issuer for the issue of the Debentures on a private placement basis in accordance with Applicable Laws.
Portfolio at Risk	shall mean the outstanding principal amount of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than a specified number of days.
Principal Payment Date(s)	means the payment dates as specified in Annexure VI of this Placement Memorandum.
Private Placement Offer cum Application Letter/PPOA	The offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Purpose	means for raising debt to means for raising debt to meet funding requirements for expanding the loan portfolio of the Issuer and diversifying the funding sources of the Issuer to expand the microfinance loan portfolio and to further advance the Issuer's commitment to providing loans to women and women owned businesses.
Rating Agency	shall mean Acuite Ratings & Research Limited or such other rating agency acceptable to the Debenture Trustee/Debenture Holders.
RBI	Reserve Bank of India.
Record Date	mean the date being 15 (Fifteen) calendar days prior to the due date on which any Payments are to be made to the Debenture Holder(s) in accordance with the terms of the Debentures on the basis of which the determination of the persons entitled to receive redemption of principal, Coupon, and other Payments, if any, as the case may be, in respect of the Debentures shall be made.
REF / Recovery Expense Fund	means the recovery expense fund created/to be created by the Issuer with the BSE.
Register of Debenture Holders	The register maintained by the Issuer containing the name of Debenture holders entitled to receive Coupon/ Redemption Amount in respect of the Debentures on the Record Date, which shall be maintained at the Registered Office of the Issuer.
Restructured Loans	means the total amount of Client Loans for which the initial repayment schedule has been modified in favour of the Issuer's client, either through modifications of the prior loan contract or through a new loan contract.
Return on Assets	for any period means the Issuer`s Net Income divided by its average Assets over that same period.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being NSDL Database Management Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
Sanctionable Practices	shall mean any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, or Obstructive Practice, as those terms are defined and interpreted in accordance with the Anti-Corruption Guidelines, and is more particularly set out under the Debenture Trust

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	Deed.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Defaults (Procedure) Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "*Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities*" issued by SEBI.
SEBI Due Diligence Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*".
SEBI ILNCS Regulations/ SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 together with the Listed NCDs Operational Circular, as amended from time to time.
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Operational Circular.
SEBI REF Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "*Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund*" read with circular no: SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 setting out "Revised format of security cover certificate, monitoring and revision in timelines issued by SEBI
Secured Obligations	Shall mean the redemption of the principal amounts, Coupon, the remuneration of the Debenture Trustee, and all costs, charges, expenses and other monies payable by the Issuer in respect of the Debentures.
Security	means the security for the Debentures as specified in Section 5.37 (*Issue Details*) hereto.
Security Cover	means the security for the Debentures as specified in Section 5.37 (*Issue Details*) hereto.
Special Resolution	means: (a) a resolution passed at a meeting of the Debenture Holders duly convened and held in accordance with the Debenture Trust Deed; or (b) written instructions given by the Majority Debenture Holders.
TDS	Tax Deducted at Source.
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Tier I Capital	shall have the meaning assigned to such term in the applicable RBI regulations.
Total Assets	means, for any date of determination, the total Assets of the Issuer on such date.
Transaction Documents	The documents executed or to be executed in relation to the issuance

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	of the Debentures as more particularly set out in Section 7 of this Placement Memorandum.
WDM	Wholesale Debt Market segment of the BSE
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

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SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

This Placement Memorandum, the Private Placement Offer cum Application Letter and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only

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such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Placement Memorandum and/or the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Placement Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Placement Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Placement Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Placement Memorandum) without retaining any copies hereof. If any recipient of this Placement Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Placement Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Placement Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Placement Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum and/or the Private Placement Offer cum Application Letter comes are required to inform themselves of, and to observe, any such restrictions. The Placement Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES



As required, a copy of this Placement Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Placement Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at New Delhi, India. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM



The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.



SECTION 3: RISK FACTORS

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this Placement Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures. Potential Investors should also read the detailed information set out elsewhere in this Placement Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3. GENERAL RISKS

3.1 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:

(a) Repayment is subject to the credit risk of the Issuer.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

(b) The secondary market for non-convertible securities may be illiquid.

The non-convertible securities may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the non-convertible securities, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

(c) Credit Risk & Rating Downgrade Risk

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

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(d) Changes in interest rates may affect the price of Debentures.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

(e) Tax Considerations and Legal Considerations:

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(f) Accounting Considerations:

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

(g) Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.2 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

(a) Security may be insufficient to redeem the Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents executed in relation to the Debentures. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such Security (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. There is a risk that the value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.3 REFUSAL IN LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD:

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As of date, the Issuer has not been refused in listing of any security during the last 3 years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

3.4 LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

3.5 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

3.6 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) ***Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

A majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk.

As on June 30, 2022, the gross NPA was Rs. 84.58 Crores on on-balance sheet portfolio of Rs. 2,356.08 Crore and PAR90+ was Rs. 90.31 Crore on a gross loan portfolio (including managed / securitised portfolio) of Rs. 2,815.38 Crore

(b) ***The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.***

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

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The members are poor and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that its monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

(c) ***The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

(d) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and

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financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(e) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(f) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

There are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are uninsurable. A successful assertion of such large claims against the Issuer that exceeds it's available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations. Such risks are normally minimized through strong Risk Management practices of the Company.

(g) ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (including the NBFC Directions) the Issuer is required to maintain its status as a NBFC-MFI in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails

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to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC Directions and fails to maintain the status of NBFC-MFI, it will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.

(h) ***The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk***

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and the Issuer has experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

(i) ***Economic Risk in India:***

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

3.7 ANY OTHER RISK FACTORS

(a) Legality of Purchase

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Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

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SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31st March 2022 are set out in **Annexure V** hereto along with the Limited Review Financial Statements as on June 30, 2022.

SECTION 5: REGULATORY DISCLOSURES

The Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted along with the listing application to the BSE and with the Debenture Trustee:

(a) This Placement Memorandum;
(b) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(c) Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on July 06, 2022 authorizing the issue / offer of non-convertible debentures by the Company;
(d) Copies of the resolutions passed by the shareholders of the Company at the Annual General Meeting held on July 06, 2022 authorising the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of INR 75,00,00,00,000 (Indian Rupees Seven Thousand Five Hundered Crore);
(e) Copy of the resolution passed by the Board of Directors of the Company dated May 19, 2022 authorizing the issuance of the Debentures and the list of authorized signatories;
(f) Copy of last 3 (Three) years audited Annual Reports;
(g) Reports about the business or transaction to which the proceeds of the securities are to be applied directly or indirectly;
(h) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(i) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where such debt securities are proposed to be listed.
(j) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained; (Not applicable)
(k) Any other particulars or documents that the recognized stock exchange may call for as it deems fit; and
(l) Due diligence certificates from the Debenture Trustee as per the format specified in Annexure B of the SEBI Due Diligence Circular and Schedule IV of the SEBI ILNCS Regulations.

The following documents have been / shall be submitted to BSE at the time of filing the draft of this Placement Memorandum:

(m) Due diligence certificates from the Debenture Trustee as per the format specified in Annexure A of the SEBI Due Diligence Circular and Schedule IV of the SEBI ILNCS Regulations.

5.2 [INTENTIONALLY LEFT BLANK]

5.3 Details of Promoters of the Issuer:

S.no	Details of Promoter	Description

1.	Name of promoter	Vivek Tiwari
2.	Date of Birth	01.04.1978
3.	Age	43 Years
4.	Personal Addresses	Flat No. A-406 Gaur Grandeur, Sector-119, Parthala Khanjarpur Gautam Buddha Nagar, UP- 201304
5.	Education Qualifications	Post-Graduate in Rural Development & Management from the Institute of Engineering & Rural Technology, Allahabad
6.	Experience in the business or employment	20 Years
7.	Positions/posts held in the past by the promoter	COO – Satin Creditcare Network Ltd
8.	Directorships held by the promoter	5
9.	Other ventures of the promoter	Other Directorship is as follows: 1. Koshish Sustainable Solutions Private Limited 2. Satya Shakti Foundation 3. Satyapath Social Foundation 4. Credentia Finclusion Private Limited 5. Baid Housing Finance Private Limited 6. V& S Advisors (OPC) Private Limited 7. Finhaat Technolgies Private Limited
10.	Special achievements	He has been felicitated with the BFSI Leadership Award as well as "Bharat Jyoti Award" by India International Friendship Society.
11.	Business and financial activities of the promoter	Managing Director, CEO & CIO of SATYA MicroCapital Limited
12.	Photograph	
13.	Permanent Accountant Number	AEYPT2745P
14.	Other Details	N.A.

S.no	Details of Promoter	Description
1.	Name of promoter	Ratnesh Tiwari
2.	Date of Birth	07.04.1987
3.	Age	34 Years
4.	Personal Addresses	Flat No. T-9/1134, Purvanchal Royal City, Plot No-GH-05 Sector CHI V, Greater Noida Knowledge Park-I, Gautam Budha Nagar, U.P-201310

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5.	Education Qualifications	Engineering postgraduate and has a doctoral degree (Ph.D.) from Indian Institute of Technology (IIT) Delhi
6.	Experience in the business or employment	10 Years
7.	Positions/posts held in the past by the promoter	Scientist
8.	Directorships held by the promoter	5
9.	Other ventures of the promoter	Other Directorship is as follows: 1. Koshish Sustainable Solutions Private limited 2. Koshish Marketing Solutions Private Limited 3. Satya Shakti Foundation 4. Credentia Finclusion Private Limited 5. HDMR Healthcare Private Limited
10.	Special achievements	-
11.	Business and financial activities of the promoter	He is the Chief Executive Officer at Koshish Sustainable Solutions Pvt. Ltd.
12.	Photograph	
13.	Permanent Accountant Number	AREPT0430C
14.	Other Details	N.A.

S.no	Details of Promoter	Description
1.	Name of promoter	Sadhna Tiwari
2.	Date of Birth	23/12/1986
3.	Age	34 Years
4.	Personal Addresses	Flat No. T-9/1134, Purvanchal Royal City, Plot No-GH-05 Sector CHI V, Greater Noida Knowledge Park-I, Gautam Budha Nagar, U.P 201310
5.	Education Qualifications	MBA (Human Resource)
6.	Experience in the business or employment	5 Years
7.	Positions/posts held in the past by the promoter	Human Resource Manager-UJALA Credit Cooperative Society Limited
8.	Directorships held by the promoter	-
9.	Other ventures of the promoter	-

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10.	Special achievements	-
11.	Business and financial activities of the promoter	-
12.	Photograph	
13.	Permanent Accountant Number	AORPT9043F
14.	Other Details	N.A.

S.no	Details of Promoter	Description
1.	Name of promoter	Vandna Tiwari
2.	Date of Birth	25/07/1984
3.	Age	37 Years
4.	Personal Addresses	Flat No. A-406 Gaur Grandeur, Sector-119, Parthala Khanjarpur, Gautam Buddha Nagar, UP- 201304
5.	Education Qualifications	MA
6.	Experience in the business or employment	5 Years
7.	Positions/posts held in the past by the promoter	-
8.	Directorships held by the promoter	2
9.	Other ventures of the promoter	Other Directorship is as follows: 1. Koshish Marketing Solutions Private Limited 2. Aananda Foundation
3.	Special achievements	-
4.	Business and financial activities of the promoter	Director in Koshish Marketing Solutions Private Limited and Aananda Foundation
5.	Photograph	
6.	Permanent Accountant Number	AJYPT9498G
7.	Other Details	N.A.

S.no	Details of Promoter	Description
15.	Name of promoter	Koshish Marketing Solutions Pvt. Ltd
16.	Date of Birth	N.A.
17.	Age	N.A.
18.	Personal Addresses	1/10712,UGF SUBHASH PARK HULEWALAL PARK, NAVEEN SHAHADRA, Delhi DL 110032
19.	Education Qualifications	N.A.
20.	Experience in the business or employment	N.A.
21.	Positions/posts held in the past by the promoter	N.A.
22.	Directorships held by the promoter	N.A.
23.	Other ventures of the promoter	N.A.
24.	Special achievements	N.A.
25.	Business and financial activities of the promoter	N.A.
26.	Photograph	
27.	Permanent Accountant Number	AAHCK2971N
28.	Other Details	N.A.

Declaration
The Issuer confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document

5.4 Details of specific entities in relation to the Issue:

S.no	Particulars	Details
1.	Debenture Trustee to the Issue	Name: Catalyst Trusteeship Limited Logo: Address: Windsor,6th Floor, Office No.604, C.S.T Road, Kalina, Santa Cruz (East), Mumbai 400098 Website: https://www.catalysttrustee.com/ Email address:

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		umesh.salvi@edelweiss.com Telephone Number: 022-49220555 Contact Person: Mr. Umesh Salvi
2.	Credit Rating Agency for the Issue	Name: Acuite Ratings and Research Limited Logo: Acuite Registered Office Address: 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 Website: https://www.acuite.in/ Email address: https://www.acuite.in/ Telephone Number: 022 4929 4000 Contact Person: Chitra Mohan
3.	Registrar to the Issue	Name: KFIN Technologies Limited Logo: KFINTECH Address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500032 Email address: venu.sp@kfintech.com Telephone Number: 040-6716 2222 Contact Person: Mr. SP Venugopal
4.	Statutory Auditors	Name: S.N. Dhawan & Co LLP Logo: S.N. Dhawan & CO LLP Chartered Accountants Address: 421, II Floor, Udyog Vihar Phase IV, Gurugram, Haryana-HR 122016 Website: http://www.dhawanco.com Email address: vinesh.jain@sndhawan.com Telephone Number: +91 124 481 4444 Contact Person: Mr. Vinesh Jain
5.	Legal Counsel (if any)	VERIST LAW **Verist Law** The Empire Business Centre, 414 Senapati Bapat Marg, Lower Parel, Mumbai 400013 Website: www.veristlaw.com Telephone: +91 2266 907 368 Email: srishti.ojha@veristlaw.com

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6.	Guarantor (if applicable)	Name: N.A. Logo: N.A. Address: N.A. Website: N.A. Email address: N.A. Telephone Number: N.A. Contact Person: N.A.
7.	Arrangers, if any	Name: N.A. Logo: N.A. Address: N.A. Website: N.A. Email address: N.A. Telephone Number: N.A. Contact Person: N.A.

5.5 About the Issuer: A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least the following information:

(a) **Overview of the business of the Issuer**

Satya MicroCapital Limited (Formerly known as TFC Finvest Limited) is a Delhi based "NBFC" which was incorporated as Limited Company in the year 1995. Now Satya MicroCapital Limited (SATYA) has received the NBFC-MFI license from RBI.

SATYA started its microfinance operations by adopting the "Joint Liability Group (JLG) Model" with adequate use of technology and new adaptations. JLGs of SATYA means implementations of Joint Liability of group members which exists up to 10 instalments in biweekly collections.

The JLG lending operation focuses solely on women (in case of SATYA, their husbands act as co-borrower) through a credit product that allows them to start new businesses or enhance their existing businesses as well. SATYA provides prompt, convenient and affordable collateral-free credit to people at the bottom of pyramid through a strong credit assessment and centralized approval.

The Company has started its microfinance operation from Sikandrabad Branch, Bulandshar District of Uttar Pradesh and the first token disbursement was done on 1st November 2016. SATYA has utilized demonetization as an opportunity to rework on the business strategy through cashless collections and disbursements. The Company is spreading social awareness massages in its area of operation and with passing time, will adopt few more programs which are valuable for the society.

SATYA has established 348 branches in 236 Districts in 21 States viz, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand, West Bengal, Chandigarh, Delhi, Pondicherry, Jammu & Kashmir. As on June 30, 2022, the company had presence in 348 branches in 236 Districts in 21 States with top 3 states i i.e. Uttar Pradesh (20.97%), Bihar (16.14%) and Punjab (8.76%) accounting for 45.87% of the total portfolio outstanding.

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As of the date of this Placement Memorandum, the Company has one subsidiary namely Baid Housing Finance Private Limited.

Branch details:

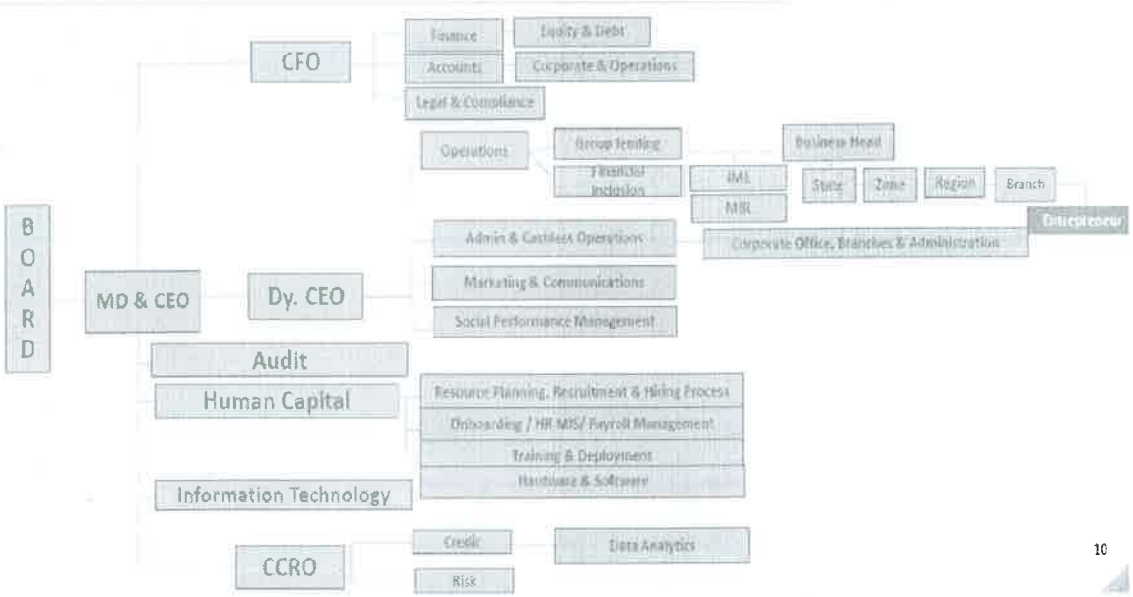
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Subsidiary details:

As of the date of this Placement Memorandum, the Company has one subsidiary namely Baid Housing Finance Private Limited.

(b) **Corporate Structure of the Issuer:**

The graphic description/organogram of the corporate structure of the issuer is as follows:



(c) **Project cost and means of financing, in case of funding of new projects**

Not Applicable

6	FINANCIAL INFORMATION PERTAINING TO THE ISSUER
a)	Columnar representation of the audited financial statements (i.e. profit & loss statement, balance sheet and cash flow stateent of the Issuer) on a standalone and/or consolidated basis (as applicable) for a period of three completed years.

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(Rs. In Crore)

Particulars	Audited						
Profitand Loss Statement	31.03.2020 (IND AS)		31.03.2021 (IND AS)		31.03.2022 (IND AS)		30.06.2022 (IND AS)
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone
Revenue from Operations	208.50	-	266.76	-	399.10	399.10	129.72
Less: Finance Cost	115.90	-	127.81	-	171.11	171.11	62.96
Other Income	0.11	-	0.45	-	2.44	2.68	1.27
Total Income	92.71	-	139.40	-	230.44	230.67	68.03
Operating Expenses	69.04	-	95.91	-	164.11	164.35	54.76
Provisions & Write Offs	9.93	-	25.64	-	17.07	17.07	5.82
Operating Profit	13.74	-	17.85	-	49.26	49.26	7.45
Depreciation	2.64	-	2.75	-	5.75	5.75	1.31
Profit Before Tax	11.10	-	15.10	-	43.51	43.49	6.14
Exceptional Items(Profit on sale of assets)	-	-	-	-	-	-	-
Provisions for tax	(3.57)	-	(4.88)	-	(11.01)	(11.01)	-1.55
Profit After Tax	7.53	-	10.22	-	32.50	32.48	4.59
Other comprehensive income	(0.09)	-	(0.03)	-	(0.07)	(0.07)	-0.02
Total comprehensive income for the year	7.44	-	10.19	-	32.43	32.41	4.57

Balance Sheet (INR) – in Crore	31.03.2020 Audited (INDAS)		31.03.2021 Audited (INDAS)		31.03.2022 Audited (INDAS)		30.06.2022 Audited (INDAS)
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone

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	Equity capital	30.45	-	45.85	-	49.06	49.06	49.06
	Reserve & Surplus	141.32	-	358.58	-	503.20	503.18	562.51
	TNW	171.77	-	404.43	-	552.27	552.25	611.5719985
	Total Debt	923.05	-	1127.07	-	2,278.93	2278.93	2,315.57
	Current Liabilities+ Provisions	-	-	-	-	-	-	-
	Other financial liabilities & Non-financial liabilities	8.71	-	55.83	-	56.06	56.06	46.05
	Total Outside Liabilities	931.76	-	1182.9	-	2,334.99	2,334.99	2,361.62
	Total Liabilities	1,103.53	-	1,587.33	-	2,887.26	2,887.24	2,973.19
	Fixed assets (Net)	4.38	-	7.57	-	12.06	12.06	12.64
	Investments/Other Advances	-	-	-	-	4.64	4.61	22.24
	Gross Advances	917.25	-	1214.6	-	2,316.13	2,316.13	2,315.09
	Cash / Liquid Investments	145.36	-	316.63	-	449.33	449.33	438.73
	Non Current assets	-	-	-	-	-	-	-
	Other current assets	-	-	-	-	-	-	-
	Other financial assets & Non-financial assets	31.93	-	41.23	-	98.62	98.62	123.45
	Deferred Tax Assets	4.53	-	7.21	-	6.45	6.45	7.76
	Intangible Assets	0.08	-	0.09	-	0.03	0.03	0.03
	Other Long Term Assets	-	-	-	-	-	-	-
	Total Assets	1,103.53	-	1,587.33	-	2,887.26	2,887.24	2973.19

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Cash Flow	As on 31-03-2020 (IND AS)		As on 31-03-2021 (IND AS)		As on 31-03-2022 (IND AS)		As on 30-09-2022 (IND AS)
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone
A. CASH FLOW FROM OPERATING ACTIVITIES							Not Applicable
Net profit before tax and extraordinary items	11.10	-	15.10	-	43.51	43.49	
Total adjustment made for Non Cash/Non operating items	(20.01)	-	(14.14)	-	(12.60)	(12.60)	
Operating profit before working capital changes	(8.91)	-	0.96	-	30.91	30.89	
Net Movement in working capital:	(228.19)	-	(298.16)	-	(1311.31)	(1311.31)	
Cash used in operations	(237.10)	-	(297.20)	-	(1280.40)	(1280.40)	
Direct taxes paid (net of refund)	(8.87)	-	(4.22)	-	(11.89)	(11.89)	
Net cash used in operating activities (A)	(245.97)	-	(301.42)	-	((1292.29)	(1292.31)	
B. Net CASH FLOW FROM INVESTMENT ACTIVITIES (B)	(4.10)	-	(5.96)	-	(14.90)	(14.87)	
C. Net CASH FLOW FROM FINANCING ACTIVITIES (C)	261.03	-	429.12	-	1,266.12	1,266.12	
Net (Decrease) / Increase in cash and cash	10.96	-	121.73	-	(41.07)	(41.07)	

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	equivalents (A + B + C)							
	Cash and cash equivalents at the beginning of the year	36.22	-	47.18	-	168.91	168.91	
	Cash and cash equivalents at the end of the year	47.18	-	168.91	-	127.84	127.84	
	For the detailed financial statements and Audit Report, please refer to Annexure V of this Placement Memorandum.							
(b)	Key operational and financial parameters for the last 3 (three) audited years on consolidated (if applicable) and standalone basis							

(Rs. In Crores)Parameters	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23
	Audited		Audited		Audited		Audited
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone
Balance Sheet							
Net Fixed Assets	4.45	-	7.66	-	12.09	12.09	12.67
Current Assets	675.03	-	986.84	-	1,586.44	1,586.44	53.25
Non-Current Assets	424.04	-	592.84	-	1,288.73	1,288.71	2,907.28
Total Assets	1,103.52	-	1,587.34	-	2,887.26	2,887.24	2,973.20
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings); Financial (borrowings, trade payables, and other financial liabilities); Provisions; Deferred tax liabilities (net); Other non-current liabilities	399.69	-	553.9	-	1,153.63	1,153.63	2,361.62
Current Liabilities (including maturities of long-term borrowings); Financial (borrowings, trade payables, and other financial liabilities); Provisions; Current tax liabilities(net) Other current liabilities	532.06	-	629.01	-	1,181.36	1,181.36	
Total liabilities	931.75	-	1,182.91	-	2,334.99	2,334.99	2,361.62
Equity (equity and other equity)	171.77	-	404.43	-	552.27	552.25	611.58

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Total equity and liabilities	1,103.52	-	1,587.34	-	2,887.26	2,887.24	2,973.20
Profit and Loss							
Total revenue from operations	208.5	-	266.76	-	399.1	399.1	129.72
Other income	0.11	-	0.45	-	2.44	2.68	1.27
Total Expenses	197.51	-	252.11	-	358.03	358.27	124.84
Total comprehensive income	7.44	-	10.19	-	32.43	32.41	4.58
Profit / loss	7.53	-	10.22	-	32.5	32.48	4.60
Other Comprehensive income	-0.09	-	-0.03	-	-0.07	-0.07	-0.02
Profit / loss after tax	7.53	-	10.22	-	32.5	32.48	4.60
Earnings per equity share:							
(a) basic; and	2.48	-	2.57	-	7.05	7.05	0.94
(b) diluted	2.43	-	2.53	-	6.94	6.94	0.88
Continuing Operations	7.53	-	10.22	-	32.5	32.48	4.60
Discontinued operations	-	-	-	-	-	-	-
Total Continuing and discontinued operations	7.53	-	10.22	-	32.5	32.48	4.60
Cash Flow							Not Applicable
Net cash generated from operating activities	-245.97	-	-301.42	-	-1,292.29	-1,292.31	
Net cash used in / generated from investing Activities	-4.1	-	-5.96	-	-14.9	-14.87	
Net cash used in financing activities	261.03	-	429.12	-	1,266.12	1,266.12	
Cash and Cash Equivalents	47.18	-	168.91	-	127.84	127.84	
Cash and cash equivalents at the beginning of the year	36.22	-	47.18	-	168.91	168.91	
Balance as per statement of cash flows	47.18	-	168.92	-	127.84	127.84	
Additional Information							
Net worth	171.77	-	404.43	-	552.27	552.25	611.58
Cash and Cash Equivalents	145.36	-	316.63	-	449.33	449.33	438.73
Current Investments	-	-	-	-	-	-	222.39
Assets Under Management	1,007.85	-	1,476.16	-	2,883.99	-	2,815.41
Off Balance Sheet Assets	85.22	-	239.91	-	549.55	-	482.92
Total Debts to Total assets	0.84	NA	0.71	NA	0.79	0.79	0.78
Debt Service Coverage Ratios	0.95	NA	2	NA	3.81	3.81	1.72
Interest Income	197.35	-	244.5	-	333.32	333.32	125.21
Interest Expense	115.9	-	127.81	-	171.11	171.11	62.96

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	Interest service coverage ratio	1.1	NA	1.12	NA	1.25	1.25	
	Provisioning & Write-Offs	9.93	-	25.64	-	17.07	17.07	5.82
	Bad debts to Account receivable ratio	-	-	-	-	-	-	-
	Gross NPA (%)	1.62%	-	1.54%	-	3.33%	-	3.58%
	Net NPA (%)	0.56%	-	0.66%	-	2.53%	-	2.67%
	Tier I Capital Adequacy Ratio (%)	19.63%	-	31.64%	-	19.51%	-	22.51%
	Tier II Capital Adequacy Ratio (%)	5.84%	-	2.98%	-	3.44%	-	3.44%

5.6 Debt: Equity Ratio of the Company:

Before the issue	3.86
After the issue	4.02

Calculations

As ondate, debt-to-equity ratio is calculated as follows:

(in millions)

Debt	23,864.98
Equity	6,180.14
Debt/Equity	3.86

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:

Debt	24,814.98
Equity	6,180.14
Debt/Equity	4.02

5.7 Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:

Nil

5.8 A brief history of Issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as on last quarter end, i.e., 30 June 2022:

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Share Capital	Amount (INR)
Authorised	
8,00,00,000 Equity Shares of Rs. 10/- each	80,00,00,000
2,00,00,000 Preference Shares of Rs. 10/- each	20,00,00,000
TOTAL	**100,00,00,000**
Issued, Subscribed and Fully Paid- up Equity Share Capital	
Issued 51374506 Equity Shares of Rs. 10 /- Each	51,37,45,060
Subscribed & Fully Paid-up 48874506 Equity Shares of Rs. 10 /- Each	48,87,45,060
Subscribed & Partly Paid-up 25,00,000 Equity Shares of Rs. 10 /- Each Rs. 4.00 per share paid-up.	1,00,00,000
Issued, Subscribed and Paid-Up Preference Share Capital	
0.001% Non-Cumulative, Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10/- Each	5,70,00,000
Total Paid-up Capital	**55,57,45,060**

(b) **Changes in its capital structure as on last quarter end i.e., 30th June 2022 for the last three years:**

Date of Change (AGM/EGM)	Authorised Capital in Rs.	Particulars
27/10/2016 (EGM)	10 Cr	Authorised Capital increased from 2 Cr to 10 Cr
03/06/2017 (AGM)	30 Cr	Authorised Capital increased from 10 Cr to 30 Cr
20/08/2018 (AGM)	50 Cr	Authorised Capital increased from 30 Cr to 50 Cr
26/06/2019 (EGM)	70 Cr	Authorised Capital increased from 50 Cr to 70 Cr
27/01/2021 (EGM)	100Cr	Authorised Capital increased from 70 Cr to 100 Cr

5.9 Equity share capital history of the Issuer for the last 3 (three) years as on latest quarter end i.e. June 30, 2022

Date of Allotment	No of Equity Shares allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital	Equity Share Premium	
02/01/2017	36,67,000	10	10	Cash	Rights Issue	5,050,000	50,500,000	-	-
15/02/2017	22,70,750	10	10	Cash	Private Placement	7,320,750	73,207,500	-	-

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31/08/2017	14,07,480	10	20	Cash	Private Placement	8,728,230	87,282,300	22,707,500	-
31/08/2017	8,50,000	10	10	Sweat Equity issue	Private Placement	9,578,230	95,782,300	46,634,660	-
09/10/2017	30,000	10	30	Consideration other than cash	Private Placement	9,608,230	96,082,300	46,634,660	-
09/10/2017	32,00,000	10	30	Cash	Private Placement	12,808,230	128,082,300	47,234,660	-
7/5/2018	25,51,000	10	30	Cash	Rights Issue	15,359,230	153,592,300	130,434,660	-
28/05/2018	8,50,000	10	-	Sweat Equity issue	Private Placement	16,209,230	162,092,300	219,719,660	-
9/7/2018	2,77,778	10	-	Cash	Conversion of CCD into Equity	16,487,008	164,870,080	219,719,660	-
31/7/2018	7024384	10	61	Cash	Private Placement	23,511,392	235,113,920	585,185,472	-
31/7/2018	818824	10	42.5	Cash	Conversion of CCD into Equity	24,330,216	243,302,160	611,797,252	-
25.02.2019	70,000	10	30	Consideration other than cash	Private Placement	2,44,00,216	244,002,160	613,197,252	-
25.03.2019	20,09,614	10	61	Cash	Private Placement	2,64,09,830	26,40,98,300	715,687,566	-
26.07.2019	30,33,333	10	75	Cash	Private Placement	2,94,43,163	27,19,31,630	750,354,211	-
04.09.2019	1,018,700	10	75	Cash	Private placement	30,461,863	282,118,630	816,569,711	-
04.09.2019	344,250	10	61	Cash	Private placement	30,806,113	285,561,130	834,126,461	-
04.09.2019	2,500,000	10	75	Cash (Rs. 1.50 received on partly paid	Private placement	30,806,113	289,311,130	834,126,461	-

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				shares)					
18.10.2019	25,15,615	10	110	Cash	Rights Issue	3,33,21,728	31,44,67,280	1,085,687,961	-
27.01.2021	77,77,778	10	135	Cash	Private Placement	4,10,99,506	39,22,45,060	2,05,79,10,211	-
01.02.2021	76,25,000	10	135	Cash	Private Placement	4,87,24,506	46,84,95,060	3,51,42,85,211	-
10.02.2022	25,00,000	10	75	Cash	Private Placement	4,87,24,506	47,22,45,060	3,51,42,85,211	-
21.03.2022	26,50,000	10	201	Cash	Private Placement	5,13,74,506	49,87,45,060	4,02,04,35,211	-

Note: Cumulative number of equity shares comprises of 25,00,000 equity shares of Rs. 10 each (partly paid up) on which Rs. 4.00 per share has been paid up.

5.10 Details of any Acquisition or Amalgamation with any entity in the last 1 (one) year:

The Company had acquired 24% stake of a Housing Finance Company namely "Baid Housing Finance Private Limited" registered under section 29A of National Housing Bank Act, 1987 having registration no. 04.0166.18 on November 12, 2021 and thereafter remaining 76% stake on June 14, 2022.

5.11 Details of any Reorganization or Reconstruction in the last 1 (one) year:

There has been no reorganization or reconstruction in the last 1 (one) year.

Type Of Event	Date Of Announcement	Date Of Completion	Details
N.A.	N.A.	N.A.	N.A.

5.12 Details of the shareholding of the Company as on the latest quarter end, i.e., June 30, 2022:

(a) **Shareholding pattern of the Company as on last quarter end, i.e. June 30, 2022 as per the format specified under the listing regulations:**

Sr No	Name of Equity Shareholder	Total No of Equity Shares	No. of shares in demat form	Total Shareholding as a % of total no of equity shares
1.	Vivek Tiwari*	11,668,200	11,668,200	22.71
2.	Other Promoters	2,088,800	2,088,800	4.07
3.	Dia Vikas Capital Private Limited	6,773,475	6,773,475	13.18
4.	Gojo & Company, Inc.	26,963,315	26,963,315	52.48
5.	Others	3,076,651	2,584,555	5.99

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6.	Satya Employee Welfare Trust	804,065	804,065	1.57
	Total	**51,374,506**	**50,882,410**	**100.00**

* includes 25,00,000 partly paid up equity shares (Rs. 4.00 per equity share paid up).
** percentage shareholding has been calculated on fully diluted basis.
*Notes: Details of shares pledged or encumbered by the promoters (if any): **14,93,000 Equity Shares of Mr. Vivek Tiwari, Managing Director, CEO & CIO of the Company are pledged.***

COMPULSORY CONVERTIBLE PREFERENCE SHARES

Sr No	Name of Equity Shareholder	Total No of Equity Shares	No. of shares in demat form	Total Shareholding as a % of total no of equity shares
	Gojo & Company, Inc.	**57,00,000**	**57,00,000**	**100.00**

Compulsorily Convertible Preference Shares ("CCPS") will get converted into Equity Shares.

(b) **List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. June 30, 2021:**

Sr. No.	Name of the Shareholder / Particulars	Total Number of equity shares	Percentage of Total Shareholding (%)	Number of shares held in Demat Form
1.	Gojo & Company Inc.	26,963,315	52.48	26,963,315
2.	Vivek Tiwari	11,668,200*	22.71	11,668,200*
3.	Dia Vikas Capital Private Limited	67,73,475	13.18	67,73,475
4	Koshish Marketing Solutions Pvt Ltd.	19,03,800	3.71	19,03,800
5	Satya Employee Welfare Trust	8,04,065	1.57	8,04,065
6	Shekhar Mahajan	3,39,090	0.66	3,39,090
7	Neeraj Maheshwari	1,56,000	0.30	1,56,000
8	Mahabal Metals Pvt. Ltd.	1,25,000	0.24	1,25,000
9	Koshish Sustainable Solutions Private Limited	1,17,367	0.23	1,17,367
10	Vandna Tiwari	1,13,500	0.22	1,13,500
	Total:	**4,89,63,812**	**95.31**	**4,89,63,812**



* includes 25,00,000 partly paid up equity shares.
** The above percentage is calculated based on No. of Shares.

5.13 Following details regarding the directors of the Company:

(a) Details of the current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of this Placement Memorandum:

S. No.	Name of the Directors	Designation	Date of Birth	Age	Address	DIN	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)
1.	Surekha Marandi	Independent Director	27.07.1959	61	401, Sun Plazzo, Senapati Bapat Marg, Near Alkem Laboratories,Delisle Road, Lower Parel, Mumbai-400013	06952573	28.02.2020	Origo Commodities India Private	No
2.	Naveen Surya	Independent Director	15.01.1972	48	A-233, Kalptaru Horizon, S K Ahire Marg, Opp Doordarshan, Worli, Mumbai 400018	00094514	29.08.2019	1. Epilepsy Foundation; 2. Ditya Finance Private Limited	No
3.	Vivek Tiwari	Managing Director, CEO & CIO	01.04.1978	42	Flat No. A-406 Gaur Grandeur, Sector-119, Parthala Khanjarpur Gautam Buddha Nagar, Up- 201304	02174160	18.02.2016	1. Koshish Sustainable Solutions Private Limited 2. Satya Shakti Foundation 3. Satyapath Social Foundation	No

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								4. Credentia Finclusion Private Limited 5. Baid Housing Finance Private Limited 6. V& S Advisors (OPC) Private Limited 7. Finhaat Technologies Private Limited 8. MFIN 9. UPMA Association	
4.	Deepali Pant Rajeev Joshi	Independent Director	12.12.1957	63	54/14,Sardar Patel Marg, Civil Lines, Allahabad, Uttar Pradesh 211001	07139051	24.09.2021	1. Ambadi Enterprises Limited 2. IFCI Factors Limited 3. NABFINS Limited 4. Kan And More Private Limited	No
5.	Sanjay Gandhi	Nominee Director	06.02.1966	54	2/7, Hamelia Street, Vatika City, Sohna Road, Sector 49, South City-II Gurgaon, Haryana-122018	02234298	01.08.2018	1. LF Financial Services Private Limited 2. Aviom India	No

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								Housing Finance Private Limited 3. Ananya Finance For Inclusive Growth private Limited 4. Frame Technology Marketing Services Private Limited	
6.	Ratnesh Tiwari	Director	07.04.1987	33	Flat No. T-9/1134, Purvanchal Royal City, Plot No-GH-05 Sector CHI V, Greater Noida Knowledge Park-I, Gautam Budha Nagar, U.P-201310	07131331	28.10.2016	1. Koshish Sustainable Solutions Private limited 2. Koshish Marketing Solutions Private Limited 3. Satya Shakti Foundation 4. Credentia Finclusion Private Limited 5. Medicall Service	No

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								s Private Limited 6. HDMR Healthcare Private Limited 7. Satya Path Social Foundation	
6.	Taejun Shin	Nominee Director	01.10.1981	40	5-10-49-1210 Yashio, Shinagawa, Tokyo, Japan 1400003	08056236	18.01.2020	Ananya Finance for Inclusive Growth Private Limited	No

(b) **Details of change in directors since last three years:**

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Sanjay Gandhi	Nominee Director	02234298	01.08.2018	N.A.	N.A.	Appointed
Naveen Surya	Director	00094514	29.08.2019	N.A.	N.A.	Appointed
Vijayalakshmi Das	Director	00624128	06.02.2017	N.A.	N.A.	Cessation due to death
Surekha Marandi	Director	06952573	28.02.2020	08.02.2020	N.A.	Appointed
Rahul Gupta	Director	07478822	20.10.2016	N.A.	08.01.2021	Cessation due to pre-occupation
Taejun Shin	Nominee Director	08056236	18.01.2021	N.A.	N.A.	Appointed
Mukul Jaiswal	Director	02696656	12.01.2017	N.A.	21.09.2021	Cessation due to pre-occupation
Deepali Pant Rajeev Joshi	Director	07139051	24.09.2021	N.A.	N.A.	Appointed
Saneesh Singh	Nominee Director	02254868	26.10.2017	11.07.2022	N.A.	Withdrawal of nomination of Mr. Saneesh Singh by Dia Vikas Capital Pvt. Ltd. (shareholder

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						of SATYA MicroCapital Limited)
Mohan Chandanathil Pappachan	Director	02661757	11.08.2017	11.08.2022	N.A.	Completion of tenure as independent director on August 10, 2022

5.14 Following details regarding the auditors of the Company:

(a) **Details of the auditor of the Company:**

Name of the Auditor	Address	Auditor since
S.N. Dhawan & Co., LLP	108, Mercantile House 15, Kasturba Gandhi Marg, New Delhi 110001	24.09.2021

(b) **Details of change in auditors since last three years:**

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable	Remarks
Gitesh Sharma & Associates	1810, 3rd Floor, Outram Lines Kingsway camp Delhi 110009	02.12.2016 and not regularized in AGM (June 03, 2017)	-	02.12.2016	Resigned
Bacchoo Singh Rathore & Co.	199A/18, Onkar Nagar, Trinagar, Delhi 110035	Resigned 28.11.2016	-	27.07.2013	Resigned
S.R Batliboi & Associates LLP	Golf View Corporate Tower-B, Sector-42, Sector Road, Gurugram-122002, Haryana	Resigned 23.09.2021		01.04.2017	Resigned in compliance of RBI Guidelines RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021

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S.N. Dhawan & Co., LLP	108, Mercantile House 15, Kasturba Gandhi Marg, New Delhi 110001	24.09.2021		-	Appointed

5.15 Details of the following liabilities of the issuer, as at the end of the last quarter, i.e June 30, 2022, or if available, a later date:

(a) **Details of Outstanding Secured Loan Facilities (as on June 30, 2022):**

Name of Lender	Type of Facility	Amount Sanctioned (INR in lakhs)	Principal Amount Outstanding (INR in lakhs)	Repayment Date / Schedule	Repayment Frequency of Interest	Security	
						Primary Security (book debt hypothecation%)	Percentage of Cash Collateral%
Bank of India	Term Loan	2,000.00	1,696.97	Monthly	Monthly	110	0.00%
Canara Bank	Term Loan	5,000.00	4,215.00	Monthly	Monthly	110	5.00%
IDBI Bank Limited	Term Loan	1,000.00	875.00	Monthly	Monthly	110	0.00%
Punjab National Bank	Term Loan	10,000.00	7,777.78	Monthly	Monthly	110	0.00%
State Bank of India	Term Loan	10,450.00	8,333.33	Monthly	Monthly	110	10.00%
UCO Bank	Term Loan	1,500.00	1,500.00	Monthly	Monthly	120	10.00%
HSBC	Term Loan	8,500.00	7,017.86	Monthly	Monthly	110	0.00%
SBM Bank	Term Loan	4,000.00	3,916.67	Monthly	Monthly	110	0.00%
Bandhan Bank Limited	Term Loan	18,000.00	11,190.48	Monthly	Monthly	105	5.00%
DCB Bank Limited	Term Loan	3,000.00	500.00	Monthly	Monthly	110	5.00%

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Federal Bank Limited	Term Loan	13,000.00	10,145.00	Monthly	Monthly	0 to 110	0.00%
HDFC Bank Limited	Term Loan	2,000.00	435.61	Monthly	Monthly	110	0.00%
ICICI Bank Limited	Term Loan	17,000.00	12,136.36	Monthly	Monthly	105	3.00%
IDFC FIRST Bank Limited	Term Loan	30,100.00	11,031.43	Monthly	Monthly	110	0.00%
Kotak Mahindra Bank Limited	Term Loan	9,980.00	4,755.00	Monthly	Monthly	110	0.00%
YES Bank Limited	Term Loan	4,000.00	1,125.00	Monthly	Monthly	105	7.50%
Capital Small Finance Bank Limited	Term Loan	5,100.00	2,593.13	Monthly	Monthly	110	0.00%
Jana Small Finance Bank Limited	Term Loan	14,900.00	6,540.99	Monthly	Monthly	110	0.00%
Suryoday Small Finance Bank Limited	Term Loan	2,500.00	1,376.43	Monthly	Monthly	110	0.00%
Utkarsh Small Finance Bank Limited	Term Loan	7,675.00	2,287.50	Monthly	Monthly	105	5.00%
Caspian Impact Investments Private Limited	Term Loan	1,250.00	468.75	Monthly	Monthly	110	0.00%
Growth Source Financial Technologies Private Limited	Term Loan	1,000.00	166.67	Monthly	Monthly	110	0.00%



Hero FinCorp Limited	Term Loan	1,700.00	140.17	Monthly	Monthly	110	0.00%
Hinduja Leyland Finance Limited	Term Loan	5,000.00	681.42	Monthly	Monthly	110	0.00%
Hiranandani Financial Services Limited	Term Loan	1,300.00	137.71	Monthly	Monthly	110	0.00%
Incred Capital Financial Services Limited	Term Loan	3,375.00	512.60	Monthly	Monthly	105	0.00%
J M Financial Products Limited	Term Loan	1,000.00	841.38	Monthly	Monthly	110	0.00%
Kisetsu Saison Finance (India) Private Limited	Term Loan	3,000.00	2,625.00	Quarterly	Quarterly	110	0.00%
Kissandhan Agri Financial Private Limited	Term Loan	1,300.00	671.36	Monthly	Monthly	110	0.00%
Mahindra & Mahindra Financial Services Limited	Term Loan	6,100.00	5,000.00	Monthly	Monthly	110	0.00%
Manveeya Development & Finance Private Limited	Term Loan	8,000.00	2,875.00	Monthly	Monthly	105	0.00%
MAS Financial Services Limited	Term Loan	22,700.00	7,687.50	Monthly	Monthly	105	5.00%
Nabfins Limited	Term Loan	1,000.00	892.57	Monthly	Monthly	110	0.00%

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Nabkisan Finance Limited	Term Loan	4,500.00	3,291.67	Quarterly	Quarterly	110	0.00%
Nabsamruddhi Finance Limited	Term Loan	3,000.00	1,876.40	Monthly	Monthly	110	0.00%
Northern Arc Capital Limited	Term Loan	19,550.00	5,207.27	Monthly	Monthly	110	Nil
Piramal Capital & Housing Finance Limited	Term Loan	2,500.00	2,395.83	Monthly	Monthly	110	0.00%
Profectus Capital Private Limited	Term Loan	1,675.00	811.12	Monthly	Monthly	110	0.00%
Tata Capital Fincancial Services Limited	Term Loan	1,500.00	1,312.50	Monthly	Monthly	110	0.00%
Vivriti Capital Private Limited	Term Loan	7,150.00	2,332.33	Monthly	Monthly	110	0.00%
Northern Arc India Impact Trust / Fund	NCD Unsecured	3,000.00	3,000.00	Bullet	Northern Arc India Impact Trust / Fund	NCD Unsecured	0.00%

(b) **Details of Outstanding Unsecured Loan Facilities (as on June 30, 2022):**

Name of Lender	**Type of Facility**	**Amount Sanctioned (INR in lakhs)**	**Principal Amount Outstanding (INR in lakhs)**	**Repayment Date / Schedule**
IDFC FIRST Bank Limited	Sub Debt	950.00	950.00	Bullet
Gojo Company and Inc.	NCD Unsecured	6,100.00	6,100.00	Bullet
IFMR Finance for	NCD Unsecured	2,000.00	2,000.00	Bullet

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Freedom Fund III with IFMR Flmpact Long Term Credit Fund				
Karvy Capital Limited	NCD Unsecured	2,500.00	2,500.00	Bullet
Vivriti India Impact Bond Fund	NCD Unsecured	3,000.00	3,000.00	Bullet
Northern Arc India Impact Trust / Fund	NCD Unsecured	3,000.00	3,000.00	Bullet

(c) **Details of Outstanding Non-Convertible Securities (as on June 30, 2022):**

Debenture Holder	**Tenor**	**Coupon (%)**	**Amount**	**Date of Allotment**	**Redemption Date/ Schedule as per latest Sanction**	**Rating Agency**	**Credit Rating**	**Secured/ Unsecured**	**Security Hypothecation in %**
Blue Orchard Finance Limited [Japan ASEAN Women Empowerment Fund (JAWEF)]		12.40 %	3,450 .00	24 July 2020	26 July 2024	ICRA Ltd	BBB Stable	Secured	110%
Blue Orchard Finance Limited [Insuresilience Investment Fund - Debt Sub-Fund(IIF)]	72	12.40 %	3,800 .00	24 July 2020	24 July 2026	ICRA Ltd	BBB Stable	Secured	110%
Blue Orchard Finance Limited [Microfinance Initiative	60	12.30 %	2,600 .00	22 February 2021	22 February 2026	CRISIL Ratings Limited	BBB Stable	Secured	110%

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for Asia (MIFA) Debt Fund SA, SICAV-SIF(MIFA)]									
Blue Orchard Finance Limited (Covid-19 Emerging and Frontier Markets MSME Support Fund SCSP SICAV-RAIF – AFRASIA)	72	12.40 %	2,210 .00	30 June 2021	30 June 2027	ICRA Ltd	BBB Stable	Secure d	110%
Blue Orchard Finance Limited [JAPAN ASEAN Women Empower ment Fund (JAWEF)]	72	12.40 %	1,610 .00	2 July 2021	2 July 2027	ICRA Ltd	BBB Stable	Secure d	110%
Blue Orchard Finance Limited [Microfina nce Initiative For Asia (Mifa) Debt Fund SA, SICAV-SIF (MIFA)]	58	12.40 %	1,610 .00	5 July 2021	5 May 2026	ICRA Ltd	BBB Stable	Secure d	110%
Blue Orchard	48	12.45 %	2,250 .00	30 March 2022	30 March 2026	ICRA Ltd	BBB Stable	Secure d	110%

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Finance Limited [(BlueOrchard Microfinance Fund (BOMF)]									
Blue Orchard Finance Limited [Japan ASEAN Women Empowerment Fund (JAWEF)]	48	12.45 %	2,250.00	30 March 2022	30 March 2026	ICRA Ltd	BBB Stable	Secured	110%
Blue Orchard Finance Limited [Blue Orchard Microfinance Fund (BOMF)]	48	12.45 %	2,250.00	31 May 2022	29 May 2026	ICRA Ltd	BBB Stable	Secured	110%
Blue Orchard Finance Limited [Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF(MIFA)	48	12.45 %	1,500.00	31 May 2022	29 May 2026	ICRA Ltd	BBB Stable	Secured	110%
Reasons Ability India Business Advisors Pvt. Ltd. (UTI International Wealth Creator 4)	75	13.38 %	2,850.00	23 August 2019	22 November 2027	ICRA Ltd	BBB Stable	Secured	110%

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Reasons Ability India Business Advisors Pvt. Ltd. (UTI International Wealth Creator 4)	72	12.38 %	8,000.00	12 August 2021	12 August 2027	CRISIL Ratings Limited	BBB Stable	Secured	110%
ResonsAbility India Business Advisors Pvt. Ltd. (Microfinance Enhancement Facility SA, SICAV-SIF & UTI International Wealth Creator 4)	48	12.44 %	4,200.00	14 January 2022	14 January 2026	ICRA Ltd	BBB Stable	Secured	110%
ResonsAbility India Business Advisors Pvt. Ltd. (Microfinance Enhancement Facility SA, SICAV-SIF & UTI International Wealth Creator 4)	54	12.70 %	4,000.00	2 June 2022	31 December 2026	ICRA Ltd	BBB Stable	Secured	110%
Gojo Company and Inc.	36	11.75 %	6,100.00	3 June 2022	2 June 2025	Unrated		Unsecured	0%
Global Access Fund LLP	42	11.42 %	4,670.00	15 June 2022	15 December 2025	CRISIL Rating	BBB Stable	Secured	100%

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						s Limited			
GMO-Z.com Payment Gateway India Credit Fund	18	11.50%	3,000.00	31 August 2021	10 March 2023	CRISIL Ratings Limited	BBB Stable	Secured	110%
Vivriti India Impact Bond Fund	67	14.75%	3,000.00	22 October 2021	21 May 2027	ICRA Ltd	BBB Stable	Unsecured	0%
Northern Arc India Impact Trust	60	15.15%	3,000.00	14 March 2022	15 March 2027	ICRA Ltd	BBB Stable	Unsecured	0%
Hinduja Leyland Finance Limited	21	11.61%	2,500.00	30 May 2022	29 February 2024	Acuite Rating & Research Ltd	A- Stable	Secured	110%
Various Debenture holders i.e. corporates, HUF, Individuals etc	84	14.27%	2,500.00	1 August 2019	8 July 2026	ICRA Ltd	BBB Stable	Unsecured	0%
Unifi AIF	21	11.61%	2,400.00	23 May 2022	23 February 2024	Acuite Rating & Research Ltd	A- Stable	Secured	110%
Northern Arc Income Builder Fund (Series II)	40	13.16%	2,000.00	14 June 2021	30 September 2024	ICRA Ltd	BBB Stable	Secured	130%
IFMR Fimpact Long Term Credit Fund	74	15.75%	2,000.00	29 March 2019	30 May 2025	ICRA Ltd	BBB Stable	Unsecured	0%

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Creation Investments FPI, LLC	33	11.76 %	1,950.00	30 March 2022	30 December 2024	ICRA Ltd	BBB Stable	Secured	110%
Vivriti India Impact Bond Fund	36	13.75 %	1,666.67	18 December 2020	18 December 2023	ICRA Ltd	BBB Stable	Secured	110%
Northern Arc Capital Limited	36	13.60 %	832.77	18 September 2019	30 September 2022	ICRA Ltd	BBB Stable	Secured	110%
SIMA (Aviator Global Investment Fund)	36	13.60 %	832.77	18 September 2019	30 September 2022	ICRA Ltd	BBB Stable	Secured	110%
Vivriti Capital Private Limited	33	11.76 %	650.00	30 March 2022	30 December 2024	ICRA Ltd	BBB Stable	Secured	110%

5.16 List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on 30th June 2022 Amount in lacs

Sr. No.	Name of holders of Non-convertible Securities	Amount (INR)	% of total NCS outstanding
1	ResonsAbility India Business Advisors Pvt. Ltd. (UTI Wealth Creator)	13,350.00	16.75%
2	Blue Orchard Finance Limited (JAWEF)	7,310.00	9.17%
3.	Gojo Company and Inc.	6,100.00	7.66%
4.	Blue Orchard Finance Limited (MIFA)	5,710.00	7.17%
5.	ResonsAbility India Business Advisors Pvt. Ltd. (MEF)	5,700.00	7.15%
6.	Global Access Fund LLP	4,670.00	5.86%
7.	Vivriti India Impact Bond Fund(Unsecured+Secured)	4,666.67	5.86%
8.	Blue Orchard Finance Limited (BOMF)	4,500.00	5.65%
9.	Blue Orchard Finance Limited (IIF)	3,800.00	4.77%
10.	GMO-Z.com Payment Gateway India Credit Fund	3,000.00	3.76%

5.17 Details of outstanding Commercial Paper as at the end of the last quarter (as on June 30, 2022) in the following format:



Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount outstanding
1.	Nil	Nil	Nil

5.18 Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):

(Amount in millions)

Name of Party (in case of facility) / Name of Instrument	Type of facility / Instrument	Amount sanctioned / issued	Principal Amount outstanding	Date of Repayment / Schedule	Credit Rating	Secured / Unsecured	Security
Kotak Mahindra Bank Limited	Car Loan	1.23	1.23	Monthly repayment	NA	Secured	NA
Lease Liability	Lease Liability	-	16.24	Monthly repayment	NA	Secured	NA
IDFC First Bank Limited	Bank Overdraft	200.00	81.31	NA	NA	Secured	NA
North East Small Finance Bank Limited	Bank Overdraft	450.00	0.91	NA	NA	Secured	450.00
DCB Bank Limited	Securitization	332.82	37.92	NA	[ICRA]A-(SO)	Secured	26.63
Bandhan Bank	Securitization	850.41	162.85	NA	[ICRA]A(SO)	Secured	85.04
Tata Capital	Securitization	222.52	23.96	NA	[ICRA]A(SO)	Secured	11.13
ICICI Bank	Securitization	220.12	179.24	NA	Provisional [ICRA]A(SO)	Secured	26.41
Navi-Chaitanya	Securitization	333.32	45.59	NA	[ICRA]A-(SO)	Secured	20.00
ICICI Bank	Securitization	291.66	40.31	NA	[ICRA]A-(SO)	Secured	29.17

5.19 Details of any outstanding borrowing taken / debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing / debt securities have been taken / issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not

Nil

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5.20 Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

A. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC including details regarding the following

(a) **Lending Policy: Should contain overview of origination, risk management, monitoring and collections:**

Please refer to the lending policy set out in Annexure X.

(b) **Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.:**

N.A.

(c) **Classification of loans according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:**

Please refer to paragraph (J) below of this table below.

(d) **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;**

Particulars- Rs in crores	**March 31, 2022**
Concentration of advances*	
Total advances to twenty largest borrowers	10.63
Percentage of advances to twenty largest borrowers to total advances	0.45%
Concentration of exposures*	
Total exposure to twenty largest borrowers	8.89
Percentage of exposure to twenty largest borrowers to total exposure	0.38%

(e) **Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations:**

Please refer to paragraph (K) of this table below

B. Details of borrowings made by NBFC

(a) **A portfolio summary with regard to industries/ sectors to which borrowings have been made:**

Please refer to paragraph (J) in this table below including sub-paragraph (c) therein.

(b) **NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:**

Please refer to paragraph (K) of this table below.

(c) **Quantum and percentage of secured vis-à-vis unsecured borrowings made; and**

As on Mar-22- Secured borrowing- INR 2,163.91 Cr (94.95%) and unsecured borrowing INR 115.02 Cr (5.05%).

C. Details of change in shareholding

(a) Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:

N.A.

D. Disclosure of Assets Under Management

(a) Segment wise breakup:

Please refer to sub-paragraph (c) of paragraph (J) in this table below.

(b) Type of Loans

Please refer to sub-paragraph (a) of paragraph (J) in this table below.

E. Details of borrowers

(a) Geographical location wise

Please refer to sub-paragraph (e) of paragraph (J) in this table below.

F. Details of Gross NPA

(a) Segment wise:

Please refer to sub-paragraph (c) of paragraph (K) in this table below.

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G. Details of Assets and Liabilities

(a) Residual maturity profile wise into several bucket:

Please refer to paragraph (L) in this table below.

H. Additional details of loans made by housing finance company

Given that the Issuer is not a housing finance company, this is not applicable.

I. Disclosure of latest ALM statements to stock exchange

Not Applicable

J. Classification of loans according to

(a) Type of Loans:

Details of types of loans

Sl. No.	Types of loans	Rs. crore
1	Secured	-
2	Unsecured	2,883.99
	Total assets under management (AUM)^^	2,883.99

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^^Issuer is also required to disclose off balance sheet items;*

(b) Denomination of loans outstanding by loan-to-value:

Details of LTV

Sl. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 40%	-
2	40-50%	-
3	50-60%	-
4	60-70%	-
5	70-80%	-
6	80-90%	-
7	>90%	-
	Total	-

(c) Sector Exposure

Details of sectoral exposure

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1	**Retail**	
A	Mortgages (home loans and loans against property)	-
B	Gold loans	-
C	Vehicle finance	-
D	MFI	99.19%
E	MSME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	0.81%

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	2	**Wholesale**	
	A	Infrastructure	-
	B	Real estate (including builder loans)	-
	C	Promoter funding	-
	D	Any other sector (as applicable)	-
	E	Others	-
		Total	100%

(d) Denomination of loans outstanding by ticket size*:

Details of outstanding loans category wise

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Upto Rs. 2 lakh	99.19%
2	Rs. 2-5 lakh	0.17%
3	Rs. 5 - 10 lakh	0.31%
4	Rs. 10 - 25 lakh	0.08%
5	Rs. 25 - 50 lakh	-
6	Rs. 50 lakh - 1 crore	0.07%
7	Rs. 1 - 5 crore	0.18%
8	Rs. 5 - 25 crore	-
9	Rs. 25 - 100 crore	-
10	**>Rs. 100 crore**	-
	Total	100%

** Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);*

(e) Geographical classification of borrowers:

Top 5 states borrower wise

Sl. No.	Top 5 states	Percentage of AUM
1	Uttar Pradesh	20.79%
2	Bihar	15.90%
3	Punjab	9.25%
4	Haryana	8.38%
5	Rajasthan	6.69%

K. Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations

(a) Movement of Gross NPA

Movement of gross NPA*	Rs. crore
Opening gross NPA	19.20
- Additions during the year	72.75
- Reductions during the year	(13.40)
Closing balance of gross NPA	78.54

**Please indicate the gross NPA recognition policy (Day's Past Due):* 90 days

(b) Movement of provisions for NPA

Movement of provisions for NPA	Rs. crore
Opening balance	11.18
- Provisions made during the year	21.07
- Write-off/ write-back of excess provisions	(12.34)
Closing balance	19.91

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(c) Segment wise gross NPA

Sl. No.	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	
A	Mortgages (home loans and loans against property)	-
B	Gold loans	-
C	Vehicle finance	-
D	MFI	-
E	MSME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	**3.33%**
2	**Wholesale**	
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	**3.33%**

L. Residual maturity profile of assets and liabilities (in line with the RBI format):

Residual maturity profile of assets and liabilities

(as per Audited Financial as on March 31, 2021) INR (in Crore)

Category	Up to 30 / 31 days	>1 months – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 years – 3 years	>3 years – 5 years	> 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances	145.05	87.44	105.03	324.44	585.69	1,068.24	14.02	6.31	2,336.22
Investments	-	-	-	-	-	-	-	4.64	4.64
Borrowings	200.31	93.28	114.29	262.99	456.60	739.21	232.60	177.95	2,277.22
FCA*	-	-	-	-	-	-	-	-	-
FCL*	-	-	-	-	-	-	-	-	-

**FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;*

5.21 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 years including the current financial year:

Nil

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5.22 [INTENTIONALLY LEFT BLANK]

5.23 Financial Information

(a) **A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the draft offer document or offer document or issue opening date, as applicable**

The above financial statements along with the Limited Review Financial Statements as on June 30, 2022 **shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.**

Please refer to Annexure V for the financial statements for the financial year ending March 31, 2022 along with the Limited Review Financial Statements as on June 30, 2022 with requisite schedules, footnotes, summary etc.

However, if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.

N. A

(b) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the placement memorandum, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in placement memorandum including risk factors.**

Please refer to Annexure V for the financial statements for the financial year ending March 31, 2022 along with the Limited Review Financial Statements as on June 30, 2022.

(c) **Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

i. **The issue is made on the EBP platform irrespective of the issue size; and**
ii. **The issue is open for subscription only to Qualified Institutional Buyers.**

Not Applicable as the Issuer has been in existence for a period of more that 3 (three) years prior to the date of this Placement Memorandum.

5.24 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time

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of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

5.25 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company;

Nil

5.26 Details of default and non-payment of statutory dues

Nil

5.27 The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Placement Memorandum.

5.28 Details of credit rating along with reference to the rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies in relation to the issue shall be disclosed. The detailed press release of the Credit Rating Agencies along with rating rationale(s) adopted (not older than one year on the date of opening of the issue) shall also be disclosed.

The Rating Agency has assigned a rating of "Acuite A-Stable" (pronounced as " Acuite A minus/ stable") to the Debentures. The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release is provided in **Annexure II** of this Placement Memorandum.

5.29 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not applicable.

5.30 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention

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(a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made:

Coupon and all other charges shall accrue based on actual/actual day count convention in accordance with Chapter III (*Day count convention, disclosure of cash flows and other disclosures in the offer document*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as may be amended and modified from time to time;

(b) Procedure and time schedule for allotment and issue of securities:

Please refer to the column on "*Issue Timing*" under Section 5.37 (*Issue Details*) of this Placement Memorandum; and

(c) Cash flows emanating from the non-convertible securities shall be mentioned in the Placement Memorandum, by way of an illustration:

The cashflows emanating from the Debentures, by way of an illustration, are set out under **Annexure VI** (*Illustration of Bond Cashflows*) of this Placement Memorandum.

5.31 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board:

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

The Issuer has obtained the in-principle approval for the listing of the Debentures from BSE and the same is annexed in **Annexure IX** hereto. The Issuer shall also be creating the recovery expense fund as per the applicable SEBI regulations with BSE.

The Debentures are not proposed to be listed on more than one stock exchange.

5.32 Other details:

(a) **Creation of Debenture Redemption Reserve ("DRR") – relevant legislations and applicability:**

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this

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requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

(b) **Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.):**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the LODR Regulations the NBFC Directions, the NCD Issuance Directions and the applicable guidelines and directions issued by the RBI and SEBI.

(c) **Default in payment**: If, at any time, there shall be a Payment Default or an Event of Default, the Issuer agrees to pay an additional interest rate of 2% (Two Percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable.

(d) **Delay in listing**: In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer confirms that in the event there is any delay in listing of the Debentures beyond 4 (four) Business Days from the date of closure of the issue for the Debentures, the Company (i) will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate for the period of delay from the date of closure of the issue for the Debentures until the listing of the Debentures is completed, and (ii) shall be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).

(e) **Delay in allotment of securities**:

(i) The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.

(ii) If the Issuer fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iii) If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum from the expiry of the Allotment Period.

(f) **Issue details**: Please refer to Section 5.37 (*Issue Details*) of this Placement Memorandum

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(g) **Application process:**

The application process for the Issue is as provided in SECTION 8 of this Placement Memorandum.

(h) **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**

All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in **Section 10**.

(i) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

Not applicable

5.33 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Placement Memorandum, which are or may be deemed material, have been entered into by the Company.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated May 19, 2022 authorizing the issue of Debentures offered under the terms of this Disclosure Document read with resolution passed by the Working Committee of the Board of Directors of the Company dated September 19, approving the current issue of Debentures
3	Shareholders Resolution dated July 06, 2022 authorizing the issue of non-convertible debentures by the Company.
4	Shareholder Resolution dated July 06, 2022 authorizing the borrowing by the Company and the creation of security.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated September 30,2022 rating rationale from the Rating Agency dated September 30, 2022 along with detailed press release.
7	Letter from Catalyst Trusteeship Limited dated September 19, 2022 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.

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10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.
12	Debenture Trustee Agreement to be executed by the Issuer and the Debenture Trustee.
13	Debenture Trust Deed to be executed by the Issuer and the Debenture Trustee.
14	Deed of Hypothecation to be executed by the Issuer and the Debenture Trustee.

5.34 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise funds by issue of 450 (four hundred and fifty) rated, listed, unsubordinated, secured, redeemable, transferable, Non-Convertible Debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregating to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of 350 (Three Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 35,00,00,000 (Thirty-Five Crores) ("**Green Shoe Option**") on a private placement basis by Satya Microcapital Limited (the "**Company**" or "**Issuer**") in one or more series/tranches at par comprising of:

a. 200 (Two Hundred) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores Only) inclusive of Green Shoe Option of 150 (One Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 15,00,00,000 (Indian Rupees Fifteen Crores) ("**Series A Debentures**") and

b. 250 (Two Hundred and Fifty) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 25,00,00,000 (Indian Rupees Two Five Crores Only) inclusive of Green Shoe Option of 200 (Two Hundred) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 20,00,00,000 (Indian Rupees Twenty Crores) ("**Series B Debentures**"). For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.37 (*Issue Details*) of this Placement Memorandum.

5.35 Issue Size

The aggregate issue size of Debentures is up to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of INR. 35,00,00,000 (Thirty-Five Crores) ("**Green Shoe Option**").

5.36 Utilization of the Issue Proceeds

The proceeds shall be used for as set out in the column of "*Details of the utilization of the Proceeds*" under Section 5.37 (*Issue Details*) of this Placement Memorandum. and shall not be utilized for the purposes mentioned below.

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The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company /associates.

The Issue shall not be utilised towards acquisition financing: viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan.

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.6/21.04.172/2015-16 dated July 1, 2015:

1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

5.37 Issue Details

Security Name (*Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year*)	Series A - 12% SMCL – 2024 Series B- 12.75% SMCL – 2025
Issuer	Satya MicroCapital Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument (Secured or Unsecured)	Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")
Seniority (Senior or subordinated)	Senior

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Eligible Investors	Please refer Section 8.14 (*Eligible Investors*).
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	The Debentures are to be listed on the WDM of the BSE within a maximum period of 4 (Four) Business Days from the date of closure of the issue for the Debentures. Without prejudice to the below and at the option of the Debenture Holder(s), in the event that the Debentures are not listed within 4 (Four) Business Days from the date of closure of the issue for the Debentures for any reason whatsoever, then to the extent that any Debenture Holder(s) are foreign institutional investors or sub-accounts of foreign institutional investors or qualified foreign investors, or foreign portfolio investors, the Company undertakes to immediately redeem and/or buyback any and all Debentures within 2 (two) Business Days of the expiry of the listing period. In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer confirms that in case of a delay by the Company in listing the Debentures beyond 4 (Four) Business Days from the date of closure of the issue for the Debentures, the Company shall (i) make payment to the Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the expiry of 4 (Four) Business Days from the date of closure of the issue for the Debentures till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of Debentures.
Rating of Instrument	Acuite A-/Stable
Issue Size	The aggregate issue size of Debentures is up to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of INR. 35,00,00,000 (Thirty-Five Crores) ("**Green Shoe Option**"). **Series A:** 5,00,00,000/- (Indian Rupees five Crores only) with a green shoe option of up to 15 crores. **Series B:** 5,00,00,000/- (Indian Rupees Five Crores only) with a green shoe option of up to 20 crores. Pursuant to this Placement Memorandum, the addressee of this Placement Memorandum has the option to subscribe to an additional amount of up to 350 (Three hundred and fifty) Debentures with a face value of INR 10,00,000 (Rupees Ten Lakh) each, aggregating to INR 35,00,00,000 (Indian Rupees Thirty-Five Crore) ("**Green Shoe Option**").

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Minimum subscription	The minimum application size for the Issue shall be 1 (one) Debenture and in multiples of 1 (one) Debenture thereafter.
Option to retain oversubscription (Amount)	N.A. However, there is a green shoe option of 350 (three hundred and fifty) rated, listed, senior, secured, transferable, redeemable, principal protected, market linked non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of INR 35,00,00,000 (Indian Rupees Thirty-Five Crores Only) in respect of the Debentures. Please refer the section named "Issue Size" above.
Objects of the Issue / Purpose for which there is requirement of funds	To raise secured debt to the extent up to INR 45,00,00,000/- (Indian Rupees Forty Five Crore) and 110% (One Hundred Percent) of the issue proceeds will be to means for raising debt to meet long-term resources of the Company and to meet working capital requirement.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable. The proceeds raised from the Issue will be used solely for the Purpose.
Details of the utilization of the Proceeds	110% (One Hundred Percent) of the issue proceeds will be to means for raising debt to meet funding requirements for expanding the loan portfolio of the Issuer and diversifying the funding sources of the Issuer to expand the microfinance loan portfolio and to further advance the Issuer's commitment to providing loans to women and women owned businesses.
Coupon Rate	Series A: 12.00% (twelve percent) Series B: 12.75% (twelve decimal seven five percent)
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Monthly
Coupon Payment Dates	Monthly on the dates set out in Annexure VI (*Illustration of Bond Cash Flows*) (subject to adjustments for Business Day Convention).
Coupon Type (Fixed, floating or other structure)	Fixed Coupon
Coupon Reset Process (including	N.A.

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rates, spread, effective date, interest rate cap and floor etc.)	
Day Count Basis (Actual / Actual)	Actual / Actual
Interest on Application Money	Interest at the rate of 12% p.a. (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) will be paid on Application Money to the Applicants from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit upto one day prior to the Deemed Date of Allotment. This is applicable for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form.
Default Interest Rate	***Event of default*** If, at any time, there shall be a Payment Default or an Event of Default, the Company agrees to pay an additional interest rate of 3% (Three Percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable. ***Delay in execution of debenture trust deed*** In the case of a delay in the execution of the DTD and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor. ***Penalty for rating downgrade:*** In the event the Credit Rating of the Issuer is downgraded, the coupon rate shall be increased by 0.25% for every notch of rating downgrade till BBB-. The step-up coupon is applicable from the date of such downgrade until such event is cured, on the outstanding principal amount and accrued interest, if any, of the Debentures. For the purpose of this clause, if the Issuer is rated by more than one rating agency, then the lowest of the ratings shall be considered. ***Delay in security creation*** to pay a penal interest of 2.0% (Two Percent) p.a. over the Coupon Rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets;
Tenor	Series A Debentures: 24 (twenty four) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

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	Series B Debentures: 36 (thirty six) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Redemption Date / Maturity Date	Series A Debentures: October 20, 2024, being 24 (twenty four) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise. Series B Debentures: October 20, 2025 being 36 (thirty six) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise
Redemption Amount	INR 10,00,000/- (Indian Rupees Ten Lakh) per Debenture on the Principal Payment Date(s) plus accrued Coupon in the manner set out in **Annexure VI** (*Illustration of Bond Cash Flows*) hereto. Further, the aforesaid amount would be payable with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.
Redemption Premium/ Discount	Not Applicable
Issue Price	INR 10,00,000/- (Indian Rupees Ten Lakhs) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Date	N.A.
Put Price	N.A.
Call Date	N.A.
Call Price	N.A.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	N.A.
Call Notification Time (Timelines by which the Issuer need to	N.A.

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intimate investor before exercising the call)	
Face Value	INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture
Minimum Application and in multiples of thereafter	The minimum application size for the Issue shall be 1 (one) Debentures and in multiples of 1 (one) Debenture thereafter.
Issue Timing	Issue Opening Date: October 19, 2022 Issue Closing Date: October 19, 2022 Date of earliest closing of the Issue, if any: N.A. Pay-in Date: October 20, 2022 Deemed Date of Allotment: October 20, 2022 All documentation including, but not limited to, this Placement Memorandum, Board Resolution, Rating Letter, Rating Rationale along with detailed press release, Appointment of Debenture Trustee to be completed 1 (One) calendar days prior to Issue Opening Date unless otherwise specified.
Settlement mode of the Instrument	RTGS
Depositories	NSDL and CDSL
Disclosure of Interest / Dividend / Redemption Dates	On the dates set out in Annexure VI (*Illustration of Bond Cash Flows*) (subject to adjustments for Business Day Convention).
Record Date	The date being 15 (Fifteen) calendar days prior to the due date on which any Payments are to be made to the Debenture Holder(s) in accordance with the terms of the Debentures on the basis of which the determination of the persons entitled to receive redemption of principal, Coupon, and other Payments, if any, as the case may be, in respect of the Debentures shall be made.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	**Representations and Warranties** Please refer Section 7.2 of this Placement Memorandum. **Affirmative Covenants** Please refer Section 7.3.1 of this Placement Memorandum. **Negative Covenants** Please refer Section 7.3.2 of this Placement Memorandum. **Reporting Covenants** Please refer Section 7.3.4 of this Placement Memorandum.

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	Financial Covenants Please refer Section 7.3.5 of this Placement Memorandum.
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum.	The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables **("Hypothecated Receivables"/"Hypothecated Assets")** created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Assets shall at all times be equal to the value of the outstanding principal amount of the Debentures. The Issuer undertakes: • to maintain the value of security at all times equal to 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) the aggregate amount of principal outstanding of the NCDs where at least 1.1x (One decimal point one) time or 110.0% (One hundred and ten percent) of the security cover is from principal receivables ("Security Cover"); • to create, register and perfect the Hypothecated Assets as contemplated above on or before the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9 within the time period applicable; • The Company shall also provide such information sought by the Debenture Trustee for the purpose of filing the prescribed forms and particulars with the Central Registry and Information Utility in connection with the Debentures and the Security Interest over the Hypothecated Assets. • to pay a penal interest of 2.0% (Two Percent) p.a. over the Coupon Rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets; • to provide a list on quarterly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Hypothecated Asset Report") • to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) the aggregate amount of principal outstanding of the NCDs where at least 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) of the security cover is from principal receivables. • to replace Hypothecated Receivables that have been overdue for more than 30 days with current receivables. Such replacement shall be affected within 15 (Fifteen) Business Days of the Hypothecated Receivables becoming overdue (by more than 30 days). The overdue receivables cannot be more than 10% of hypothecated receivables. Eligibility Criteria for the Hypothecated Receivables: • The receivables are existing at the time of selection and have not been terminated or pre-paid; • The receivables have not been restructured or rescheduled;

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	• Each loan under the Portfolio should comply with the guidelines under the Master Circular for Priority Sector Lending dated July 7, 2016 and March 14, 2022 issued by the Reserve Bank of India (RBI) and as amended or modified or restated from time to time. • Loans constituting the Portfolio must be joint-liability group loans, as per the definition of the Lender. • Loans constituting the Portfolio should only be originated at the branches owned, controlled and operated by the Borrower directly and not through branches operated by its origination partners. • Loans constituting the Portfolio shall not be given directly to a single individual. • Loans constituting the Portfolio shall not be provided to individuals who have had a history of late payments or over dues. • All "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India; • An addition to the above criteria, permitted receivables includes, those receivables that were part of the moratorium provided under RBI circulars - RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 March 27, 2020 and RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 May 23, 2020, but may not exceed 10% of the total hypothecated receivables. The receivables should not be restructured or rescheduled. (a)
Transaction Documents	Shall be as set out in Section 7.1 below
Conditions Precedent to Disbursement	i. A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee. ii. All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the Debentures and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed. iii. Execution of the Transaction Documents shall have taken place; iv. Rating of the Debentures being completed and the rating agency having provided a minimum rating of 'A-' for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee; v. The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:-

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	a. the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures; b. the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded; c. no Material Adverse Effect has occurred in the Company, and/or the business of the Company; d. incumbency and signatures; e. absence of any Event of Default, any potential Event of Default, any force majeure event and any Material Adverse Effect; f. all representations and warranties contained in the Debenture Trust Deed are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom; and g. the Debenture Trustee shall have received from the Company its audited account statements for the Previous Year. vi. Due execution of the Depository Agreements by, inter-alia, the Depository and the Company; vii. Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Company; viii. The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; ix. The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or financial half-year.
Conditions Subsequent to Disbursement	(a) Within 30 (Thirty) days from circulation of the Placement Memorandum, the Issuer shall maintain the record with respect to the issuance of the Debentures in Form PAS-5 specified pursuant to sub-rule (3) of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 along with the requisite fee with the Registrar of Companies; (b) Within 4 (Four) Business Days from the date of closure of the issue for the Debentures, the Issuer shall complete the listing of the Debentures on the WDM segment of the Bombay Stock Exchange (BSE) and list the Debentures on the BSE; (c) On or prior to the utilisation of the subscription monies by the Issuer in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Issuer shall file of a return of

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	allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies; (d) Within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation, the Issuer shall file Form CHG-9 with the applicable Registrar of Companies for the perfection of Security; (e) Within 15 (Fifteen) calendar days from the date of execution of the Deed of Hypothecation, the Issuer shall share the evidence with the Debenture Holder(s) in respect of the registration of Security by the Issuer over the Hypothecated Property with the CERSAI;
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	a. **Payment Defaults** The Company does not pay on the Due Date any amount payable pursuant to the Debenture Trust Deed and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 1 (one) Business Days of its Due Date. b. **Insolvency / Inability to Pay Debts / Distress** i. The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness. ii. The Company is (or deemed by Law or a court to be) insolvent or bankrupt or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company. iii. Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days. c. **Charge over Hypothecated Assets** The Company creates or attempts to create any charge on the Hypothecated Assets or any part thereof, in addition to the charge created pursuant to the Hypothecation Agreement without the consent of the Special Majority Debenture Holders. d. **Business**

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The Company without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

e. **Security in Jeopardy**

i. In the opinion of the Debenture Trustee the Hypothecated Assets is in jeopardy;

ii. If, the security provided pursuant to the Hypothecation Agreement depreciates in value to such an extent that in the reasonable opinion of the Trustee further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction;

iii. If, without the prior written approval of the Debenture Trustee, the Hypothecated Assets or any part thereof is transferred, assigned, charged, encumbered or alienated but no prior approval shall require for the replacement of assets comprising the Hypothecated Assets with other similar assets; or

iv. the value of the Hypothecated Assets is insufficient to maintain the Security Cover Ratio and Company fails to maintain the minimum Security Cover Ratio specified in the Hypothecation Agreement within the stipulated timelines in the Hypothecation Agreement.

f. **Misrepresentation**

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

g. **Material Adverse Change**

There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business Days.

h. **Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator**

i. Any corporate action, legal proceedings or other procedure or step is taken in relation to:

A. the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way

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	of voluntary arrangement, scheme of arrangement or otherwise) of the Company or its Affiliate; B. a composition, compromise, assignment or arrangement with any creditor of the Company or its Affiliate; C. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or its Affiliate; or D. the Company or its Affiliate, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" (as amended or modified or restated from time to time)); E. the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or F. enforcement of any security over any Assets of the Company or its Affiliate. Any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (A) to (F) above. G. An order is made or an effective resolution passed for the winding up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by Special Resolution of Debenture Holders. H. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days i. **Cross Default** The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any

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instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

j. **Creditors' Process**

i. All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority.

ii. The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever described) in the financial, operational or regulatory conditions governing the Company.

iii. The Company has voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved.

iv. The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors.

v. Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Receivables constituting Hypothecated Assets or part thereof.

k. **Judgments Defaults**

One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (five percent) of the Total Assets of the Company PROVIDED THAT such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) consecutive calendar days.

l. **Transaction Documents**

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i. The Debenture Trust Deed or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.

ii. In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the security interest, rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests do not have the priority contemplated under the Transaction Documents, or the security interest created thereunder become unlawful, invalid, or unenforceable.

m. **Unlawfulness**

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.

n. **Repudiation**

The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

o. **Information Covenants**

The failure to comply with any reasonably monitoring and/or servicing requests from Debenture Holders, including its monthly, quarterly, annual and event-based reporting requirements as required under the reporting covenants prescribed in **Schedule XI** (Reporting Covenants).

p. **Government Intervention**

i. Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;

ii. Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or

iii. The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto.

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q. **Delisting**

If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee.

r. **Cessation**

The Company ceases or threatens to cease to carry on the main business it is currently engaged in.

s. **Alteration in Constitutional Documents**

The Company, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration.

t. **Non-compliance with judicial order**

The Company fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending.

u. **Erosion of Net Worth**

The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% or more starting March 31, 2022.

v. **Merger**

The rearrangement or consolidation or amalgamation with or merger with or into, or receiving of all or substantially all the assets or obligations of, another entity, or any action for reorganisation of capital without the prior written consent of the Debenture Trustee.

w. **Sale, disposal**

Sale, transfer, or other disposition of all or substantially all of the Company's Assets other than in the normal course of business of the Company.

x. **Third party**

A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any

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	other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Company may be obligated as a borrower or guarantor and pursuant to which the Company is called upon to and makes a prepayment to a 3rd party without the prior written consent of the Debenture Holder. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders. y. **Wilful default** Any Promoters or directors or key management personnel of the Company is/are declared as wilful defaulter by any competent authority or accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery. z. **Breach of Financial Covenants** Any breach of financial covenants stipulated in **Schedule IX** (Financial Covenants) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Financial Covenants from the date of such breach. aa. **Breach of Negative Covenants or Affirmative Covenants** Any breach of negative covenants mentioned in **Schedule XI** (Negative Covenants) or Affirmative Covenants as set out in **Schedule VII** (Affirmative Covenants) of the Debenture Trust Deed. **bb. Rating Downgrade** If any time during the tenor of the debentures, the rating of the instrument is downgraded to below BBB-. cc. **Breach of other terms of the Debenture Trust Deed** A material breach by the Company of any of its obligations and covenants provided in terms of the Debenture Trust Deed or other Transaction Documents (other than (a) to (cc) above) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Affirmative, Negative, Reporting and Other Covenants from the date of such breach.
Creation of recovery expense fund	**Details and purpose of the recovery expense fund** (a) The Issuer shall create and maintain the Recovery Expense Fund up to the amounts prescribed under the SEBI REF Circular, in accordance with and within the timelines prescribed in the SEBI REF Circular. (b) The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the

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	Security in accordance with the Transaction Documents. (c) The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents. (d) On the occurrence of an Event of Default, if the Security is proposed to be enforced, the Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Please refer sections named "Default Interest Rate" and "Events of Default".
Provisions related to Cross Default Clause	The following is an Event of Default. The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
Role and Responsibilities of Debenture Trustee	(i) The Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise; (ii) The Debenture Trustee shall be at liberty to keep these presents at their registered office or elsewhere or if the Debenture Trustee so decide with any banker or company whose business includes undertaking the safe custody of documents or with any advocates or firm of solicitors, provided however that the Debenture Trustee shall be responsible for any loss incurred in connection with any such deposit and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit;

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	(iii) Save as herein otherwise expressly provided, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof;
	(iv) The Debenture Trustee shall, on a quarterly basis, carry out the necessary due diligence and monitor the Security Cover in the manner as specified by SEBI from time to time.
	(v) The Debenture Trustee shall on a half-yearly basis, obtain a certificate from the statutory auditor of the Issuer giving the value of receivables / book debts comprising the Hypothecated Property including compliance with the covenants of the Placement Memorandum in the manner as may be specified by SEBI from time to time and certifying maintenance of the Security Cover as per the terms of the Placement Memorandum and/or the Transaction Documents along with the half-yearly financial results of the Issuer.
	(vi) With a view to facilitating any dealing under any provisions of these presents the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
	(vii) The Debenture Trustee shall not be responsible for the monies paid by applicants for the Debentures;
	(viii) The Debenture Trustee shall have full power, in consultation with the Debenture Holder(s), to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) shall be conclusive and binding upon all persons interested hereunder;
	(ix) The Debenture Trustee shall forward to the Debenture Holder(s), copies of any information, documents from the Issuer pursuant to the Debenture Trust Deed within 2 (two) days of receiving the same from the Issuer;
	(x) The Debenture Trustee shall be entitled to exercise all its powers and rights available to it under the Transaction Documents;
	(xi) The Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Defaults (Procedure) Circular and the SEBI Recovery Expense Fund Circular; and
	(xii) The Debenture Trustee shall ensure the implementation of the conditions regarding creation of security for the Debentures, if any, including in relation to debenture redemption reserve and recovery

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	expense fund, as may be prescribed by SEBI from time to time. PROVIDED that nothing contained herein shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for gross negligence, wilful default or breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder. Please also refer to Annexure VIII of this Placement Memorandum for the terms and conditions of the debenture trustee agreement.
Risk factors pertaining to the issue	Please refer to Section 3 (*Risk Factors*) of this Placement Memorandum
Governing Law and Jurisdiction	(a) The Debentures and the Transaction Documents shall be governed by and construed in accordance with applicable Indian law. (b) The courts and tribunals in New Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Transaction Documents and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Transaction Documents may be brought in such courts or the tribunals and the Issuer irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals. (c) Nothing contained herein, shall limit any right of the Debenture Trustee to take Proceedings in any other court or tribunal of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction whether concurrently or not and the Issuer irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Issuer irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.
Additional Disclosures (Security Creation)	In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.

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Additional Disclosures (Default in Payment)	If, at any time, there shall be a Payment Default or an Event of Default, the Issuer agrees to pay an additional interest rate of 2% (Two Percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable
Additional Disclosures (Delay in Listing)	In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer confirms that in the event there is any delay in listing of the Debentures beyond 4 (four) Business Days from the date of closure of the issue for the Debentures, the Issuer (i) will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate for the period of delay from the date of closure of the issue for the Debentures until the listing of the Debentures is completed, and (ii) shall be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
Specific disclosures requested by custodians: Declarations	The Issuer confirms that the purchase consideration in respect of the Debentures will not be used for real estate business, capital market and purchase of land and shall comply with all end-use restrictions under applicable law. In this context, the expression, "Real Estate Business" shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2017, Notification No. FEMA 20(R)/2017-RB dated November 7, 2017 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019.
Specific disclosures requested by custodians: Eligible Investors	The following categories of investors are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the application form: (a) foreign portfolio investors registered with the SEBI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 or the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019; and (b) any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

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Specific disclosures requested by custodians: Banking details for payment of the application money	The subscription amounts on the Debentures should be paid into the account specified in Section 8.13.

Note:

1. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.

2. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

3. While the debt securities are secured to the tune of 110% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

4. The issuer shall ensure that the secured debt securities are secured by hundred percent security cover or higher security cover as per the terms of the offer document and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon at all times for the issued debt securities

5. The Issuer shall provide granular disclosures in this Placement Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

   The proceeds of the issue shall be used to augment the long-term resources of the company and to meet working capital requirement

   The Company shall not use the proceeds of the Issue towards:

   i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities

   ii. investment in real estate sector;

   iii. any speculative purposes; or

   iv. in contravention of any guidelines, rules or regulations of the RBI applicable to non-banking financial companies.

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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter:

(A) **Name of the bank declaring the entity as a Wilful Defaulter**: NIL

(B) **The year in which the entity is declared as a Wilful Defaulter**: N.A

(C) **Outstanding amount when the entity is declared as a Wilful Defaulter**: N.A

(D) **Name of the entity declared as a Wilful Defaulter**: N.A

(E) **Steps taken, if any, for the removal from the list of wilful defaulters**: N.A

(F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions**: N.A

(G) **Any other disclosure as specified by SEBI:** N.A

SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

(a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");

(b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");

(c) Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Hypothecated Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**"); and

(d) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 Representations and Warranties of the Issuer

The Company makes the representations and warranties set out in this Clause to the Debenture Trustee for the benefit of the Debenture Holders on the date of the Debenture Trust Deed and during the term of the Debentures.

a. ***Status***

i. It is a company, duly incorporated, registered and validly existing under the Laws of India.

ii. It is registered as a non-banking financial companywith the RBI.

iii. It and each of its subsidiaries (as defined under the Act) has the power to own their respective Assets and carry on their respective business as it is being conducted.

b. ***Binding obligations***

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

c. ***Non-conflict with other obligations***

The entry into and performance by it of, the transactions contemplated by the Transaction Documents do not and will not conflict:

i. any Law or regulation applicable to it.

ii. its Constitutional Documents.

iii. any agreement or instrument binding upon it or any of its Assets.

d. ***Power and authority***

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It has the power to issue the Debentures and to enter into, perform and deliver, and has taken all necessary authorisations its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

c. ***Validity and admissibility in evidence***

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

i. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;

ii. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and

iii. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

f. ***No default***

No Event of Default or potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect.

g. ***Pari passu inter se ranking***

Each Debenture constitutes first ranking exclusive charge over the Hypothecated Assets. The Debentures shall constitute direct and unconditional and secured obligations of the Company. The claims of the Debenture Holders shall be superior to all the claims of equity investors/ lenders of Tier I Capital and Tier II Capital (including without limitation, any Subordinated Debt) and shall rank pari passu inter se

h. ***No proceedings pending***

Except as disclosed by the Company in its Disclosure Document(s), annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or threatened against the Company, where such proceedings could result in or cause a Material Adverse Effect.

i. ***No misleading information***

i. All information provided by the Company to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

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ii. It has disclosed all information in the Disclosure Document(s) that is relevant for the Applicants to apply for subscription of the Debentures.

j. *No Material Adverse Effect*

i. There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such applicable Law or requiring them to take or omit any action.

ii. Neither the Company nor any Group Entity has violated, or breached any applicable Law (including, but not limited to, any Environmental and Social Requirements or Client Protection Laws) which has resulted in or could reasonably be expected to have a Material Adverse Effect.

k. *Assets*

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

l. *Financial statements*

i. Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.

ii. Its financial statements for the Previous Year supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.

iii. It has disclosed all its borrowings from various banks and financial institutions in the Disclosure Document(s).

m. *Solvency*

i. The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of applicable Law, nor will it become unable to pay its debts for the purposes of applicable Law as a consequence of entering into the Debenture Trust Deed or any other Transaction Document.

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ii. The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Indebtedness.

iii. The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

iv. The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

v. No insolvency or bankruptcy process has commenced under the (Indian) Insolvency and Bankruptcy Code, 2016 in respect of the Company.

vi. No reference, enquiry or proceedings under corporate debt restructuring (CDR) mechanism or the strategic debt restructuring (SDR) mechanism of the RBI, and no steps have been taken by any lender in respect of any member of the Group, under the 'Scheme for Sustainable Structuring of Stressed Assets (S4A) issued by the RBI.

n. ***No immunity***

The Company is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

o. ***Legal and Beneficial Ownership***

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN/FCRN/LLPIN/FLLPIN of the Company on the website http://www.mca.gov.in/MCA21/index.html under the heading "Index of Charges"), the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

p. ***Compliance with Laws***

i. The Company and its Group Entities have conducted and are conducting their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws.

ii. With respect to all such Environmental and Social Requirements, the Company and each Group Entity (1) have been issued and will maintain all required consents and will take all reasonable steps in anticipation of known or expected future changes or obligations to the same, (2) have not received any complaint, order, directive, claim, citation, or notice by any Governmental Authority, and (3) have not received any complaint or claim from any person seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief.

iii. The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to SEBI, the BSE and the

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ROC (if applicable) and obtain all consents and approvals required for the completion of the Issue.

q. ***Anti-terrorism Laws***

The Company and its affiliates are in compliance in all respects with all Anti-Terrorism Laws, and are adhering to all regulatory requirements pertaining to Anti-Terrorism and Anti-Money Laundering.

r. ***No Corrupt Practices***

i. Neither the Company nor its Promoters or affiliates have indulged in any corrupt practices pertaining to the business such as misstatement, fraud, misappropriation, embezzlement of financial and other resources or gains unreported in the audited financial statements.

ii. Neither the Company nor any Group Entity through its officers, directors or employees in such capacities or any person acting on behalf of the Company or any Group Entity have engaged in any Objectionable Practice.

s. ***Taxation***

i. The Company has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (A) payment is being contested in good faith, (B) the Company has maintained adequate reserves for those Taxes, and (C) payment can be lawfully withheld;

ii. The Company is not overdue in the filing of any Tax returns.

iii. No claims exceeding Tax Claims Amount are being or are reasonably likely to be asserted against the Company with respect to Taxes, where such claims could result in or cause a Material Adverse Effect.

t. ***Disclosures in Disclosure Document(s)***

The extent of disclosures made in the Disclosure Document(s) is consistent with disclosures permitted by Government Authorities in relation to the issue of securities made by the Company prior to the issue of the Debentures.

u. ***Audit***

The Company annual accounts are audited by an auditor from a reputable firm of independent chartered accountants.

v. ***Good Business Standard***

The Company in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

w. ***Proper book-keeping and accounting***

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The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

x. ***Employees***

The Company is in compliance with all obligations under the applicable labour laws and other applicable Laws in relation to its employees.

y. ***Compliance with RBI/SEBI Regulations and the Act's Requirements***

The Debentures are being issued in compliance with the applicable regulations of the RBI/SEBI and the relevant provisions of the Act as applicable. Any provision in the Deed which is not in compliance with regulations of the RBI/SEBI and the relevant provisions of the Act can be amended by the Company and the Debenture Trustee by executing an amendment to the Deed and the Debenture Holders shall have no right to raise any objection thereto.

7.3 COVENANTS OF THE ISSUER

7.3.1. AFFIRMATIVE COVENANTS

a. ***Notice of winding up or other legal process***

Company shall promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company;

b. ***Loss or damage by uncovered risks***

Company shall promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;

c. ***Costs and expenses***

Company shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs;

d. ***Payment of Rents, etc***

Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and

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comply with all covenants and obligations which ought to be observed and performed by the Company under the Debenture Trust Deed;

e. ***Preserve corporate status; authorisations***

Company shall

i. diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed; and

ii. conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel;

iii. promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures;

f. ***Pay stamp duty***

Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;

g. ***Furnish information to Debenture trustee***

Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

h. ***Grievance***

Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

i. ***Specific Information to be provided to the Debenture Trustee***

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Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following:

i. notice of any Event of Default or potential Event of Default, each as listed in **Schedule XII** (Events of Default) of the Debenture Trust Deed;

ii. periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange (if the Debentures are listed);

iii. details of any material litigation, arbitration or administrative proceedings, etc. including those that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock (if the Debentures are listed);

iv. any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and

v. the declaration or distribution of dividend;

j. ***Comply with Investor Education and Protection Fund requirements***

Company shall comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it;

k. ***Further assurances***

Company shall

i. execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

ii. furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;

iii. obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under the Debenture Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Debenture Trust Deed;

iv. comply with:

A. all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time,including but not limited, in relation to the following (if the Debentures are listed) as may be in force from time to time during the tenor of the Debentures; (ii) the provisions of the SEBI

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(Listing Obligations and Disclosure Requirements) Regulations, 2015 ((v) NCS Listing Regulation and (iv) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures;

B. the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

C. the provisions of the Act in relation to the issue of the Debentures;

D. procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and

E. The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

I. ***Security***

The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows:

i. the Debentures shall be secured with first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders;

ii. that all the Assets that shall be charged to the Debenture Trustee under the Hypothecation Agreement shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this security and be dealt with only under the directions of the Debenture Trustee. The Company shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this security and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof;

iii. shall, on the First Security Cover Determination Date and at all times thereafter, ensure that the Security Cover Ratio is maintained and towards this end, it shall on or before each Quarterly Security Cover Determination Date, Top-up the Hypothecated Assets with additional Receivables and/or Replace any Receivables constituting the Hypothecated Assets in accordance with the Hypothecation Agreement so as to ensure that Security Cover Ratio is maintained at all times from the First Security Cover Determination Date until the redemption of the Debentures in full and perfect the first ranking and exclusive charge of the Debenture Trustee over such modified Hypothecated Assets by filing Form CHG-9 with

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the concerned ROC and the required filing with the Central Registry in relation thereto as soon as practicable and no later than 30 (thirty) days therefrom;

iv. shall, on the First Security Cover Determination Date and every Reporting Date, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports (including Monitoring Reports as prescribed in the Hypothecation Agreement), returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Hypothecated Assets;

v. the security interest created on the Hypothecated Assets shall be a continuing security as described in the Hypothecation Agreement;

vi. the Hypothecated Assets shall satisfy the eligibility criteria set out in **Schedule VIII** (Eligibility Criteria);

vii. nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any Financial Indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders; and

viii. the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Principal Amounts of the Debentures under the Debenture Trust Deed;

ix. The Hypothecated Assets on which the first ranking exclusive charge has been created shall meet the hundred percent Security Cover and is free from any encumbrances.

x. The Issuer shall ensure that the secured debt securities are secured by hundred percent security cover or higher security cover as per the terms of the offer document and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon at all times for the issued debt securities.

m. ***Filings***

If the Debentures are listed, the Company shall file with the BSE such information as required under Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

n. ***Amounts to be reimbursed to the Debenture Trustee***

Company shall, forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

o. ***Delay in Security Creation***

Company shall in the event of any delay in the creation of first ranking and exclusive charge over the Hypothecated Assets within the timelines stipulated in the Hypothecation Agreement or in the event the Security Cover Ratio is not met on or prior to the First Security Cover Determination Date, the Company will, at the option of the Debenture Holders, either:

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i. refund the Application Money as set out in Clause 2.5 of the Debenture Trust Deed, to the Debenture Holders; or

ii. pay to the Debenture Holders additional interest at Default Interest Rate on the Outstanding Principal Amounts from the Deemed Date of Allotment till the creation of first ranking and exclusive charge over the Hypothecated Assets pursuant to the terms of the Hypothecation Agreement such that the Security Cover Ratio is met.

p. ***Books of Account***

Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that all entries in the same relating to the Hypothecated Assets and the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint.

q. ***Material Adverse Effect***

Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof;

r. ***Insurance***

Company shall maintain insurances on and in relation to its business and assets with insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law and ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with;

s. ***Corporate Governance***

i. the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions;

ii. shall at all times until the redemption of all outstanding Debentures, ensure that there is at least 2 (two) independent director ; and

iii. the Company shall at all times comply with the NBFC Master Directions.

t. ***General***

i. the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents;

ii. the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and

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also such payment due and payable under or in respect of the Issue or any documents executed in connection there with;

iii. the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders;

iv. the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI from time to time; and

v. the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law.

u. ***Access***

Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to:

i. check the management of the funds made available through subscription to the Debentures;

ii. inspect and take copies and extracts from the books, accounts and records of the Company;

iii. visit and inspect the premises of the Company; and

iv. meet and discuss matters with senior management employees of the Company.

v. ***Conditions Subsequent***

Company shall comply with the conditions stipulated in **Schedule XIII** (Conditions Subsequent).

w. ***Financial Covenants***

Company shall comply with the financial covenants stipulated in **Schedule IX** (Financials Covenants).

x. ***Issue Terms and Conditions***

At all times during the term of these presents comply with each of the Issue Terms and Conditions.

y. ***Internal Controls***

Company shall maintain appropriate internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes.

z. ***Information to Debenture Trustee***

The Company shall promptly provide all assistance, documents and information to the Debenture Trustee as may be required by it to enable the Debenture Trustee to fulfill its obligations as may be required by SEBI from time to time.

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7.3.2. NEGATIVE COVENANTS

The Issuer shall not without the prior written permission of the majority Debenture Holders and Debenture Trustee, do or undertake to do any of the following:

a. ***Change of business;***

Change the general nature of its business from that which is permitted by the RBI. The issuer shall not undertake any new major business outside financial services or any diversification of its business outside financial services, without approval of Majority Debenture Holders.

b. Change in constitutional documents

Change or make any alteration to its Constitutional Documents. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association except in relation to (i) increase in authorised share capital and/or any reclassification; (ii) appointment of observer on behalf of Investor; (iii) appointment of nominee director on behalf of investor (iv) addition in the objects clause in MOA, where such amendment would have a Material Adverse Effect as defined earlier, without prior consent of the Debenture Trustee.

c. ***Role of Promoter***

i. There shall be no change in Promoter, or control (excluding Employee Stock Option) in Issuer due to new equity raise without the consent of majority debenture holders. If there is no response within 7 calendar days, it will be deemed as consent given by Debenture Holders. However, any other changes in control not due to new equity raise (except change in shareholding of the Promoter & Promoter Group of less than 5% excluding the inter-se transfer) will have to be formally approved by Debenture holders and deemed consent window is not applicable.

ii. The Issuer shall take prior written permission from the Debenture Holder/ Debenture Trustee in case equity stake of Mr. Vivek Tiwari in the Issuer diluting below the level of 18% on a fully diluted basis.

iii. Until the Final Redemption Date, the Company will procure and ensure that the Promoter Mr.Vivek Tiwari will not exit from or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of the Debenture Trust Deed.

d. **Dividend**

Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless:

i. the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets);

ii. no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;

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iii. the Company is in compliance with the financial covenants set forth in **Schedule IX** (Financial Covenants); and

iv. the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures.

e. **Merger, consolidation, etc.**

1. Undertake or permit any merger, consolidation, or effect any scheme of amalgamation or reconstruction

2. The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.

3. The Issuer shall not enter into any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the Majority Debenture Holder financial services, without approval of Majority Debenture Holders;

4. The Issuer shall not undertake any major new business outside financial services or any diversification of its business outside financial services, without approval of Majority Debenture Holders.

f. **Associates, Subsidiaries, and Joint Ventures**

Dispose of, acquire (as defined in the Act), subsidiary (as defined in the Act) or joint ventures.

g. **Acquisition**

Acquire, without the prior written consent of the Majority Debenture Holders, any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking.

h. **Joint Venture**

Without the prior written consent of the Majority Debenture Holders:

i. acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or

ii. transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).

i. **Arm's length basis; No profit sharing arrangements**

The Company shall not, without the prior written consent of the Majority Debenture Holders:

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i. enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;

ii. enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or

iii. enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

j. **Immunity**

Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

k. **Liabilities**

Incur, create, assume, or allow any Financial Indebtedness that ranks prior to the Debentures or subordinates the Debentures.

l. **Change of control**

Issue any additional shares or equity interests and shall not have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in change in Control of the Company. PROVIDED THAT if the written consent of the Debenture Trustee/ the Majority Debenture Holder(s) is withheld for the proposed change of control, the Company will, upon the instructions of the Debenture Trustee, redeem the Debentures forthwith within 45 (Forty five) days of receiving such written instructions from the Debenture Trustee and pay prepayment penalty on such redemption in accordance with the terms of the Transaction Documents.

The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the majority Debenture Holders' prior written consent;

m. **Disposal of Assets**

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business.

n. **Management Control**

Any change in Management Control of the Company without the consent of majority debenture holders. Any new equity raising which results in change in the existing shareholding pattern and related change in board composition would be communicated to Debenture Holders and consent would be sought. If there is no response within 7 calendar days, it will be deemed as consent given by Debenture Holders

Material compromise or Settlement

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Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders. **Anti-money laundering**

Permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering.

o. **Related Party Transactions**

The Issuer shall not enter into any related party transactions other than the following transactions strictly in the ordinary course of business:

(i) remuneration payable to key managerial personnel (as defined under the Companies Act, 2013);

(ii) Availing loans from Ananya Finance For Inclusive Growth Private Limited ("Ananya") or repayment of loans availed from Ananya or payments/receipts made under in the existing service agreement with Ananya;

(iii) payments made to the Issuer by any of the Permitted Related Parties (*defined below*) disclosed hereunder.

For the purpose of this clause, Permitted Related Parties shall mean:

(iv) Mr. Girijesh Tiwari
(v) Dia-Vikas Capital Pvt. Ltd.
(vi) GOJO and Company, Inc.
(vii) Koshish Sustainable Solutions Pvt. Ltd. ("Koshish Solutions")
(viii) Koshish Marketing Solutions Pvt. Ltd. ("Koshish Marketing")
(ix) Satya Employee Welfare Trust
(x) Ananya Finance For Inclusive Growth Pvt. Ltd. ("Ananya")
(xi) Satya Shakti Foundation
(xii) Baid Housing Finance Pvt.Ltd.
(xiii) Credentia Finclusion Pvt. Ltd.

Nothing in this clause shall allow the Issuer to provide any loans, inter-corporate deposits, invest in share capital or donate to Koshish Marketing, Koshish Solutions, Ananya, Satya Shakti Foundation, Credentia Finclusion Pvt. Ltd. and Baid Housing Finance Pvt. Ltd. where such transaction, or the aggregate of such transactions in a financial year, would exceed 8% of the Issuer's Net worth for the corresponding financial year.

p. **Financial Year**

Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee.

q. **Others**

Without prejudice to Clause (a) (Change of business; Role of Promoter) of this (Negative Covenants), permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments

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that are compulsorily and mandatorily convertible into equity shares of the Company, by the Promoter(s) and/ or (iii) permit the Promoter(s) to exit from management activities in relation to the Company.

7.3.3. REPORTING COVENANTS

Company shall provide or cause to be provided to the Debenture Trustee (and to the Debenture Holders if so requested), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

a. Monthly Reports

Provide ALM table in the agreed format within 21 days from the end of the month.

b. Quarterly Reports

As soon as available and in any event within 45 (Forty five) calendar days after the end of each quarterly reporting period of the Company, the quarterly reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

i. to provide a list on quarterly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders).

ii. financials, operations, portfolio growth and asset quality (including static portfolio cuts, collection efficiency and portfolio at risk data), funding in formats acceptable to the Investor;

iii. the shareholding structure and composition of the board of directors in the Company;

iv. if applicable, the financial and other returns filed by the Company with the RBI (including without limitation, the form NBS 7 filed with the RBI);

v. a compliance certificate regarding the financial covenants set forth in (Financial Covenants) in the Debenture Trust Deed in form and substance reasonably satisfactory to the Debenture Trustee and the Debenture Holders;

vi. The Company shall furnish quarterly report to the Debenture Trustee containing the following particulars:

a. Updated list of the names and addresses of the Debenture Holders.

b. Details of the Coupon due, but unpaid and reasons thereof.

c. The number and nature of grievances received from the Debenture Holders and (A) resolved by the Company (B) unresolved by the Company and the reasons for the same.

d. A statement that the Hypothecated Assets is sufficient to discharge the claims of the Debenture Holders as and when they become due

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vii. information on:

a. any new product being introduced, including a loan product or any other financial product or any new business correspondent relationship is established or discontinuance of existing relationship;

b. expansion of operations into any new district, city or state;

c. any change in a service or feature change in an existing product;

d. if the Company is proposing to expand to any location other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

e. if the Company makes any material changes to the information system or loan management software, in terms of upgrade or installing a new software, other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

f. if the Company conducts a credit check using any other credit bureau apart from the credit bureaus currently being used by the Company;

g. any revisions in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

h. any changes in the accounting policy of the Company from that followed as on the Deemed Date of Allotment;

i. if there is any fraud, amounting to more than 5% of Gross Loan Portfolio; and

j. such other information, as may be required by the Debenture Trustee.

c. **Annual Reports**

As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Company, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

i. certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flow of the Company as of the date thereof;

ii. a certificate of the Chief Financial Officer or a Director of the Company confirming that his or her review has not disclosed the existence of any potential Event of Default or Event of Default;

iii. all annual information submitted to the RBI; and

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iv. the corporate social responsibility report confirming adherence by the Company to its corporate social responsibility policy.

d. Event Based Reports

(i) As soon as available and in any event within 5 (Five) Business Days of the occurrence of any change in the shareholding structure pursuant to fresh equity infusion, issuance of securities convertible into equity, except change of promoter & promoter group which is less than 5% and the inter-se transfer between the Promoters.

(ii) As soon as available and in any event within 5 (Five) Business Days of the occurrence of such event, the details of any change in board of directors and other senior management officials like Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Operations Officer;

(iii) As soon as available and in any event within 5 (Five) Business Days after receiving approval by the board of the Company, the annual business plan of the Company including a detailed investment budget and forecast accounts for the following Financial Year and financial projections for at least the next 5 (five) years;

(iv) The Company shall provide/cause to be provided information to the Debenture Trustee (and to the Debenture Holders, if so requested) as soon as practicable, and in any event within 5 (Five) Business Days from the occurrence of such event:

a. the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;

b. the Company obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect;

c. the Company obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;

d. the Company makes any prepayment or receives a notice of any prepayment of any Financial Indebtedness of the Company;

e. the Company alters its Constitutional Documents; and

f. any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Company.

g. Any fraud amounting to more than 2.0% of Gross Loan Portfolio

(e) Reporting to stock exchanges

Company, shall make all disclosures to stock exchanges as required under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, amended from time to time.

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7.3.4. FINANCIAL COVENANTS

The Company shall comply with each of the following financial covenants at all times until the redemption of all outstanding Debentures:

- Minimum capital ratio of Tier I Capital and Tier II Capital to aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items shall not be less than 17.00% (Seventeen Point Zero Zero percent) or as per the regulatory minimum prescribed by the Reserve Bank of India under the NBFC Master Directions, whichever is higher. For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Borrower on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Borrower on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.
- Maximum permissible ratio of sum of the Par > 90 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 6.00% till March 2023, 4.50% from April 1st, 2023 to September 30th, 2023, and 3% thereafter, write-offs to be calculated for the corresponding financial year.
- Maximum permissible ratio of Par > 90 net off Loan Loss Provisions (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible Networth shall be 20.00% (Twenty Point Zero Zero) till March 2023, and 15.00% thereafter (Fifteen Point Zero Zero percent).
- Cumulative Asset Liability mismatch should always be positive in all the buckets upto 1 year to the extent of 10%.
- Asset Quality: Maximum permissible ratio of Net NPA to Gross Loan Portfolio shall be 4.00% (Four Point Zero Zero) till 31st March 2023 and 3.00% (Three Point Zero Zero)or lower thereafter.

For the purpose of the above given Financial Covenants, following terms shall have the following meanings:

Portfolio at Risk greater than 90 days or PAR > 90 shall mean, in a district or a branch or on the Borrower's entire portfolio at any point of time, as the case may be, the outstanding principal value of the Borrower's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more and includes restructured loans

Tangible Networth means, with respect to any person, the amount paid up on such person's issued share capital and any amount standing to the credit of its reserves, less goodwill or other intangible assets.

Gross Loan Portfolio means and includes the outstanding principal amounts of the loans originated by the Borrower on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Borrower's own book.

NBFC Master Directions means the master directions issued by the RBI on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company–Non-Systemically Important

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Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Borrower (as amended or modified or restated from time to time).

Tier I Capital shall have the meaning given to it in the NBFC Master Directions.

Tier II Capital shall have the meaning given to it in the NBFC Master Directions.

Loan Loss Provisions means the outstanding provision in the balance sheet of the Borrower pertaining to on book and securitised book assets to provide for potential losses.

The Lender shall be granted access to any additional information that it deems necessary to monitor and evaluate compliance with the aforementioned Financial Covenants.

The Covenants and Financial Covenants can be tested at any time during the tenure of the Facility.

Not more than 50% of the CC / OD / Working capital borrowings that are captured in the less than 1 year bucket will be assumed to be renewed for the purpose of this cumulative ALM mismatch covenant.

All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, starting from 30th September 2022 on consolidated and standalone balance sheet till the redemption of the Debentures.

The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter.

7.4 EVENTS OF DEFAULT

a. **Payment Defaults**

The Company does not pay on the Due Date any amount payable pursuant to the Debenture Trust Deed and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 1 (one) Business Days of its Due Date.

b. **Insolvency / Inability to Pay Debts / Distress**

i. The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.

ii. The Company is (or deemed by Law or a court to be) insolvent or bankrupt or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company.

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iii. Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days.

c. **Charge over Hypothecated Assets**

The Company creates or attempts to create any charge on the Hypothecated Assets or any part thereof, in addition to the charge created pursuant to the Hypothecation Agreement without the consent of the Special Majority Debenture Holders.

d. **Business**

The Company without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

e. **Security in Jeopardy**

i. In the opinion of the Debenture Trustee the Hypothecated Assets is in jeopardy;

ii. If, the security provided pursuant to the Hypothecation Agreement depreciates in value to such an extent that in the reasonable opinion of the Trustee further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction;

iii. If, without the prior written approval of the Debenture Trustee, the Hypothecated Assets or any part thereof is transferred, assigned, charged, encumbered or alienated but no prior approval shall require for the replacement of assets comprising the Hypothecated Assets with other similar assets; or

iv. the value of the Hypothecated Assets is insufficient to maintain the Security Cover Ratio and Company fails to maintain the minimum Security Cover Ratio specified in the Hypothecation Agreement within the stipulated timelines in the Hypothecation Agreement.

f. **Misrepresentation**

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

g. **Material Adverse Change**

There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business Days.

h. **Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator**

i. Any corporate action, legal proceedings or other procedure or step is taken in relation to:

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A. the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or its Affiliate;

B. a composition, compromise, assignment or arrangement with any creditor of the Company or its Affiliate;

C. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or its Affiliate; or

D. the Company or its Affiliate, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" (as amended or modified or restated from time to time));

E. the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or

F. enforcement of any security over any Assets of the Company or its Affiliate. Any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (A) to (F) above.

G. An order is made or an effective resolution passed for the winding up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by Special Resolution of Debenture Holders.

H. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days

i. **Cross Default**

The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

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j. **Creditors' Process**

i. All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority.

ii. The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever described) in the financial, operational or regulatory conditions governing the Company.

iii. The Company has voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved.

iv. The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors.

v. Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Receivables constituting Hypothecated Assets or part thereof.

k. **Judgments Defaults**

One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (five percent) of the Total Assets of the Company PROVIDED THAT such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) consecutive calendar days.

l. **Transaction Documents**

i. The Debenture Trust Deed or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.

ii. In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the security interest, rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests do not have the priority contemplated under the Transaction Documents, or the security interest created thereunder become unlawful, invalid, or unenforceable.

m. **Unlawfulness**

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.

n. **Repudiation**

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The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

o. **Information Covenants**

The failure to comply with any reasonably monitoring and/or servicing requests from Debenture Holders, including its monthly, quarterly, annual and event-based reporting requirements as required under the reporting covenants prescribed in **Schedule XI** (Reporting Covenants).

p. **Government Intervention**

i. Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;

ii. Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or

iii. The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto.

q. **Delisting**

If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee.

r. **Cessation**

The Company ceases or threatens to cease to carry on the main business it is currently engaged in.

s. **Alteration in Constitutional Documents**

The Company, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration.

t. **Non-compliance with judicial order**

The Company fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending.

u. **Erosion of Net Worth**

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The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% or more starting March 31, 2022.

v. **Merger**

The rearrangement or consolidation or amalgamation with or merger with or into, or receiving of all or substantially all the assets or obligations of, another entity, or any action for reorganisation of capital without the prior written consent of the Debenture Trustee.

w. **Sale, disposal**

Sale, transfer, or other disposition of all or substantially all of the Company's Assets other than in the normal course of business of the Company.

x. **Third party**

A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Company may be obligated as a borrower or guarantor and pursuant to which the Company is called upon to and makes a prepayment to a 3rd party without the prior written consent of the Debenture Holder. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders.

y. **Wilful default**

Any Promoters or directors or key management personnel of the Company is/are declared as wilful defaulter by any competent authority or accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery.

z. **Breach of Financial Covenants**

Any breach of financial covenants stipulated in **Schedule IX** (Financial Covenants) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Financial Covenants from the date of such breach.

aa. **Breach of Negative Covenants or Affirmative Covenants**

Any breach of negative covenants mentioned in **Schedule XI** (Negative Covenants) or Affirmative Covenants as set out in **Schedule VII** (Affirmative Covenants) of the Debenture Trust Deed.

bb. Rating Downgrade

If any time during the tenor of the debentures, the rating of the instrument is downgraded to below BBB-.

cc. **Breach of other terms of the Debenture Trust Deed**

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A material breach by the Company of any of its obligations and covenants provided in terms of the Debenture Trust Deed or other Transaction Documents (other than (a) to (cc) above) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Affirmative, Negative, Reporting and Other Covenants from the date of such breach.

Please note that the Capitalised terms used in this section, but not defined herein, shall have the meaning as assigned to such term in the Debenture Trust Deed.

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SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in

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accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Placement Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

8.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.8 Notices

Any notice in respect of the Debentures may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

8.9 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

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The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Requirements by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a one time exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Requirements are set out hereinbelow:

Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable)	Total Issue size of Issue: Indian Rupees 45,00,00,000 (Indian Rupees Forty-Five Crores Only, including Green Shoe Option of INR 35,00,00,000 (Indian Rupees Thirty Five Crores Only) comprising of: Series A Debentures: Rs. 20,00,00,000/- (Indian Rupees Twenty Crores Only), including Green Shoe Option of Rs. 15,00,00,000 (Indian Rupees Fifteen Crores Only) Series B Debentures: Rs. 25,00,00,000/- (Indian Rupees Twenty-Five Crores Only) including Green Shoe Option of Rs. 20,00,00,000 (Indian Rupees Twenty Crores Only)
Bid opening and closing date	Bid opening date: October 19, 2022 Bid closing date: October 19, 2022
Minimum Bid Lot	1 Debenture (being INR 10,00,000 (Indian Rupees Ten Lakh)), and in the multiples of 1 Debenture thereafter (being INR 10,00,000 (Indian Rupees Ten Lakh))
Manner of bidding in the Issue	Closed bidding
Manner of allotment in the Issue	Uniform Yield Allotment
Manner of settlement in the Issue	Pay-in of funds through ICCL. The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
Settlement Cycle	T+1 Settlement of the Issue will be on October 20, 2022.

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Process flow of settlement:

The Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Placement Memorandum along with the PPOA have been issued by the Issuer and who have submitted/shall submit the Application Form ("**Successful Bidders**"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out below:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

The pay-in of the Application Money by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the relevant Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Beneficiary Name	Satya MicroCapital Ltd Share A/c
Bank Account No.	250605000070
SWIFT Code	ICICINBBXXX
IFSC Code	ICIC0000254
Bank Name	ICICI Bank Ltd
Branch Address	ICICI Bank Ltd, Krishna Apra Royal Plaza, D2, EACB, Alpha 1, Greater Noida, Uttar Pradesh 201306

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable

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as specified by the EBP Requirements and other Applicable Law.

8.10 Application Procedure

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule, and the procedure will be subject to the EBP Requirements.

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. In case of over subscription, allotment shall be made on a "yield time priority basis" in accordance with the EBP Requirements. The investors will be required to remit the funds in the account of the ICCL as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of INR 10,00,000/- (Indian Rupees Ten Lakh) per Debenture is payable along with the making of an application. Applicants can remit the application amount on the Pay-in Date in the account of ICCL mentioned under Section 8.9 above.

8.14 Eligible Investors

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"):

(a) Mutual Funds
(b) NBFCs
(c) Provident Funds and Pension Funds
(d) Corporates
(e) Banks
(f) Foreign Institutional Investors (FIIs)
(g) Qualified Foreign Investors (QFIs)
(h) Foreign Portfolio Investors (FPIs)
(i) Insurance Companies
(j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

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Investors, who are registered on the EBP Platform and are eligible to make bids for the Debentures of the Issuer and to whom allocation is to be made by Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Requirements and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013, to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Requirements) specifically mapped by the Issuer on the EBP Platform are also eligible to bid/apply/invest for this Issue.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

Hosting of this Placement Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI ILNCS Regulations read with the EBP Requirements. Eligible Investors should check their eligibility before making any investment.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

8.15 Procedure for Applying for Dematerialised Facility

(a) The applicant must have at least one beneficiary account with any of the DP's of NSDL and CDSL prior to making the application.

(b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

(c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

(d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

(e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.

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(f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

(g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

(h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.18 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the

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SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

(a) SEBI registration certificate
(b) Resolution authorizing investment and containing operating instructions
(c) Specimen signature of authorized signatories

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

(a) Memorandum and Articles of Association or other constitutional documents
(b) Resolution authorising investment
(c) Certified true copy of the Power of Attorney to custodian
(d) Specimen signatures of the authorised signatories
(e) SEBI registration certificate (for Mutual Funds)
(f) Copy of PAN card
(g) Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

8.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtains legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

8.23 Mode of Payment

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

If the Principal Payment Date/ Coupon Payment Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment. If the Maturity

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Date / Redemption Date (including the last Coupon Payment Date and the last Principal Payment Date) or the due date in respect of liquidated damages and all other monies payable under the Debenture Trust Deed falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment. It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

8.25 Tax Deduction at Source

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holder(s), the Issuer must give written notice to the Debenture Holder(s) as soon as it becomes aware of such change.

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holder(s), the Issuer shall pay to the Debenture Holder(s) an additional amount so that the net amount received by the Debenture Holder(s) shall equal the amount which it would have received had the rate of the tax deducted at source remained unchanged as on the date of this Placement Memorandum.

For the sake of clarity, the Coupon Rate as on the date of this Placement Memorandum is 11.7702% (eleven decimal seven seven zero two percent) per annum, net of withholding taxes. At the prevailing tax rate, the gross Coupon Rate inclusive of withholding taxes would be 12.4500% (twelve decimal four five zero zero percent) per annum.

8.26 Letters of Allotment

N. A. In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer shall ensure that the Debentures are credited into the demat accounts of the Debenture Holders of the Debentures within 2 (two) Business Days from the Deemed Date of Allotment.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is October 20, 2022 by which date the Investors would be intimated of allotment.

8.28 Record Date

The Record Date will be 15 (Fifteen) calendar days prior to any Due Date.

8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

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In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.30 Interest on Application Money

Interest at the rate of 12% p.a. (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) will be paid on Application Money to the Applicants from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit upto one day prior to the Deemed Date of Allotment. This is applicable for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form.

8.31 PAN Number

Every applicant should mention its Permanent Account Number ("**PAN**") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

8.32 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL and CDSL and accordingly the account of the Debenture Holder(s) with NSDL and CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this Placement Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.



SECTION 9: UNDERTAKING

(1) UNDERTAKINGS IN RELATION TO THE ISSUER BEING ELIGIBLE UNDER THE SEBI ILNCS REGULATIONS

The Issuer hereby undertakes and confirms that the following (as set out in Regulation 5 of the SEBI ILNCS Regulations) are not applicable to the Issuer as on the date of this Placement Memorandum:

(a) the Issuer, any of its promoters, promoter group or directors are debarred from accessing the securities market or dealing in securities by the Board;

(b) any of the promoters or directors of the Issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board;

(c) the Issuer or any of its promoters or directors is a wilful defaulter;

(d) any of the promoters or whole-time directors of the issuer is a promoter or whole-time director of another company which is a wilful defaulter;

(e) any of its promoters or directors is a fugitive economic offender; or

(f) any fine or penalties levied by the Board /Stock Exchanges is pending to be paid by the Issuer at the time of filing this Offer Document.

(2) UNDERTAKING ON CREATION OF SECURITY PURSUANT TO REGULATION 48(2) OF THE SEBI ILNCS REGULATIONS

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances. The Issuer further undertakes that the charge proposed to be created is a first ranking exclusive charge and therefore no permission or consent to create a second or pari-passu charge on the assets of the Issuer is required to be obtained from any creditor (whether or not existing) of the Issuer.

(3) UNDERTAKING PURSUANT TO PARAGRAPH 2.3.24 of SCHEDULE II OF THE SEBI ILNCS REGULATIONS

The Issuer undertakes and states as follows:

(a) investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 20 under the section 'GENERAL RISKS' AND 'RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES';



(b) the Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in this Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect; and

(c) the Issuer has no side letter with any debt securities holder except the one(s) disclosed in this Offer Document/Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

(4) DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Movable assets comprising receivables from loans provided by the Issuer.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

No title deeds are applicable or available for movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer. The details of the underlying loan agreements will be set out in the Deed of Hypothecation.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

The details of the charge created over the movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer under the Deed of Hypothecation will be reported to the relevant registrar of companies and the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) within the timelines prescribed under Applicable Law. As the charge is being created over movable assets, no filings are required to be made with any sub-registrar.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances.

(e) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository**

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system: Not Applicable.

(f) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: N. A.

(g) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: Not applicable.

(h) **Declaration**: The Issuer declares that debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

(i) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

(j) **Details of security to be created**: Please refer section named "*Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)*" in Section 5.37 (*Issue Details*).

(k) **Process of due diligence carried out by the debenture trustee**: The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*". The due diligence broadly includes the following:

(i) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer in respect of the security being provided by the Issuer in respect of the Debentures.

(ii) The chartered accountant will verify and ensure that the assets provided by the Issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.

(iii) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the SEBI (Debenture Trustees) Regulations, 1993 and the relevant circulars issued by SEBI from time to time (including the SEBI Due Diligence Circular) as per the nature of security provided by the Issuer in respect of the Debentures.

(iv) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.

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Even though the Debentures are to be secured to the extent of at least 100% of the principal and interest amount or as per the terms of this Placement Memorandum, in favor of the Debenture Trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Due diligence will be carried out for maintenance of the prescribed security cover depending on information provided by the Issuer and the chartered accountant appointed by the Debenture Trustee or the Debenture Trustee will not be responsible for misinformation provided by Issuer.

(l) **Due diligence certificate as per the format specified in Annexure A**: Enclosed as Annexure VII.

(m) **Due diligence certificate as per the format specified in Schedule IV of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021**: Enclosed as Annexure VII.

(5) OTHER UNDERTAKINGS

The Issuer hereby confirms that:

(a) the Issuer is eligible and in compliance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, to make the private placement of debt instruments;

(b) (to the extent applicable) the Issuer or its promoters or whole-time directors are not in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009;

(c) neither the Issuer nor any of its promoters or directors is a willful defaulter as defined under Regulation 2 (1) (ss) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and

(d) the Issuer, its promoters, its directors are not in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

For **SATYA MICROCAPITAL LIMITED**

For SATYA MICROCAPITAL LIMITED

(CHOUDHARY RUNVEER KRISHANAN)
M. No.:- FCS 7437
Company Secretary & Chief Compliance Officer

Authorised Signatory

Name: Choudhary Runveer Krishanan
Title: Company Secretary & Chief Compliance Officer
Date: October 19, 2022

FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Addressed to: [NARC]
Serial No: [1]

FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER ("PPOA")

[Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

Note: This Form No PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Issue of 450 (four hundred and fifty) rated, listed, unsubordinated, secured, redeemable, transferable, Non-Convertible Debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregating to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of 350 (Three Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 35,00,00,000 (Thirty-Five Crores) ("**Green Shoe Option**") on a private placement basis by Satya Microcapital Limited (the "**Company**" or "**Issuer**") in one or more series/tranches at par comprising of:

a. 200 (Two Hundred) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores Only) inclusive of Green Shoe Option of 150 (One Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 15,00,00,000 (Indian Rupees Fifteen Crores) ("**Series A Debentures**") and

b. 250 (Two Hundred and Fifty) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 25,00,00,000 (Indian Rupees Two Five Crores Only) inclusive of Green Shoe Option of 200 (Two Hundred) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 20,00,00,000 (Indian Rupees Twenty Crores) ("**Series B Debentures**").

9.2 General Information:

(a) **Name, address, website, if any, and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company:	Satya MicroCapital Limited (the "**Issuer**", "**Company**" or "**Satya MicroCapital**")
Registered Office:	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase I, Delhi, South Delhi - 110020, India
Corporate Office:	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase I, Delhi, South Delhi - 110020, India
Telephone No.:	+91-11-49724000

Satya MicroCapital Ltd. New Delhi

Website:	http://www.satyamicrocapital.com
Fax:	+91-11-49724051
Contact Person:	Mr. Sanjay Goel
Email:	sanjay.goel@satyamicrocapital.com

(b) **Date of Incorporation of the Company:**

May 18, 1995

(c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Please refer to **Section IV** (*Regulatory Disclosures*) paragraph 6)(a) of the Placement Memorandum.

*** Subsidiaries with the details of branches or units, if any;** Please refer to **Section IV** (*Regulatory Disclosures*) paragraph 6)(b) of the Placement Memorandum .

Branch details:

SATYA has established 348 branches in 236 Districts in 21 States viz, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand, West Bengal, Chandigarh, Delhi, Pondicherry, Jammu & Kashmir. As on June 30, 2022, the company had presence in 348 branches in 236 Districts in 21 States with top 3 states i i.e. Uttar Pradesh (20.97%), Bihar (16.14%) and Punjab (8.76%) accounting for 45.87% of the total portfolio outstanding.

Subsidiary details:

As of the date of this Placement Memorandum, the Company has one subsidiary namely Baid Housing Finance Private Limited.

(d) **Brief particulars of the management of the Company:**

NAME AND DESIGNATION	BACKGROUND
Vandita Kaul - Chief Financial Officer	Ms. Vandita Kaul has two decades of experience across a diverse set of industries like Automotive, Vehicle Finance, Consumer Finance, SME financing and Banking. She was in her last role associated with Cars24 group as Group Treasurer and Head of Strategic Alliances for their NBFC arm. Prior to this she has worked for Industry leading companies like Home Credit Group, Intec Capital Limited, HDFC Bank, ICICI Bank and Jassal Ranganathan & Associates. She is a qualified Chartered Accountant by qualification.
Gaurangini Jain- Deputy CEO	A result-driven professional with over 19+ years' experience in banking products across Agricultural/ Retail Asset segment. She has rich knowledge in Banking industry pertaining to market scanning, Product offering, credit analysis, negotiation

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	and relationship management. She has steered relationship and coordination with Ministry of Finance for PMJDY and UIDAI for Aadhar Projects. She has also gained Mortgage exposure with corporate client base- Hero Honda, Maruti Industries Ltd., Sono Koyo, Sunbeam, Rico Auto Industries Ltd., British Airways and various other corporates of Gurgaon. She also spearheaded project for customized financial solutions people residing in rural areas for building up value chain; led project for Melinda and Gates Foundation which involved in providing access of financial.
Ranjeet Kumar Mishra- Chief Credit & Risk Officer	Ranjeet graduated in commerce from Patna University, studied financial management and accountancy at Institute of Chartered Accountants of India (ICAI, New Delhi), and holds degree from Institute of Cost and Works Accountants of India (ICWAI, New Delhi). He brings nearly 1.5 decades of experience leading financial services business risk functions across multiple products and format like NBFC/HFC/Banks/Consulting etc. into lending and risk management domain most recently as the Chief Credit Officer of ART Housing Finance, a digital first mortgage providing platform that provides mortgage financing solutions to barefoot entrepreneurs mostly at the bottom of the pyramid in world's second most populous country to drive a dream of owning a shelter by each household. His prior professional association was with Religare Group, ICRA Group, Polaris Software, R-System International and IndusInd Bank. His focus is on long-term strategic initiatives to help drive systemic financial inclusion for the world's most vulnerable populations. He oversees credit, risk, emerging technology development, policy and regulatory engagements.
Vasudha Goel- Head-Internal Audit	Vasudha has done graduation from the prestigious Lady Shriram College, Delhi University & MBA from the reputed Amity Business School, Noida. She comes with a rich experience of 20 years with a Banking and NBFC background. She has spent 19+ years with India's largest Private Sector Bank and one of the Best Brands, HDFC Bank wherein she had been instrumental in managing Teams, setting up Processes & innovating Sales & Resource level Productivity. She comes with a rich experience of Sales, Operations & Compliance. In addition to her vast Banking experience, she had been instrumental in setting up processes and procedures in a mid-size NBFC.
Sanjay Goel- Deputy CFO	Sanjay is a Commerce graduate from Delhi University. He has above 29+ years of relevant experience in Finance & Accounts at different levels. Before becoming a part of SATYA, he worked with SCNL as Senior Manager Finance. During his longest tenure of services for more than 14 years with SCNL, he has played a major role in team building, mobilising funds and relationship building with investors Prior to that, he has worked with Berger Paints (India) Ltd. – Rajdoot Division and Bora Knitwears Pvt Ltd (Sister concern of Woodland Shoes).

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Ajay Kumar- Head- Human Capital	Ajay holds a post graduate degree in personnel management (PGDPM) from Sambalpur University, Odisha and a Diploma in Labour Law from NILEM, Chennai. He has a rich experience of over 17+ years in the areas of recruitment & Training, Rewards & Recognitions, Manpower Planning and Management, Performance Management, Employee Engagement and Statutory Compliances. Before joining SATYA, he has worked with SCNL in the capacity of Senior Manager- Human Resources. Prior to that he has worked with Teracom Ltd. and Global Impex.
Tahir Zafar - Head- Accounts	Mr. Tahir carries 15+ years of rich exposure in financial sector with expertise in Accounting, Budgeting & Forecasting, Financial Planning & Analysis, Statutory & RBI Compliances and Taxation. He has worked with different organization, majorly with financial sector and has grown from manager accounts to Sr. Vice President in his career. As his professional qualification, he has gained the title of CA in 2006.
Ashutosh Kumar Srivastava- Head – Information Technology & Chief Technology Officer	Ashutosh holds a degree of master's in computer application from AAIDU, Allahabad. He has a versatile experience spanning 12+ years in Information Technology and Project Management. Before joining SATYA, he has worked with SCNL as a Deputy Manager- MIS where he spearheaded the project implementation team and handled various solutions such as Microfinance, Bank and Insurance. He has expertise in planning & controlling the operational requirements. Ashutosh has earlier served at Information Communication & Technology (ICT) in Cashpor Micro Credit.
Neha Maheshwari- Head- Credit	A post graduate from Indian institute of Finance, Neha has over 13+ years of experience in Risk & Credit Management, Audit & Compliance, Monitoring & Control, Transaction Structuring, Corporate Lending and so on. She started her innings as a banker with ICICI Bank in 2006 and since then had been associated with Barclays Shared Services (India), DMI Finance and L&T Finance before joining Satya. She has previously worked in various industry segments ranging from MSME, NBFC-MFI, Corporate, Retail, Consumer Loans and Real Estate Project Financing, Multi-National Corporates and so on. During her tenure with L&T, she had also spearheaded projects linked to enabling CBS for RRB's and on- boarding of digital partners and Credit policy formulation along with control framework for digital business model.
Amit Jain- Head Legal, Company Secretary & Compliance Officer	An alum of University of Delhi, a Law Graduate (LL.B.) from Law Centre-I (DU) and a Fellow Member of the Institute of Company Secretaries of India (ICSI). With over 24 years of professional experience in Investor Relations, Corporate Governance, Risk Management, Regulatory Compliances; he has successfully spearheaded complex M&A, JVs, Capital Raising and other complex transactions. He has also undergone "IPR Training Course for Advanced IP Practitioners" at Tokyo, Japan and served various eminent groups and listed

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	organisations, such as The Times of India, HONDA, BHW BIRLA, Jindals, K K Birla Group.
Choudhary Runveer Krishanan Company Secretary & Chief Compliance Officer	Mr. Runveer Krishanan holds more than 17 years of corporate experience in Compliance, Legal, Secretarial, Audit and Finance with a profound understanding of various Regulatory, Control & Legal framework under various laws specially in SEBI laws, RBI & FEMA laws, Corporate Laws, Listing norms (for NSE/BSE) and NHB compliances. He is qualified Company Secretary, Law graduate, B. Com Honours in Accounts and a CMA Finalist. He is also registered by Securities and Exchange Board of India (SEBI) as 'Financial Education Resource Person'. Mr. Krishanan is certified Anti-Money Laundering Manager (CALM) from National Institute of Securities Market (NISM). A dynamic compliance professional with excellence on regulatory compliances, risk management compliance, policies & procedures formulation and execution. He holds sound knowledge on "good Governance practices and Compliance of Regulations and Guidelines under various statutes". He was earlier associated with Udaan, Satin, Tinna group, Oriental group and Phoenix group of companies.

(e) **Name, addresses, Director Identification Number (DIN) and occupations of the directors**:

S. No.	Name	Designation	DIN	Address	Occupation
1	Surekha Marandi	Independent Director	06952573	Flat No. 301, Wing A, Neelsidhi Garden CHS, Takka, Plot No. 417/418, Panvel, Raigarh, Maharashtra-410206	Retired Central Banker
2	Naveen Surya	Independent Director	00094514	A-233, Kalptaru Horizon, S K Ahire Marg, Opp DoordarshanWorli, Mumbai 400018	Service
3	Vivek Tiwari	Managing Director, CEO & CIO	02174160	Flat No. A-406 Gaur Grandeur, Sector-119 Parthala	Business

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				Khanjarpur Gautam Buddha Nagar Noida-201304	
4	Deepali Pant Rajeev Joshi	Independent Director	07139051	54/14, Sardar Patel Marg, Civil Lines, Prayagraj Uttar Pradesh, India – 211001	Retired Central Banker
5	Sanjay Gandhi	Nominee Director	02234298	2/7, Hamelia Street, Vatika City, Sohna road, Sector 49, South City II Gurgaon 122018, Haryana	Business
6	Ratnesh Tiwari	Director	07131331	Flat No. T-9/1134, Purvanchal Royal City, Plot No-GH-05 Sector CHI V, Greater Noida Knowledge Park-I, Gautam Buddha Nagar, UP-201310	Business
7	Taejun Shin	Nominee Director	08056236	5-10-49-1210 Yashio, Shinagawa, Tokyo, Japan 1400003	Investment Professional

9.3 MANAGEMENT PERCEPTION OF RISK FACTORS:

Please refer to Section 3 of this Placement Memorandum.

9.4 RISKS RELATED TO THE BUSINESS OF THE ISSUER

Please refer to Section 3 of this Placement Memorandum.

9.5 Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:

(i) Statutory Dues: NIL
(ii) Debentures and interest thereon: NIL
(iii) Deposits and interest thereon: NIL

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(iv) Loan from any bank or financial institution and interest thereon: NIL

9.6 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:

Name:	Choudhary Runveer Krishanan
Designation:	Company Secretary & Chief Compliance Officer
Address:	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase-1, Delhi-110020, India
Phone No.:	+91 11 49724000
Email:	runveer.krishanan@satyamicrocapital.com

9.7 Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:

The Company has not defaulted in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder.

9.8 Particulars of the Offer:

Financial position of the Company for the last 3 (three) financial years	Please refer to **PART A** below.
Date of passing of Board Resolution	Board resolution dated May 19, 2022. read with Resolution passed by the Working Committee of Board of Directors dated September 19, 2022
Date of passing of resolution in the general meeting, authorizing the offer of securities	Shareholders resolutions under Section 42 of the Companies Act, 2013 dated July 06, 2022 and under Section 180(1)(c) of the Companies Act, 2013 dated July 06, 2022.
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	Issue of up to 450 (four hundred and fifty) rated, listed, unsubordinated, secured, redeemable, transferable, Non-Convertible Debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregating to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of 350 (Three Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 35,00,00,000 (Thirty-Five Crores) ("**Green Shoe Option**") on a private placement basis by Satya Microcapital Limited (the "**Company**" or "**Issuer**") in one or more series/tranches at par comprising of: a. 200 (Two Hundred) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores Only) inclusive of Green Shoe Option of 150 (One Hundred Fifty) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees

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	Ten Lakh only) each aggregating to INR. 15,00,00,000 (Indian Rupees Fifteen Crores) ("**Series A Debentures**"); and b. 250 (Two Hundred and Fifty) secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs Only) aggregating to INR 25,00,00,000 (Indian Rupees Two Five Crores Only) inclusive of Green Shoe Option of 200 (Two Hundred) rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of INR. 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating to INR. 20,00,00,000 (Indian Rupees Twenty Crores) ("**Series B Debentures**").
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Relevant date with reference to which the price has been arrived at **[Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]**	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
The class or classes of persons to whom the allotment is proposed to be made	Please refer to '*Eligible Investors*' under Section 8.14 of the Placement Memorandum.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on October 20, 2022 (**"Deemed Date of Allotment"**), and the Company will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures (**"Debenture Holders"**) within 2 (two) Business Days from the Deemed Date of Allotment, each in accordance with the debenture

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	trust deed ("**DTD**") to be entered into between the Company and the debenture trustee ("**Debenture Trustee**"). In any case, the period within which the Debentures will be allotted will not exceed the maximum period of 60 (sixty) days from the date of receipt of application money, as prescribed under the Companies Act, 2013.
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]	Not applicable as the Debentures are non-convertible debt instruments.
The change in control, if any, in the company that would occur consequent to the private placement	No change in control would occur consequent to this private placement as the Debentures are non-convertible debt instruments.
The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	Allotment on preferential basis/private placement/rights issue that has already been made to the persons during the financial year 2022-23 is set out under Annexure XIV below.
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
Amount, which the Company intends to raise by way of proposed offer of securities	The aggregate issue size of Debentures is up to Rs. 45,00,00,000/- (Rupees Forty- Five Crore) inclusive of Green Shoe Option of INR. 35,00,00,000 (Thirty-Five Crores) ("**Green Shoe Option**").
Terms of raising of securities:	Duration, if applicable: — Series A Debentures: being 24 (twenty four) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise. Series B Debentures: 36 (thirty six) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date,

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		by declaration of acceleration, or otherwise.
	Rate of Interest or Coupon:	Series A Debentures: 12.00% (twelve percent) Series B Debentures: 12.75% (twelve decimal seven five percent)
	Mode of Payment	Cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures issued by the Issuer should be paid into the account details set out in Section 8.9 of this Placement Memorandum.
	Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer
Proposed time schedule for which the Issue/Offer Letter is valid	Issue Open Date: October 19, 2022 Issue Closing Date: October 19, 2022 Pay-in Date: October 20, 2022 Deemed Date of Allotment: October 20, 2022	
Purpose and objects of the Issue/Offer	To raise debt to the extent up to Rs. 45,00,00,000 (Rupees Forty-Five Crore) and 100% (One Hundred Percent) of the issue proceeds will be to means for raising debt to meet funding requirements for expanding the loan portfolio of the Issuer and diversifying the funding sources of the Issuer to expand the microfinance loan portfolio and to further advance the Issuer's commitment to providing loans to women and women owned businesses.	
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil.	
Principal terms of assets charged as security, if applicable	Please refer section named "*Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)*" in Section 5.37 (*Issue Details*) of this Placement Memorandum.	
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	NIL	
The pre-issue and post-issue shareholding pattern of the Company on the fully diluted basis in the following format:		

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S. No.	Category	Pre-issue		Post-issue	
		No. of shares held	**Percentage (%) of shareholding**	**No. of Shares held**	**% of share holding**
A	**Promoters' holding**	-	-	-	-
	Indian	-	-	-	-
1	Individual	11,865,200*	20.46	11,865,200*	20.46
	Bodies Corporate	19,03,800	3.90	19,02,300	3.90
	Sub-total	13,769,000	24.12	1,37,69,000	24.12
2	**Foreign promoters**	-	-	-	-
	Sub-total (A)	**13,769,000**	26.80	**13,769,000**	26.80
B	**Non-promoters' holding**	-	-	-	-
1.	Institutional Investors	-	-	-	-
2.	Non-Institutional Investors	-	-	-	-
	Private Corporate Bodies including Foreign Companies	7,124,188	12.48	7,124,188	12.48
	Directors and relatives	66,486	0.12	66,486	0.12
	Indian public	2,667,014	4.67	2,667,014	4.67
	Others (including Non-resident Indians and Non-Promotor-Non Public shareholding)	32,663,315	57.23	32,663,315	57.23
	Trust	784,503	1.37	784,503	1.37
	Sub-total (B)	**43,305,506**	**75.88**	**43,305,506**	**75.88**
	GRAND TOTAL	**57,074,506**	**100.00**	**57,074,506**	**100.00**

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Specific disclosures generally requested by custodians: Declarations	The Issuer confirms that the purchase consideration in respect of the Debentures will not be used for real estate business, capital market and purchase of land and shall comply with all end-use restrictions under applicable law. In this context, the expression, "Real Estate Business" shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2017, Notification No. FEMA 20(R)/2017-RB dated November 7, 2017 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019.
Specific disclosures generally requested by custodians: Eligible Investors	The following categories of investors are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the application form: (a) FPIs; and (b) N. A.
Specific disclosures generally requested by custodians: Banking details for payment of the application money	The subscription amounts on the Debentures should be paid into the account details set out in this Placement Memorandum issued by the Issuer.

9.9 Mode of payment for subscription:

( ) Cheque
( ) Demand Draft
(x) Other Banking Channels

9.10 Disclosure with regard to interest of directors, litigation, etc:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	NIL
Details of any litigation or legal action pending or taken by any Ministry or Department of the	NIL

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<table>
<tr><td>Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed</td><td></td></tr>
<tr><td>Remuneration of directors (during the current year and last 3 (three) financial years)</td><td>
<table>
<tr><th>Director**</th><th>FY 2022-23 (in INR)</th><th>F.Y 2021-22 (in INR)</th><th>F.Y 2020-21 (in INR)</th><th>FY 2019-20 (in INR)</th></tr>
<tr><td>Mr. Vivek Tiwari, Managing Director, CEO & CIO</td><td>INR 4,22,00,000/- [Indian Rupees Four Crores Twenty Two Hundred only]</td><td>INR 3,38,00,000/- [Indian Rupees Three Thousand Three Hundred Thirty Eight Crores only]</td><td>INR 2,70,00,000/- [Indian Rupees Two Hundred Seventy Crores only]</td><td>INR 2,00,00,000/- [Indian Rupees Two Hundred Crores only]</td></tr>
</table>
** Note: Remuneration includes the figures of last three financials years and current year remuneration paid to Mr. Vivek Tiwari- MD, CEO & CIO only and does not include the sitting fees provided to the directors.
</td></tr>
<tr><td>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided</td><td>Please refer to PART C below.</td></tr>
<tr><td>Summary of reservations or</td><td>NIL</td></tr>
</table>

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qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this private placement offer cum application letter in the case of the Company and all of its subsidiaries and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the	NIL

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Company and all of its subsidiaries	
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	NIL

9.11 Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	**Share Capital**	**Aggregate Nominal Value**
	Authorised	
	8,00,00,000 Equity Shares of Rs. 10/- each	80,00,00,000
	2,00,00,000 Preference Shares of Rs. 10/- each	2,00,00,000
	TOTAL	100,00,00,000
	Issued, Subscribed and Paid-up Share Capital	
	Issued 5,13,74,506 Equity Shares of Rs. 10/- Each	51,37,45,060
	Subscribed & Fully Paid-up 4,88,74,506 Equity Shares of Rs. 10 /- Each	48,87,45,060
	Subscribed & Partly Paid-up 25,00,000 Equity Shares of Rs. 10 /- Each Rs. 4.00 per share paid-up.	1,00,00,000
	Issued, Subscribed and Paid-up Preference Share Capital	
	0.001% Non – Cumulative, Compulsorily Convertible Preference Shares ('CCPS') of INR 10/- Each	5,70,00,000/-
	TOTAL	**55,57,45,060/-**
Size of the Present Offer	INR 45,00,00,000 (Indian Rupees Forty Five Crore) including Green Shoe Option of INR 35,00,00,000 (Indian Rupees Thirty Five Crores Only)	
Paid-up Capital: **a. After the offer:**	Same as above Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.	

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b. After the conversion of convertible instruments (if applicable)	
Share Premium Account: **a. Before the offer:** **b. After the offer:**	 INR 507.28 Crore INR 507.28 Crore

Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of Allotment	No of Shares allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Total Consideration (in Crore)	Equity Share Premium	Form of Consideration
18/05/1995	6,005	10	10	60,050	-	-
31/08/1995	43,000	10	10	490,050	-	-
29/12/1995	84,000	10	10	1,330,050	-	-
30/03/1996	49,000	10	10	1,820,050	-	-
31/03/1997	1,20,000	10	10	3,020,050	-	-
27/02/1998	7,000	10	10	3,090,050	-	-
30/03/1998	40,500	10	10	3,495,050	-	-
31/03/2005	2,45,000	10	10	5,945,050	-	-
31/03/2006	24,000	10	10	6,185,050	-	-
31/03/2007	412,000	10	10	10,305,050	-	-
31/03/2008	32,495	10	10	10,630,000	-	-
31/03/2012	320,000	10	10	13,830,000	-	-
02/01/2017	36,67,000	10	10	50,500,000	-	Cash

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15/02/2017	22,70,750	10	10	73,207,500	-	Cash
31/08/2017	14,07,480	10	10	87,282,300	2,27,07,500	Cash
31/08/2017	8,50,000	10	10	95,782,300	4,66,34,660	Sweat Equity Issue
09/10/2017	30,000	10	-	96,082,300	4,66,34,660	Consideration other than cash
09/10/2017	32,00,000	10	30	128,082,300	4,72,34,660	Cash
7/5/2018	2551000	10	30	153,592,300	13,04,34,660	Cash
28/05/2018	850000	10	10	162,092,300	21,97,19,660	Sweat Equity Issue
9/7/2018	277778	10	-	164,870,080	21,97,19,660	Cash
31/7/2018	7024384	10	61	235,113,920	58,51,85,472	Cash
31/7/2018	818824	10	42.5	243,302,160	61,17,97,252	Cash
25.02.2019	70,000	10	-	244,002,160	613,197,252	Consideration other than cash
25.03.2019	20,09,614	10	61	26,40,98,300	715,687,566	Cash
26.07.2019	30,33,333	10	75	27,19,31,630	75,03,54,211	Cash
04.09.2019	1,018,700	10	75	282,118,630	816,569,711	Cash
04.09.2019	344,250	10	61	285,561,130	834,126,461	Cash
04.09.2019	2,500,000	10	-	289,311,130	834,126,461	Cash (Re.1.5 received on partly paid shares)
18.10.2019	25,15,615	10	110	31,44,67,280	1,08,56,87,961	Cash
27.01.2021	77,77,778	10	135	39,22,45,060	2,05,79,10,211	Conversion of CCPS into Equity
01.02.2021	76,25,000	10	201	46,84,95,060	3,51,42,85,211	Cash
10.02.2022	25,00,000	10	-	47,22,45,060	3,51,42,85,211	Cash (Re.1.5 received on partly paid shares)
21.03.2022	26,50,000	10	201	49,87,34,060	4,02,04,35,211	Cash

Preference Share Capital



Date of Allotment	No of Shares allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Total Consideration (in Crore)	Equity Share Premium	Form of Consideration
Non- Convertible, Redeemable, Cumulative, Preference Shares under NCRCPS 2018 Series I (redeemed on August 16, 2019)						
16/08/2018	20,00,000	10	20,00,000	2,00,00,000	-	Cash
0.01% Non-Cumulative, Participating, Compulsorily Convertible Preference Shares ("CCPS Series-1") **[7777778 Preference Shares have been converted to Equity Shares of the Company in the ration of 1:1 on 27th January 2021]**						
31/03/2020 *	27,22,222	10	27,22,222	2,72,22,220	340277750	Cash
22/05/2020 *	50,55,556	10	77,77,778	7,77,77,780	972222250	Cash
Non-Cumulative Compulsorily Convertible Preference Shares						
23/03/2022	2985100	10	2985100	29851000	570154100	Cash
23/06/2022	2714900	10	5700000	57000000	1088700000	Cash

The number and price at which each of allotments were made by the Company in the last 1 (one) year preceding the date of this placement offer cum application letter separately indicating the allotments made for consideration other than cash and details of the consideration in each case	NIL
Profits of the Company, before and after making provision for tax, for the 3 (three) financial	**FY** | **PBT (in Rs. Cr)** | **PAT (in Rs. Cr)**

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<table>
<tr><td>years immediately preceding the date of circulation of this private placement offer cum application letter</td><td><table>
<tr><td>F.Y. 2021-22</td><td>43.51</td><td>11.01</td></tr>
<tr><td>F.Y. 2020-21</td><td>15.10</td><td>4.88</td></tr>
<tr><td>F.Y. 2019-20</td><td>11.10</td><td>3.57</td></tr>
</table></td></tr>
<tr><td>Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)</td><td><table>
<tr><th>Year</th><th>Dividend per share (Rs.)</th><th>Interest Coverage Ratio</th></tr>
<tr><td>F.Y. 2021-22</td><td>Nil</td><td>1.25</td></tr>
<tr><td>F.Y. 2020-21</td><td>Nil</td><td>1.12</td></tr>
<tr><td>F.Y. 2019-20</td><td>0.55</td><td>1.10</td></tr>
</table></td></tr>
<tr><td>A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter along with the Limited Review Financial Statements as on June 30, 2022</td><td>Please refer CHAPTER A to this Private Placement Offer cum Application Letter.</td></tr>
<tr><td>Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer cum application letter</td><td>Please refer CHAPTER B to this Private Placement Offer cum Application Letter.</td></tr>
<tr><td>Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company</td><td>NIL</td></tr>
</table>

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9.12 PART B (To be filed by the Applicant)

(i) Name: Northern Arc Capital Limited

(ii) Father's name: N/A;

(iii) [Director name:]
(iv) [Director name:]

(v) Complete Address including Flat / House Number, Street, Locality, Pin Code:
No. 1, Kanagam Village, 10th Floor IITM Research Park, Taramani Chennai TN 600113 India

(vi) Phone number; if any: 91 - 44 66687382

(vii) Email ID, if any: Kalyanasundaram.C@Northernarc.com

(viii) PAN Number: AACCI0979B

(ix) Bank Account details:

Bank Name for
SWIFT Code
IFSC Code
Address:
Account in Corresponding Bank

Bank Name for
SWIFT Code
IFSC Code
Address:
Account in Corresponding Bank[1]

_____
Signature

_____
Initial of the Officer of the Company designated to keep the record

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9.13 DECLARATION (To be provided by the Directors)

A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

C. the monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter;

I am authorized by the Board of Directors of the Company *vide* resolution dated May 19, 2022 to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer cum application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer cum application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **SATYA MICROCAPITAL LIMITED**

For Satya MicroCapital Limited

(Vivek Tiwari)
Managing Director, CEO & CIO

Authorised Signatory
Name: Mr. Vivek Tiwari
Title: Managing Director, CEO & CIO
Date: Oct 19, 2022

Enclosed

Chapter A - A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter along with the Limited Review Financial Statements as on June 30, 2022

Chapter B - Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter

Chapter C - Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided

Optional Attachments, if any

Satya MicroCapital Ltd. New Delhi

CHAPTER A: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS CASH FLOW STATEMENT IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

S.N. Dhawan & CO LLP
Chartered Accountants

51-52, Udyog Vihar Phase 4
Gurugram, Haryana 122015,
India
Tel: +91 124 481 4444

Independent Auditor's Limited Review Report on the unaudited quarterly 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 standalone financial results of **Satya MicroCapital Limited** ('the Company') for the quarter ended June 30, 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.

Other matter

5. The comparative financial information of the Company for the corresponding three months period ended June 30, 2021 have not been subjected to limited review / audit. 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: 22087701AOQBGH4599

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: New Delhi
Date: August 9, 2022

S.N. Dhawan & CO LLP, a registered with Limited liability with identification number AAH-1125 and its registered office is 108, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi-110001, India

Satya MicroCapital Ltd. New Delhi

SATYA MicroCapital Ltd.

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 ended June 30, 2022

(₹ in million except EPS)

S.No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	**Revenue from operations**				
	Interest income	1,252.14	1,027.26	694.76	3,333.22
	Fees and commission income	2.70	203.92	8.22	291.22
	Net gain on derecognition of financial instruments under amortised cost category	42.39	227.22	-	366.57
	Total revenue from operations	**1,297.23**	**1,458.40**	**702.98**	**3,991.01**
2	Other income	12.65	10.04	1.07	24.40
3	**Total income (1+2)**	**1,309.88**	**1,468.44**	**704.05**	**4,015.41**
4	**Expenses**				
	Finance costs	629.61	537.21	316.63	1,711.05
	Impairment of financial instruments	58.17	65.42	20.38	170.71
	Employee benefits expenses	405.23	402.16	228.80	1,167.99
	Depreciation and amortisation expenses	13.06	19.48	8.43	57.46
	Other expenses	142.33	182.29	78.66	473.11
	Total expenses	**1,248.40**	**1,206.56**	**652.90**	**3,580.32**
5	**Profit before tax (3-4)**	**61.48**	**261.88**	**51.15**	**435.09**
6	**Tax expense:**				
	Current tax	28.69	58.44	25.22	102.11
	Deferred tax charge/(credit)	(13.20)	7.24	(10.92)	7.95
	Total tax expense	**15.49**	**65.68**	**14.30**	**110.06**
7	**Net profit/(loss) after tax (5-6)**	**45.99**	**196.20**	**36.85**	**325.03**
8	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss	(0.25)	0.46	(0.48)	(0.99)
	Income tax relating to items that will not be reclassified to profit or loss	0.06	(0.11)	0.12	0.25
	Total other comprehensive income	**(0.19)**	**0.35**	**(0.36)**	**(0.74)**
9	**Total comprehensive income (7+8)**	**45.80**	**196.55**	**36.49**	**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 ₹)	0.94	4.21	0.80	7.05
	- Diluted (amount in ₹)	0.88	4.13	0.79	6.94
	(EPS for the quarter ended June 30, 2022, March 31, 2022 and June 30, 2021 are not annualised)				

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

SATYA MicroCapital Ltd. New Delhi

Satya MicroCapital Ltd. New Delhi

SATYA MicroCapital Ltd.

SATYA MicroCapital Limited
CIN : U74899DL1995PLC068688
Registered office : 519, 5th Floor, Prime Towers , Okhla Industrial Area, Phase-I, New Delhi-110020

Notes to the unaudited financial results:

1 The above financial results for quarter ended June 30, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on August 09, 2022, in accordance with requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

2 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') pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5 October 2021

3 Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (amended) for the quarter ended June 30, 2022 are presented in below table:

S.No.	Particulars	Quarter ended June 30, 2022
1	Debt-equity ratio (no. of times)*	3.79
2	Debt service coverage ratio**	Not applicable
3	Interest service coverage ratio**	Not applicable
4	Outstanding redeemable preference shares (In Numbers) :	Nil
5	Capital redemption reserve/debenture redemption reserve (₹ in Million) -Refer note (a)	Nil
6	Net worth (₹ in Million)	6,115.76
7	Net profit after tax (₹ in Million)	45.99
8	Earnings per share - Basic (not annualised)	0.94
	Diluted (not annualised)	0.88
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 (%) #	3.51%
18	Sector specific equivalent ratios, as applicable:	
	a) Net Interest Margin (%)	8.56%
	b) GNPA (%) ##	3.58%
	c) NNPA (%) ###	2.67%
	d) CRAR (%) $	25.95%

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)

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

S.K. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Ltd. New Delhi

SATYA MicroCapital Ltd.

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CIN : U74899DL1995PLC068688
Registered office : 519, 5th Floor, Prime Towers , Okhla Industrial Area, Phase-I, New Delhi-110020

4 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 ended June 30, 2022:

Particular	NBFC-MFI
Number of loan accounts assigned	14,904
Aggregate amount of loan assigned (₹ in Million)	407.52
Sale consideration (₹ in Million)	402.52
Weighted average remaining maturity (in months)	17.38
Weighted average holding period after origination (in months)	NA
Retention of beneficial economic interest (MRR)	15%
Number of Transaction	1
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	Unrated

5 The Company operate 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 operate in single geographic segment i.e., domestic

6 The Company has evaluated the impact of COVID-19 on the business and operations of the Company as at June 30, 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

7 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.

8 The listed secured non-convertible debentures of the Company 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.

9 During the quarter, the Company has acquired additional 1,418,893 shares in two tranches in Baid Housing Finance Private Limited (Baid) and holds 89% shares in Baid as on June 30, 2022 and pursuant to which Baid became subsidiary of the Company with effect from June 14, 2022

10 On June 23, 2022, the Company has issued and allotted 2,714,900 [0.001%, Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)] aggregating to ₹ 545.70 million to Gojo & Company, Inc. The 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.

11 The figures for the quarter ended March 31, 2022 represent balancing figures between the audited figures for the year ended March 31, 2022 and published year to date figures for the quarter ended December 31, 2021 which were subjected to limited review by statutory auditors. The figures for the quarter ended June 30, 2021 is unaudited and not subjected to limited review by auditors.

12 The comparative figures as disclosed in these results have been regrouped/reclassified, whereever necessary, to make them comparable to current period figures

13 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 : August 09, 2022

S.N. Dhawan & CO LLP
Chartered Accountants

421, 4th Floor, Tribeni Vihar, Phase V,
Gurugram, Haryana 122016, India
Tel: +91 124 401 5454

Independent Auditor's Report on the Consolidated Financial Results of the Company pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Satya MicroCapital Limited

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the consolidated financial results of **Satya MicroCapital Limited** ("the Holding Company") and its Subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its share of net loss after tax and total comprehensive loss of its associate for the year ended 31 March 2022 included in the accompanying "Statement of Financial Results for the year ended 31 March 2022" ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results:

i. includes the financial results of the following entities:

Holding Company
a. Satya MicroCapital Limited

Subsidiary
a. Credentia Finclusion Private Limited (Incorporated on 25 October, 2021 and disposed-off on 16 February, 2022)

Associate
a. Bald Housing Finance Private Limited

ii. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and

iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net profit and total comprehensive income and other financial information of the Group for the year ended 31 March 2022.

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 Results 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

These consolidated financial results which have been included in the Statement, have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors

S.N. Dhawan & CO LLP is registered with limited liability with identification number AAH-3125 and its registered office is 108, Mercantile House, New Delhi 110001, India

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Satya MicroCapital Ltd. New Delhi

are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group and its associate in accordance with the Indian Accounting Standards prescribed under Section 133 of 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. 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 of the assets of the Group and its associate 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 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 consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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 its associate are also responsible for overseeing the financial reporting process of the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, 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 controls 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 with reference to consolidated 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 Board of Directors.

- Conclude on the appropriateness of the Board of Directors 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 results 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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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.

Other Matter

We did not audit financial statements of the subsidiary, whose financial results reflect total assets of Rs. Nil as at 31 March 2022, total revenues of Rs. Nil, total net loss after tax of Rs. 2.39 million and net cash outflows/(inflows) amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of loss after tax of Rs. 0.22 million and total comprehensive loss of Rs. 0.22 million in respect of associate. The financial results of the subsidiary and associate is unaudited and has been approved and furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, the said financial results of the subsidiary and associate is not material to the Group.

Our opinion is not modified in respect of above matter.

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 22087701AJGEEI1532

S.N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 19 May 2022

Satya Microcapital Ltd. New Delhi

S.N. Dhawan & CO LLP
Chartered Accountants

121, II Floor, Udyog Vihar Phase IV,
Gurugram, Haryana 122015, India
Tel: +91 124 481 4444

Independent Auditor's Report on the Standalone Financial Results of the Company pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Satya MicroCapital Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the standalone financial results of **Satya MicroCapital Limited** ("the Company") for the year ended 31 March 2022 included in the accompanying 'Statement of Financial Results for the quarter and year ended 31 March 2022' ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:

i. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard, and

ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder, RBI guidelines and other accounting principles generally accepted in India, of the net profit and total comprehensive income and other financial information of the Company for the year ended 31 March 2022.

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 Results 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

These standalone financial results which have been included in the Statement, have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and total comprehensive income and other financial information of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of 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. 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 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 Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Satya MicroCapital Ltd. New Delhi

In preparing the standalone financial results, the Board of Directors are 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 Board of Directors 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 financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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 controls 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 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 Board of Directors.

- Conclude on the appropriateness of the Board of Directors 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 Company 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 results 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 Results, including the disclosures, and whether the Standalone Financial Results 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.



Satya MicroCapital Limited
Consolidated Balance Sheet as at March 31, 2022

(₹ in million unless otherwise stated)

Particulars	Notes	As at March 31, 2022
ASSETS		
Financial assets		
Cash and cash equivalents	4	1,278.44
Bank balances other than cash and cash equivalents	5	3,214.89
Trade receivables	6	73.40
Loan portfolio	7	23,161.34
Investment	8	46.14
Other financial assets	9	570.26
Total financial assets		28,344.47
Non-financial assets		
Current tax assets (net)	10	46.17
Deferred tax assets (net)	11	64.45
Property, plant and equipment	12A	120.56
Intangible assets	12B	0.33
Other non-financial assets	13	296.39
Total non-financial assets		527.90
Total assets		28,872.37
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
Trade Payable	14	
(i) total outstanding dues of micro enterprises and small enterprises		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		82.49
Debt securities	15	5,285.46
Borrowings (other than debt securities)	15	16,353.64
Subordinated liabilities	15	1,150.23
Other financial liabilities	16	368.12
Total financial liabilities		23,239.94
Non-financial liabilities		
Provisions	17	36.58
Other non-financial liabilities	18	73.40
Total non-financial liabilities		109.98
Equity		
Equity share capital	19	490.64
Instruments entirely equity in nature	20	29.85
Other equity	21	5,001.96
Total equity		5,522.45
Total liabilities and equity		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

S.N. DHAWAN & CO LLP * CHARTERED ACCOUNTANTS * GURUGRAM

Vinesh Jain
Partner
Membership No : 087701

Place: Gurugram
Date: May 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Choudhary Ranveer Krishanan
Company Secretary & Chief Compliance officer
M No. F7437

Ratnesh Tiwari
Director
DIN: 07131331

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

SATYA MICROCAPITAL LIMITED * New Delhi *

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Consolidated Statement of Profit and Loss for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

Particulars	Notes	For year ended March 31, 2022
Revenue from operations		
Interest income	22	3,333.22
Fee and commission income	23	291.22
Net gain on derecognition of financials instruments under amortised cost category	24	366.57
Total revenue from operations		3,991.01
Other income	25	26.79
Total income		4,017.80
Expenses		
Finance cost	26	1,711.07
Impairment on financial instruments	27	170.71
Employee benefits expenses	28	1,169.87
Depreciation and amortization	12C	57.47
Other expenses	29	473.59
Total expenses		3,582.71
Profit before share of the profit/(loss) of associates accounted for using the equity method		435.09
Share of net profits/(losses) of associates accounted for using the equity method		(0.22)
Profit before tax		434.87
Tax expense:	30	
Current year tax		102.11
Deferred tax charge/(credit)		7.95
Income-tax expense		110.06
Profit for the year		324.81
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans		(0.99)
Income tax effect		0.25
Total comprehensive income for the year		324.07
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 ₹)	31	7.05
Diluted (DEPS) (amount in ₹)	31	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 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Choudhary Ranveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Ratnesh Tiwari
Director
DIN: 07131331

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Limited
Consolidated Statement of Cash Flow for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2022
Cash flow from operating activities	
Profit before tax	434.87
Adjustments for:	
Depreciation and amortization	44.41
Depreciation of right-of-use asset	13.04
Share based payment to employees	9.24
Interest expense for leasing arrangements	2.29
Impairment of financial instruments	170.71
Loss/(profit) on sale of property plant and equipment	0.88
Net gain on derecognition of financials instruments under amortised cost category	(366.57)
Operating profit before working capital changes	308.87
Movements in working capital):	
Increase/(decrease) in other financial liabilities	(33.66)
Increase/(decreases) in other non-financial liabilities	24.58
Increase/(decreases) in provisions	10.35
(Increase)/decrease in bank balances other than cash and cash equivalents	(1,844.03)
(Increase)/decrease in trade receivables	34.02
(Increase)/decrease in loan portfolio	(10,819.54)
(Increase)/decrease in other financial assets	(325.78)
(Increase)/decrease in other non-financial assets	(159.04)
Cash used in operations	(12,804.23)
Income-tax paid	(118.91)
Net cash used in operating activities (A)	(12,923.14)
Cash flow from investing activities	
Purchase of property, plant and equipment	(103.35)
Purchase of intangible assets	(0.15)
Proceeds from derecognition of property, plant and equipment	0.89
Purchase of investment	(47.14)
Proceeds from sale of investment	1.00
Net cash used in investing activities (B)	(148.75)
Cash flow from financing activities	
Proceeds from issue of share capital (including premium and net of issue expenses)	1,144.91
Net proceeds from borrowings#	11,516.28
Net cash from financing activities (C)	12,661.19
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(410.70)
Cash and cash equivalents at the beginning of the year	1,689.14
Cash and cash equivalents at the end of the year	1,278.44
Components of cash and cash equivalents as at the end of the year	
Cash on hand	2.91
Balance with banks - on current accounts	765.49
Deposits with original maturity of less than 3 months	510.04
Total cash and cash equivalents	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 43

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 19, 2022

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 Ranveer Krishanan
Company Secretary & Chief Compliance officer
M No: F7437

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Limited
Standalone Balance Sheet as at March 31, 2022

(₹ in million unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,278.44	1,689.14
Bank balances other than cash and cash equivalents	5	1,214.89	1,370.86
Trade receivables	6	73.40	107.42
Loan portfolio	7	23,151.34	12,146.00
Investment	8	46.36	-
Other financial assets	9	570.26	244.48
Total financial assets		26,344.69	15,557.90
Non-financial assets			
Current tax assets (net)	10	46.17	29.28
Deferred tax assets (net)	11	64.45	72.14
Property, plant and equipment	12A	120.56	75.74
Intangible assets	12B	0.33	0.87
Other non-financial assets	13	296.39	137.35
Total non-financial assets		527.90	315.48
Total assets		26,872.59	15,873.38
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade Payable	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		82.49	48.82
Debt securities	15	5,285.46	2,851.39
Borrowings (other than debt securities)	15	16,353.64	7,845.09
Subordinated liabilities	15	1,150.23	574.28
Other financial liabilities	16	368.12	435.45
Total financial liabilities		23,239.94	11,755.03
Non-financial liabilities			
Provisions	17	36.58	25.24
Other non-financial liabilities	18	73.40	48.82
Total non-financial liabilities		109.98	74.06
Equity			
Equity share capital	19	490.64	458.50
Instruments entirely equity in nature	20	29.85	-
Other equity	21	3,002.18	3,585.79
Total equity		3,522.67	4,044.29
Total liabilities and equity		26,872.59	15,873.38

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

Vinesh Jain
Partner
Membership No.: 087701

Place: Gurugram
Date: May 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02124160

Chaudhary Ruewer Krishanee
Company Secretary & Chief Compliance officer
M.No. 57437

Ratnesh Tiwari
Director
DIN: 07131331

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Limited
Standalone Statement of Profit and Loss for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

Particulars	Notes	For year ended March 31, 2022	For year ended March 31, 2021
Revenue from operations			
Interest income	22	3,333.22	2,444.99
Fee and commission income	23	291.22	114.64
Net gain on derecognition of financials instruments under a mortised cost category	24	366.57	108.01
Total revenue from operations		3,991.01	2,667.64
Other income	25	24.40	4.54
Total income		4,015.41	2,672.18
Expenses			
Finance cost	26	1,711.05	1,278.12
Impairment on financial instruments	27	170.71	256.36
Employee benefits expenses	28	1,167.99	687.48
Depreciation and amortization	12C	37.46	27.46
Other expenses	29	473.11	271.70
Total expenses		3,560.32	2,521.13
Profit before tax		455.07	151.06
Tax expense:	30		
Current year tax		102.11	75.62
Deferred tax charge/(credit)		7.95	(26.73)
Income-tax expense		110.06	48.89
Profit for the year		325.03	102.17
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(0.99)	(0.39)
Income tax effect		0.25	0.10
Total comprehensive income for the year		324.29	101.88
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 ₹)	31	7.05	2.57
Diluted (DEPS) (amount in ₹)	31	6.94	2.53

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

Vinesh Jain
Partner
Membership No.: 087701

Place: Gurugram
Date: May 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Choudhary Ranveer Krishanan
Company Secretary & Chief Compliance officer
M No F7437

Ratnesh Tiwari
Director
DIN: 07131331

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Standalone Statement of Cash Flow for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2022	For year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	535.09	481.06
Adjustments for:		
Depreciation and amortization	24.41	25.10
Depreciation of right-of-use asset	13.04	2.36
Share based payment to employees	9.24	9.59
Interest expense for leasing arrangements	2.29	0.43
Impairment of financial instruments	179.71	256.36
Loss/(gain) on sale of property plant and equipment	0.88	(0.25)
Net gain on derecognition of financials instruments under amortised cost category	(366.57)	(103.01)
Operating profit before working capital changes	397.09	339.64
Movements in working capital:		
Increase/(decrease) in other financial liabilities	(33.66)	418.65
Increase/(decrease) in other non-financial liabilities	24.38	40.86
Increase/(decrease) in provisions	10.35	11.45
(Increase)/Decrease in bank balances other than cash and cash equivalents	(1,884.03)	(495.41)
(Increase)/decrease in trade receivables	34.02	(85.13)
(Increase)/decrease in loan portfolio	(10,819.56)	(3,121.85)
(Increase)/decrease in other financial assets	(325.78)	69.25
(Increase)/decrease in other non-financial assets	(159.04)	(110.71)
Cash used in operations	(12,804.01)	(2,936.25)
Income-tax paid	(118.91)	(42.08)
Net cash used in operating activities (A)	(12,922.92)	(2,978.33)
Cash flow from investing activities		
Purchase of property, plant and equipment	(103.35)	(59.24)
Purchase of intangible assets	(0.15)	(0.45)
Proceeds from derecognition of property, plant and equipment	0.89	0.39
Purchase of investment	(47.36)	-
Proceeds from sale of investments	1.00	-
Net cash used in investing activities (B)	(148.97)	(59.30)
Cash flow from financing activities		
Proceeds from issue of share capital (including premium and net of issue expenses)	1,144.91	2,215.14
Net proceeds from borrowings#	11,516.28	2,039.80
Net cash from financing activities (C)	12,661.19	4,254.94
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(410.70)	1,217.31
Cash and cash equivalents at the beginning of the year	1,689.14	471.83
Cash and cash equivalents at the end of the year	1,278.44	1,689.14
Components of cash and cash equivalents as at the end of the year		
Cash on hand	2.91	14.42
Balance with banks - on current accounts	765.49	1,454.70
Deposits with original maturity of less than 3 months	510.04	220.02
Total cash and cash equivalents	1,278.44	1,689.14

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 43

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/N500013

Vivek Jain
Partner
Membership No.: 087701

Place: Gurugram
Date: May 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Choudhary Ranveer Krishanan
Company Secretary & Chief Compliance officer
M No. F7437

Rajesh Tiwari
Director
DIN: 07131331

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Satya MicroCapital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Satya MicroCapital Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 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 together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 46(A) of the financial statements which describes the continuing impact of economic and social consequences of the COVID-19 pandemic on the Company's business and financial metrics particularly the Company's estimates of impairment of loans to customers which continue to be dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial instruments (including provision for expected credit losses) *(as described in note 3(e) of the Ind AS financial statements)*	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial assets) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-	• Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance with the policies in terms of Ind AS 109.

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
weighted loss on financial assets 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 this process, 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) Determining effect of less frequent past events on future probability of default. Additional considerations on account of CoVID-19 Pursuant to the Reserve Bank of India ("RBI") circular dated March 27, 2020 ("RBI circular") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and May 31, 2020 read with advisory issued by the Microfinance Institutions Network dated March 30, 2020 ("MFIN advisory"), the Company has extended a moratorium to its borrower in accordance with its Board approved policy as described in Note 7.1. As per the guidance from ICAI, extension of the moratorium to borrowers by itself is not considered to result in a SICR for a borrower. Further, in accordance with various stimulus packages announced by Government of India ("GOI") other than moratorium, the Company has restructured loans during the year. The Company in the future will need to evaluate from time to time whether to whom moratorium was granted or loans restructured under the packages announced by GOI will be regular. The Company has recorded a macroeconomic overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (CoVID-19) pandemic. Given the unique nature and scale of the economic impact of this pandemic and no reliable data being available regarding the impact of various regulatory packages, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and	• Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium and rescheduleMent/restructuring of loans in accordance with the regulations issued in this respect. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation and other disclosures as prescribed by RBI relating to moratorium granted or rescheduleMent/restructuring of loans.

Satya Microcapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government. Given the high degree of management's judgement involved in estimation of ECL, accentuated by the considerations for CoVID-19 related developments, it is a key audit matter.	

Other Information

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 financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.

Responsibilities of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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

Satya Micro Capital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 21210934AAAACI6758
Chennai
May 21, 2021

Satya Microcapital Ltd. New Delhi

S.R. Batliboi & Associates LLP

Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Satya MicroCapital Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3 (ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in deposit of Tax deduction at source and Professional tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 21210934AAAACI6758
Chennai
May 21, 2021

Satya Micro Capital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP

Annexure 2 referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls 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 financial statements of Satya MicroCapital Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 ("ICAI"). 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 its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these financial statements was 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 with reference to these 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 these 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these [standalone] financial statements.

Meaning of Internal Financial Controls with reference to these 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 control

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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 Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 21210934AAAACI6758
Chennai
May 21, 2021

Satya Microcapital Ltd. New Delhi

Satya MicroCapital Limited
Balance Sheet as at March 31, 2021

(Rupees in millions unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,689.14	471.83
Bank balances other than cash and cash equivalents	5	1,477.19	981.78
Trade receivables	6	107.42	22.29
Loan portfolio	7	12,146.00	9,172.52
Other financial assets	8	44.45	113.70
Total financial assets		15,464.20	10,762.12
Non-financial assets			
Current tax assets (net)	9	29.38	62.92
Deferred tax assets (net)	10	72.14	45.31
Property, plant and equipment	11	75.74	43.76
Intangible assets	11	0.87	0.75
Other non-financial assets	12	231.05	120.34
Total non-financial assets		409.18	273.08
Total assets		15,873.38	11,035.20
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Debt securities	13	2,851.39	2,425.84
Borrowings (other than debt securities)	13	7,845.09	6,678.97
Subordinated liabilities	13	574.28	125.72
Other financial liabilities	14	479.19	60.54
Total financial liabilities		11,749.95	9,291.07
Non-financial liabilities			
Provisions	15	25.24	13.40
Other non-financial liabilities	16	53.90	13.04
Total non-financial liabilities		79.14	26.44
EQUITY			
Equity share capital	17	458.50	304.47
Other equity	18	3,585.79	1,413.22
Total equity		4,044.29	1,717.69
Total liabilities and equity		15,873.38	11,035.20
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Bharath N S
Partner
Membership No.210934

Place: Chennai
Date: May 21, 2021

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

Anil Jain
Company Secretary
M. No. : F3923

Jagannadha Sharma
Chief Financial Officer

Place: New Delhi
Date: May 21, 2021

Satya MicroCapital Limited
Statement of Profit and Loss for the year ended March 31, 2021

(Rupees in millions unless otherwise stated)

	Notes	For year ended March 31, 2021	For year ended March 31, 2020
Revenue from operations			
Interest income	19	2,444.99	1,973.52
Fee and commission income	20	114.64	14.96
Net gain on derecognition of financials instruments under amortised cost category	21	108.01	96.56
Total revenue from operations		2,667.64	2,085.04
Other income	22	4.54	1.09
Total income		2,672.18	2,086.13
Expenses			
Finance cost	23	1,278.12	1,159.04
Impairment on financial instruments	24	256.36	99.27
Employee benefits expense	25	687.48	473.16
Depreciation and amortization expense	11	27.46	26.43
Other expenses	26	271.70	217.26
Total expenses		2,521.12	1,975.16
Profit before tax		151.06	110.97
Tax expense:	27		
Current year tax		75.62	44.78
Earlier year tax		-	0.32
Deferred tax		(26.73)	(9.42)
Income-tax expense		48.89	35.68
Profit for the year		102.17	75.29
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(0.39)	(1.26)
Income tax effect		0.10	0.37
Total comprehensive income for the year		101.88	74.40
Earnings per share (equity share, face value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic (Rs.) (EPS)	28	2.57	2.48
Diluted (Rs.) (DPS)	28	2.53	2.41
Nominal value		10.00	10.00
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Bharath N S
Partner
Membership No 219934

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

Company Secretary
M. No. : F3923

Chief Financial Officer

Place: Chennai
Date: May 21, 2021

Place: New Delhi
Date: May 21, 2021

Satya MicroCapital Limited
Cash Flow Statement for the year ended March 31, 2021

(₹ figures in millions except as otherwise stated)

	For year ended March 31, 2021	For year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	733.99	110.97
Adjustments for:		
Depreciation and amortization	27.46	26.43
Share based payment to employees	9.59	11.45
Provision for gratuity and leave encashment	11.84	7.19
Re-measurement gains/(losses) on defined benefit plans	(0.39)	(1.28)
Impairment of financial instruments	109.58	98.50
Net gain on fair value of financial instruments at fair value through profit or loss	(108.01)	(96.50)
Interest income	(2,444.99)	(1,973.52)
Interest expense	1,729.12	1,139.84
	(875.74)	(685.39)
Operating cash flows on account of:		
Interest income	2,399.06	1,776.20
Interest expense	(1,308.85)	(1,174.65)
Lease rental recorded upon implementation of Ind AS 116	(4.50)	(5.37)
Operating profit before working capital changes	**9.66**	**(89.12)**
Movements in working capital:		
Increase/(decrease) in other financial liability	418.65	(91.48)
Increase/(decrease) in other non-financial liabilities	40.86	(10.69)
(Increase)/decrease in bank balances other than cash and cash equivalents	(495.41)	649.16
Increase in trade receivables	(85.32)	(8.74)
Increase in loan portfolio	(2,874.14)	(2,567.95)
Decrease/(increase) in other financial assets	60.25	(6.28)
Increase in other non-financial assets	(55.69)	(43.94)
Cash used in operations	**(2,971.95)**	**(2,371.01)**
Income tax paid	(42.28)	(88.67)
Net cash used in operating activities (A)	**(3,014.23)**	**(2,459.68)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(59.24)	(40.50)
Purchase of intangible assets	(0.45)	(0.57)
Net cash used in investing activities (B)	**(59.69)**	**(40.96)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)*	1,532.63	599.31
Issue of compulsorily convertible preference shares (including securities premium)	682.50	368.50
Net proceeds from borrowings	2,076.10	1,543.40
Net cash from financing activities (C)	**4,291.23**	**2,610.37**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**1,217.31**	**109.63**
Cash and cash equivalents at the beginning of the year	471.83	362.20
Cash and cash equivalents at the end of the year (refer note 4)	**1,689.14**	**471.83**
Components of cash and cash equivalents as at the end of period		
Cash on hand	14.42	8.81
Balance with banks - on current account	1,454.50	460.52
Deposits with original maturity of less than or equal to 3 months	220.02	2.50
Total cash and cash equivalents	**1,689.14**	**471.83**

* Net of amount receivable from Satya Employee Welfare Trust
Represents net proceeds from debt securities, borrowings (other than debt securities) and subordinated liabilities
For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 40

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Bharat N S
Partner
Membership No: 210918

Place: Chennai
Date: May 27, 2021

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

Vikas Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Rakesh Tiwari
Director
DIN: 07133733

Arun Jain
Company Secretary
M. No.: F3923

Sudhir Sharma
Chief Financial Officer

Place: New Delhi
Date: May 27, 2021

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

6th & 7th Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel: +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Satya MicroCapital Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Satya MicroCapital Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 46 of the financial statement which describes the extent to which CoVID-19 Pandemic impacts the Company's operations and financial results will depend on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial instruments (including provision for expected credit losses) *(as described in note 3(c) of the Ind AS financial statements)*	
Ind AS 109 requires the Company to provide for impairment of its loan	• Our audit procedures included considering the Company's accounting policies for impairment of loan

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Satya MicroCapital Limited

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Key audit matters	How our audit addressed the key audit matter
receivables (financial assets) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial assets 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 this 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) Determining effect of less frequent past events on future probability of default **Additional considerations on account of CoVID-19** Pursuant to the Reserve Bank of India circular dated March 27, 2020 ("RBI circular") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and May 31, 2020 read with advisory issued by the Microfinance Institutions Network dated March 30, 2020 ("MFIN advisory"), the Company has extended a moratorium to its borrower in accordance with its Board approved policy as described in Note 7.1. As per the guidance from ICAI, extension of the moratorium to borrowers by itself is not considered to result in a SICR for a borrower, however the entity needs to evaluate whether the borrowers to which moratorium is granted will remain regular once the moratorium period gets over. The Company has recorded a macroeconomic overlay of Rs.25.51Mn as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (CoVID-19) pandemic. Given the unique nature and scale of the economic impact of CoVID-19 pandemic, its timing being close to the	receivables and assessing compliance with the policies in terms of Ind AS 109. • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. • Tested the operating effectiveness of the controls for staging of loans based on their past due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and MFIN advisory and tested the implementation of such policy on a sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation.

S. BATLIBOI & ASSOCIATES LLP

Satya MicroCapital Ltd. New Delhi

Key audit matters	How our audit addressed the key audit matter
year-end, and no reliable data being available regarding the impact of various regulatory packages, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government. **Given the high degree of management's judgement involved in estimation of ECL, accentuated by the considerations for CoVID-19 related developments, it is an area of material uncertainty and a key audit matter.**	
(b) Transition to Ind AS accounting framework *(as described in note 35 of the Ind AS financial statements)*	
In accordance with the roadmap for implementation of Indian Accounting Standards (Ind AS) for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP"). In order to give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS. The transition has involved significant changes in the Company's financial reporting policies and processes, including generation of reliable and supportable financial information. Further, the management has exercised significant judgement for giving an appropriate effect of the first-time adoption principles of Ind AS 101, as at transition date and to	• Read the Ind AS impact assessment performed by the management and the resultant changes made to the accounting policies considering the requirements of the new framework. • Assessed the judgement exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of assets and liabilities existing as at transition date. • Read changes made to accounting policies in light of the requirements of the new framework. • We understood the financial statement closure process and the additional controls (including IT controls) established by the Company for transition to Ind AS. • Assessed the judgement applied by the Company in determining its business model for classification of financial assets. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Assessed the judgements applied by the Company in respect of areas where the accounting treatment adopted or the disclosures made under the new accounting framework were inconsistent with the extant RBI Directions. • Assessed disclosures prescribed under Ind AS

Key audit matters	How our audit addressed the key audit matter
determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under Reserve Bank of India (RBI) directions, to the extent applicable. In view of the material impact and complexities and significant judgement involved in implementing Ind AS, we have focused on this area in our audit.	
(c) IT systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting: • Tested the design and operating effectiveness of IT access controls over the information systems. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Where deficiencies were noted, we tested the design and operating effectiveness compensating controls and, where necessary, extended the scope of our substantive audit procedures.

Other Information

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 Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.





Responsibilities of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 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 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and

S.R. BATLIBOI & ASSOCIATES LLP

Satya MicroCapital Ltd. New Delhi

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 Ind AS financial statements for the financial year ended March 31, 2020 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, 2016 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

S.R. BATLIBOI & ASSOCIATES LLP

Satya MicroCapital Ltd. New Delhi

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094588

UDIN: 20094588AAAACV3303
Gurugram
May 20, 2020

Satya MicroCapital Ltd. New Delhi

Annexure referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Satya MicroCapital Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(C) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3 (ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.





Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533

UDIN: 20094533AAAACV3303
Gurugram
May 20, 2020

Satya Microcapital Ltd. New Delhi

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Satya MicroCapital Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these financial statements was 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these 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

Satya MicroCapital Ltd. New Delhi

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 Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533

UDIN : 20094533AAAACV3303
Gurugram
May 20, 2020

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Balance Sheet as at March 31, 2020

(Rupees in millions unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	4	471.83	362.20	413.40
Bank balances other than cash and cash equivalents	5	981.78	1,830.94	507.39
Trade receivables	6	22.39	13.55	11.94
Loan portfolio	7	9,172.52	6,054.91	2,142.06
Investments	8	-	-	1.88
Other financial assets	9	113.70	107.42	53.51
Total financial assets		10,762.12	8,369.02	3,129.98
Non-financial assets				
Current tax assets (net)	10	62.92	12.84	7.58
Deferred tax assets (net)	11	45.31	42.02	27.75
Property, plant and equipment	12	43.76	26.02	19.17
Intangible assets	12	0.75	0.61	0.79
Other non-financial assets	13	120.34	22.79	9.37
Total non-financial assets		273.08	104.28	64.66
Total assets		11,035.20	8,473.30	3,194.64
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Debt securities	14	2,425.84	1,624.32	249.97
Borrowings (other than debt securities)	14	6,678.97	5,674.52	2,571.80
Subordinated liabilities	14	125.72	125.50	100.57
Other financial liabilities	15	60.54	152.02	12.39
Total financial liabilities		9,291.07	7,576.36	2,934.73
Non-financial liabilities				
Provisions	16	13.40	6.22	3.42
Other non-financial liabilities	17	13.04	25.73	25.78
Total non-financial liabilities		26.44	31.95	29.20
EQUITY				
Equity share capital	18	304.47	257.54	128.08
Other equity	19	1,413.22	607.45	102.63
Total equity		1,717.69	864.99	230.71
Total liabilities and equity		11,035.20	8,473.30	3,194.64

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Amit Kabra
Partner
Membership No.094533

Place: Gurugram
Date: May 20, 2020

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

Vivek Tiwari
Managing Director and CEO
DIN: 02174160

Ritesh Tiwari
Director
DIN: 07131331

Rachna Chantwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Statement of Profit and Loss for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

	Notes	For year ended March 31, 2020	For year ended March 31, 2019
Revenue from operations			
Interest income	20	1,973.52	977.93
Fee and commission income	21	14.96	11.29
Net gain on derecognition of financials instruments under amortised cost category	22	96.56	15.60
Total revenue from operations		2,085.04	1,004.82
Other income	23	1.09	12.25
Total income		2,086.13	1,017.07
Expenses			
Finance cost	24	1,159.04	602.47
Impairment on financial instruments	25	99.27	41.87
Employee benefits expense	26	473.16	234.18
Depreciation and amortization expense	12	26.43	16.00
Other expenses	27	217.26	125.97
Total expenses		1,975.16	1,020.49
Profit before tax		110.97	(3.42)
Tax expense:	28		
Current year tax		44.78	13.56
Earlier year tax		0.32	-
Deferred tax		(9.42)	(14.35)
Income-tax expense		35.68	(0.79)
Profit for the year		75.29	(2.63)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(1.26)	0.30
Income tax effect		0.37	(0.08)
Total comprehensive income for the year		74.40	(2.41)
Earnings per share (equity share, face value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic (Rs.) (EPS)	29	2.48	(0.12)
Diluted (Rs.) (DPS)	29	2.43	(0.12)
Nominal value		10.00	10.00
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Amit Kabra
Partner
Membership No.094533

S.R. BATLIBOI & ASSOCIATES LLP

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

Vivek Tiwari
Managing Director and CEO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Rachna Khaniwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Cash Flow Statement for the year ended March 31, 2020

(Rupees in million, unless otherwise stated)

	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	110.57	(5.37)
Adjustments for:		
Depreciation and amortization	26.43	16.03
Share based payment to employees	11.43	0.22
Provision for gratuity and leave encashment	7.18	5.80
Re-measurement gains/(losses) on defined benefit plans	(1.26)	0.30
Impairment of financial instruments	90.50	40.25
Net gain on derecognition of financials instruments under amortised cost category	(96.56)	(15.60)
Interest income	(1,973.52)	(977.93)
Interest expense	1,139.44	598.14
	(685.39)	(339.27)
Operating cash flows on account of:		
Interest income	1,776.29	882.86
Interest expense	(1,174.65)	(603.29)
Lease rental reversed upon implementation of Ind AS 116	(5.37)	(4.07)
Operating profit before working capital changes	(89.12)	(63.66)
Movements in working capital		
Increase/(decrease) in other financial liabilities	(91.48)	139.63
Increase/(decreases) in other non-financial liabilities	(12.69)	(0.05)
(Increase)/decrease in bank balances other than cash and cash equivalents	849.16	(1,323.75)
(Increase)/decrease in trade receivables	(8.74)	(1.61)
(Increase)/decrease in loan portfolio	(2,967.92)	(3,849.85)
(Increase)/decrease in other financial assets	(0.28)	(53.91)
(Increase)/decrease in other non-financial assets	(43.94)	(6.01)
Cash used in operations	(2,371.01)	(5,159.21)
Income-tax paid	(88.67)	(18.82)
Net cash used in operating activities (A)	(2,459.68)	(5,178.03)
Cash flow from investing activities		
Purchase of property, plant and equipment	(40.39)	(21.58)
Purchase of intangible assets	(0.57)	(0.38)
Proceeds from derecognition of property, plant and equipment	-	1.19
Proceeds from sale of investments	-	1.88
Net cash used in investing activities (B)	(40.96)	(18.89)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)*	399.37	636.47
Issue of compulsorily convertible preference shares (including securities premium)	367.50	-
Net proceeds from borrowings#	1,843.40	4,509.25
Net cash from financing activities (C)	2,610.27	5,145.72
Net increase / (decrease) in cash and cash equivalents (A + B + C)	109.63	(51.20)
Cash and cash equivalents at the beginning of the year	362.20	413.40
Cash and cash equivalents at the end of the year (refer note 4)	471.83	362.20
Components of cash and cash equivalents as at the end of period		
Cash on hand	8.81	7.86
Balance with banks - in current account	460.52	351.83
Deposits with original maturity of less than or equal to 3 months	2.50	2.51
Total cash and cash equivalents	471.83	362.20

* Net of amount recoverable from Satya Employee Welfare Trust.
\# Represents net proceeds from debt securities, borrowings (other than debt securities) and subordinated liabilities.
For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 42.

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Amit Kabra
Partner
Membership No 094533

Place: Gurugram
Date: May 20, 2020

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

Vivek Tiwari
Managing Director and CEO
DIN 02174160

Ratnesh Tiwari
Director
DIN 07131331

Rachna Bajpai
Company Secretary
M. No. : A43785

Rajendra Sharma
Chief Financial Officer

Place New Delhi
Date May 20, 2020

THE LIMITED REVIEW FINANCIAL STATEMENTS AS ON JUNE 30, 2022

S.N. Dhawan & CO LLP
Chartered Accountants

61-62, Udyog Vihar Phase 4,
Gurugram, Haryana 122015,
India

Tel: +91 124 461 4444

Independent Auditor's Limited Review Report on the unaudited quarterly 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 standalone financial results of **Satya MicroCapital Limited** ("the Company") for the quarter ended June 30, 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.

Other matter

5. The comparative financial information of the Company for the corresponding three months period ended June 30, 2021 have not been subjected to limited review / audit. 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: 22087701AOQBGH4599

S.N. DHAWAN & CO. LLP. GURUGRAM CHARTERED ACCOUNTANTS

Place: New Delhi
Date: August 9, 2022

S.N. Dhawan & CO LLP, a registered with limited liability with identification number AAH-1125 and its registered office is 108, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi 110001, India

Satya MicroCapital Ltd. New Delhi

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:rs@satyamicrocapital.com ; Phone:011-49724000
Statement of Financial Results for the Quarter ended June 30, 2022

(₹ in million except EPS)

S.No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	**Revenue from operations**				
	Interest income	1,252.14	1,027.26	694.76	3,333.22
	Fees and commission income	2.70	203.92	8.22	291.22
	Net gain on derecognition of financial instruments under amortised cost category	42.39	227.22	-	366.57
	Total revenue from operations	**1,297.23**	**1,458.40**	**702.98**	**3,991.01**
2	Other income	12.65	10.04	1.07	24.40
3	**Total income (1+2)**	**1,309.88**	**1,468.44**	**704.05**	**4,015.41**
4	**Expenses**				
	Finance costs	**629.61**	537.21	**316.63**	1,711.05
	Impairment of financial instruments	**58.17**	65.42	**20.38**	170.71
	Employee benefits expenses	**405.23**	402.16	**228.80**	1,167.99
	Depreciation and amortisation expenses	**13.06**	19.48	**8.43**	57.46
	Other expenses	**142.33**	182.29	**78.66**	473.11
	Total expenses	**1,248.40**	**1,206.56**	**652.90**	**3,580.32**
5	**Profit before tax (3-4)**	**61.48**	**261.88**	**51.15**	**435.09**
6	**Tax expense:**				
	Current tax	28.69	58.44	25.22	102.11
	Deferred tax charge/(credit)	(13.20)	7.24	(10.92)	7.95
	Total tax expense	**15.49**	**65.68**	**14.30**	**110.06**
7	**Net profit/(loss) after tax (5-6)**	**45.99**	**196.20**	**36.85**	**325.03**
8	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss	(0.25)	0.46	(0.48)	(0.99)
	Income tax relating to items that will not be reclassified to profit or loss	0.06	(0.11)	0.12	0.25
	Total other comprehensive income	**(0.19)**	**0.35**	**(0.36)**	**(0.74)**
9	**Total comprehensive income (7+8)**	**45.80**	**196.55**	**36.49**	**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 ₹)	0.94	4.21	0.80	7.05
	- Diluted (amount in ₹)	0.88	4.13	0.79	6.94
	(EPS for the quarter ended June 30, 2022, March 31, 2022 and June 30, 2021 are not annualised)				

SATYA MicroCapital Limited
CIN : U74899DL1995PLC068688
Registered office : 519, 5th Floor, Prime Towers, Okhla Industrial Area, Phase-I, New Delhi-110020

Notes to the unaudited financial results:

1 The above financial results for quarter ended June 30, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on August 09, 2022, in accordance with requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2 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') pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5 October 2021.

3 Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (amended) for the quarter ended June 30, 2022 are presented in below table:

S.No.	Particulars	Quarter ended June 30, 2022
1	Debt-equity ratio (no. of times)*	3.79
2	Debt service coverage ratio**	Not applicable
3	Interest service coverage ratio**	Not applicable
4	Outstanding redeemable preference shares (In Numbers) ;	Nil
5	Capital redemption reserve/debenture redemption reserve (₹ in Million) -Refer note (a)	Nil
6	Net worth (₹ in Million)	6,115.76
7	Net profit after tax (₹ in Million)	45.99
8	Earnings per share - Basic (not annualised)	0.94
	Diluted (not annualised)	0.88
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 (%) #	3.51%
18	Sector specific equivalent ratios, as applicable:	
	a) Net Interest Margin (%)	8.56%
	b) GNPA (%) ##	3.58%
	c) NNPA (%) ###	2.67%
	d) CRAR (%) $	25.95%

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)

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

SATYA MicroCapital Ltd.
सत्यं नमन् सुविता

SATYA MicroCapital Limited
CIN : U74899DL1995PLC068688
Registered office : 519, 5th Floor, Prime Towers , Okhla Industrial Area, Phase-I, New Delhi-110020

4 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 ended June 30, 2022:

Particular	NBFC-MFI
Number of loan accounts assigned	14,004
Aggregate amount of loan assigned (₹ in Million)	407.52
Sale consideration (₹ in Million)	407.52
Weighted average remaining maturity (in months)	17.38
Weighted average holding period after origination (in months)	NA
Retention of beneficial economic interest (MRR)	15%
Number of Transaction	1
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	Unrated

5 The Company operate 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 operate in single geographic segment i.e., domestic.

6 The Company has evaluated the impact of COVID-19 on the business and operations of the Company as at June 30, 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.

7 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.

8 The listed secured non-convertible debentures of the Company 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.

9 During the quarter, the Company has acquired additional 1,418,893 shares in two tranches in Baid Housing Finance Private Limited (Baid) and holds 89% shares in Baid as on June 30, 2022 and pursuant to which Baid became subsidiary of the Company with effect from June 14, 2022.

10 On June 23, 2022, the Company has issued and allotted 2,714,980 [0.001% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)] aggregating to ₹ 545.70 million to Gojo & Company, Inc. The 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.

11 The figures for the quarter ended March 31, 2022 represent balancing figures between the audited figures for the year ended March 31, 2022 and published year to date figures for the quarter ended December 31, 2021 which were subjected to limited review by statutory auditors. The figures for the quarter ended June 30, 2021 is unaudited and not subjected to limited review by auditors.

12 The comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.

13 The above unaudited financial results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.satyamicrocapital.com).

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

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

Satya MicroCapital Ltd. New Delhi

Vivek Tiwari
Managing Director, CEO and CIO
DIN 02174160

Place: New Delhi
Date : August 09, 2022

Satya MicroCapital Ltd. New Delhi

CHAPTER C- RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE

II. Related parties under Ind AS 24 with whom transactions have taken place during the year

I. Holding Company
GOJO & Company, Inc. (w.e.f March 23, 2022)

II. Key Managerial Personnel
(a) Mr. Vivek Tiwari, Managing director, Chief executive officer and Chief Information Officer
(b) Mr. Siddhindra Kumar Sharma - Chief Financial Officer (upto October 31, 2021)
(c) Ms. Vandita Kaul - Chief Compliance Officer (w.e.f November 1, 2021)
(d) Mr. Rachna Khanwal - Company Secretary (upto September 30, 2019)
(e) Mr. Amit Jain - Company Secretary (w.e.f October 01, 2020 and upto April 12, 2022)
(f) Mr. Chaudhary Ramveer Kashyap- Company Secretary and Chief Compliance Officer (w.e.f April 18, 2022)
(g) Ms. Deepali Pant Joshi (Independent Director) (w.e.f September 24, 2021)
(h) Mr. V.P. Mathai (Independent Director)
(i) Mr. Naveen Surya (Independent Director)
(j) Mr. Santosh Singh (Nominee Director)
(k) Mr. Sanjay Gandhi (Nominee Director)
(l) Mr. Taejin Shin (Nominee Director)
(m) Ms. Sunekha Marandi (Independent Director)
(n) Mr. Mukul Jaiswal (Independent Director)
(o) Mr. Rahul Gupta (Independent Director) (upto January 8, 2021)

III. Relative of Key Managerial Personnel
(a) Mr. Girijesh Tiwari - Senior Manager
(b) Mr. Rajnish Tiwari - Non-Executive Director

IV. Substantial Shareholders
Ikia Vikas Capital Private Limited

V. Subsidiary Company
Credentia Finclusion Private Limited (w.e.f. October 25, 2021 and upto March 23, 2022)

VI. Associate Entity
Baid Housing Finance Private Limited (w.e.f. November 11, 2021)

VII. 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

Related party transactions during the year:

Sr. No.	Nature of Transactions	Related Party	Transactions during year ended March 31, 2022	Transactions during year ended March 31, 2021	(Payable)/Receivable As at March 31, 2022	As at March 31, 2021
1	Remuneration*	Mr. Vivek Tiwari	34.56	27.78	-	-
		Mr. Siddhindra Sharma	4.61	6.38	(0.34)	-
		Ms. Vandita Kaul	3.27	-	-	-
		Mr. Amit Jain	2.95	1.31	-	-
		Ms. Rachna Khanwal	-	0.27	-	-
		Mr. Girijesh Tiwari	1.29	0.83	-	-
2	Investment	Baid Housing Finance Private Limited	46.36	-	46.36	-
		Credentia Finclusion Private Limited	1.00	-	-	-
3	Proceeds from sale of investment	Credentia Finclusion Private Limited	1.00	-	-	-
4	Loan (taken)/repayment	Ananya Finance For Inclusive Growth Private Limited	-	(30)/192.21	-	-
5	Share allotment including premium	GOJO & Company, Inc.	532.65	1,532.63	-	-
6	Issue of preference shares including premium	GOJO & Company, Inc.	600.01	682.50	-	-
7	Call money received on partly paid equity share capital	Mr. Vivek Tiwari	3.75	-	-	-
8	Amount received on ESOP exercised by employees	Satya Employee Welfare Trust	8.50	-	-	-
9	Amount received/(paid) against Business partnership	Ananya Finance For Inclusive Growth Private Limited	982.02/(1475.08)	1,299.52/(162.29)	162.34	64.50

Satya Micro Capital Limited
Notes to the Standalone Financial Statements for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

S. No.	Nature of Transactions	Related Party	Transactions during year ended March 31, 2022	Transactions during year ended March 31, 2021	(Payable)/Receivable As at March 31, 2022	(Payable)/Receivable As at March 31, 2021
10	Fees and commission income	Nanoor Finance Pvt Inclusive Growth Private Limited	170.39	111.27	-	-
11	Expense reimbursement received	GOPO & Company, Inc	10.85	0.30	-	-
		Credenta Finchannco Private Limited	0.48	-	-	-
		Bajaj Housing Finance Private Limited	0.02	-	3.02	-
12	Expense reimbursement paid	Satya Shakti Foundation	4.27	-	-	-
13	Donation and corporate social responsibility expenditure	Satya Shakti Foundation	10.00	3.00	-	-
14	Director sitting fees	Ms. Deepali Pant Joshi	0.38	-	-	-
		Mr. CP Mohan	0.84	0.62	-	-
		Mr. Naveen Surya	0.87	0.61	-	-
		Mr. Ramesh Tiwari	0.59	0.45	-	-
		Mr. Sanjeeb Singh	0.97	0.81	-	-
		Mr. Sanjay Gandhi	0.97	0.81	-	-
		Mr. Tarun Shin	0.70	0.66	-	-
		Ms. Surekha Marwah	0.90	0.56	-	-
		Mr. Mukul Jaiswal	0.30	0.80	-	-
		Mr. Rahul Gupta	-	0.35	-	-

* The above amount does not include accrual for the post employment benefits.
* The above amount does not include the employee stock plan expense.

Satya Micro Capital Ltd. New Delhi

41. Related parties under Ind AS 24 with whom transactions have taken place during the year

I. Key Management Personnel
(a) Mr. Vivek Tiwari - Managing Director, Chief Executive Officer and Chief Information Officer
(b) Mr. Sudhirndra Sharma - Chief Financial Officer
(c) Ms. Rachna Khantwal - Company Secretary (upto September 30, 2020)
(d) Mr. Amit Jain - Company Secretary (with effect from October 01, 2020)

II. Relative of Key Managerial Personnel
(a) Mr Girjesh Tiwari - Senior Manager

III. Substantial Shareholders
(a) Dia Vikas Capital Private Limited
(b) GOJO and Company, Inc

IV. Other related party in accordance with Ind AS 24 with whom transactions have taken place
(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

Related party transactions during the year:

S. No.	Nature of Transactions	Related Party	Transactions during year ended March 31, 2021	Transactions during year ended March 31, 2020	(Payable)/Receivable	
					As at March 31, 2021	As at March 31, 2020
1	Remuneration*	Mr Vivek Tiwari	27.78	16.49	-	-
		Mr. Sudhirndra Sharma	6.38	6.07	-	-
		Ms Rachna Khantwal	0.27	0.59	-	-
		Mr. Amit Jain	1.31	-	-	-
		Mr. Girjesh Tiwari	0.84	0.76	-	-
2	Advances given/(repayment received)	Mr Vivek Tiwari	-	11.00/(11.00)	-	-
		Ms Rachna Khantwal	-	0.05/(0.05)	-	-
3	Loan (taken)/Repayment	Ananya Finance For Inclusive Growth Private Limited	(30.00)/192.21	(155.00)/6.25	-	(143.75)
4	Share Allotment inluding premium (partly paid-up shares)	Mr.Vivek Tiwari	-	6.25	-	-
5	Share Allotment inluding premium	Dia Vikas Capital Private Limited	-	28.24	-	-
		Ms.Rachna Khantwal	-	0.31	-	-
		GOJO & Company, Inc.	1,532.63	133.46	-	-
		Koshish Marketing Solutions Private Limited	-	175.25	-	-
		Koshish Sustainable Solutions Private Limited	-	30.00	-	-
		Satya Employee Welfare Trust	-	21.00	-	-
6	Issue of Compulsorily Convertible Preference Shares including premium	GOJO & Company, Inc.	682.50	367.50	-	-
7	Amount received/(paid) against Business Partnership	Ananya Finance For Inclusive Growth Private Limited	1,299.52/(162.29)	-	64.50	-
8	Fees and Commission for Business Partnership	Ananya Finance For Inclusive Growth Private Limited	111.27	-	-	-
9	Processing fees paid for term loan	Ananya Finance For Inclusive Growth Private Limited	0.30	-	-	-
10	Donation	Satya Shakti Foundation	3.00	-	-	-

* The above amount does not include the post employement benefits.

Satya MicroCapital Ltd. New Delhi

VI. Related parties under Ind AS 24 with whom transactions have taken place during the year

I. Other related party in accordance with Ind AS 24 with whom transactions have taken place
II. Key Management Personnel
(a) Mr. Vivek Tiwari - Managing director and Chief Executive Officer
(b) Mr. Sudhindra Sharma - Chief Financial Officer
(c) Ms. Rachna Khanwal - Company Secretary (with effect from September 19, 2018)
(d) Mr. Ankit Tiwari - Company Secretary (upto September 9, 2018)

II. Relative of Key Managerial Personnel
(a) Mr. Girgesh Tiwari - Senior Manager

III. Substantial Shareholders
(a) Dia Vikas Capital Private Limited
(b) GOJO and Company, Inc

IV. Other related party in accordance with Ind AS 24 with whom transactions have taken place
(a) Koshish Sustainable Solutions Private Limited
(b) Koshish Marketing Solutions Private Limited
(c) Satya Employee Welfare Trust

Related party transactions during the year:

S. No.	Nature of Transactions	Related Party	Transactions during year ended March 31, 2020	Transactions during year ended March 31, 2019	(Payable)/Receivable		
					As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
1	Remuneration	Mr. Vivek Tiwari	16.49	13.60	-	-	-
		Mr. Sudhindra Sharma	6.07	5.12	-	-	-
		Mr. Ankit Tiwari	-	0.30	-	-	-
		Ms. Rachna Khanwal	0.39	0.40	-	-	-
		Girgesh Tiwari	0.76	0.54	-	-	-
2	Advances given/(repayment received)	Mr. Vivek Tiwari	11.(11)	3.(3)	-	-	-
		Mr. Sudhindra Sharma	-	0.8(0.8)	-	-	-
		Mr. Ankit Tiwari	-	0.1(0.1)	-	-	-
		Ms. Rachna Khanwal	0.05(0.05)	-	-	-	-
3	Share Allotment inlusding premium (partly paid-up shares)	Mr. Vivek Tiwari	6.25	-	-	-	-
4	Share Allotment inlusding premium	Dia Vikas Capital Private Limited	28.34	117.88	-	-	-
		Mr. Sudhindra Sharma	-	0.99	-	-	-
		Mr. Ankit Tiwari	-	0.14	-	-	-
		Ms. Rachna Khanwal	0.11	-	-	-	-
		GOJO & Company, Inc	133.46	409.80	-	-	-
		Koshish Marketing Solutions Private Limited	125.25	-	-	-	-
		Koshish Sustainable Solutions Private Limited	30.00	-	-	-	-
		Satya Employee Welfare Trust	21.00	-	-	-	-
5	Issue of Compulsorily Convertible Preference Shares including premium	GOJO & Company, Inc	367.50	-	-	-	-
6	Conversion of Compulsorily Convertible Debentures	Dia Vikas Capital Private Limited	-	4.48	-	-	-

DECLARATION BY THE DIRECTORS

Each of the directors of the Company hereby confirm and declare that:

A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder;

B. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;

C. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Memorandum; and

D. whatever is stated in this Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

General Risk
Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

I am authorized by the Board of Directors of the Company vide resolution dated 19May, 2022 read with resolution of working committee of Board of Directors dated 19th September 2022 sign this Placement Memorandum and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this Placement Memorandum and matters incidental thereto have been complied with.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **SATYA MICROCAPITAL LIMITED**

For Satya MicroCapital Ltd.

(Vivek Tiwari)
Managing Director, CEO & CIO

Authorised Signatory
Name: Mr. Vivek Tiwari
Title: Managing Director, CEO & CIO

ANNEXURE I: TERM SHEET

As provided in Section 5.37 above.

ANNEXURE II: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE RATING AGENCY

Acuite
RATINGS & RESEARCH

Rating Letter - Intimation of Rating Action

Letter issued on: September 30, 2022
Letter Expires on: September 19, 2023
Annual Fees valid till September 19, 2023

Scan the QR Code to verify authenticity of this rating

Satya MicroCapital Limited
519 5th floor DLF Prime Towers, Okhla Industrial Area, Phase-1 Delhi South Delhi DL 110020 IN

Kind Attn.: Mr Sanjay Goel, Deputy CFO (Tel. No. 91-7290065004)

Dear Mr. Goel,

Sub.: Rating(s) Assigned - Non Convertible Debentures of Satya MicroCapital Limited

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

	Long Term Instruments	Short Term Instruments
Total Rated Quantum (Rs. Cr.)	45.00	Not applicable
Quantum of Enhancement (Rs. Cr.)	Not applicable	Not applicable
Rating	ACUITE A-	Not applicable
Outlook	Stable	Not applicable
Most recent Rating Action	Assigned	Not applicable
Date of most recent Rating Action	September 30, 2022	Not applicable
Rating Watch	Not applicable	Not applicable

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité 's policies.

This letter will expire on September 19, 2023 or on the day when Acuité takes the next rating action, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit https://www.acuite.in/ OR scan the QR code given above to confirm the current outstanding rating.

Acuité will re-issue this rating letter on September 20, 2023 subject to receipt of surveillance fee as applicable. If the rating is reviewed before September 19, 2023, Acuité will issue a new rating letter.

Suman Chowdhury

Suman Chowdhury
Chief Analytical Officer

Annexures: A. Details of the Rated Instrument
B. Details of the rating prior to the above rating action

Satya MicroCapital Ltd. New Delhi

Annexure A: Details of the rated instrument

Bank	Facilities	Scale	Current Amt (Rs. Cr)	Ratings	Rating Action
Fund Based Facilities					
Proposed Non Convertible Debentures		Long Term	45.00	ACUITE A-/ Stable	Assigned
Total Facilities			45.00		

Annexure B. Details of the rating prior to the above rating action

	Long Term Instruments	Short Term Instruments
Previous Rated Quantum	Not applicable	Not applicable
Rating	Not applicable	Not applicable
Outlook	Not applicable	Not applicable

Satya MicroCapital Ltd. New Delhi

Acuite
RATINGS & RESEARCH

DISCLAIMER

An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité , in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings.Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité . Acuité 's rating scale and its definitions.

Satya Microcapital Ltd. New Delhi

DETAILED PRESS RELEASE FROM THE RATING AGENCY

Acuite

Press Release

Satya MicroCapital Limited

September 30, 2022

Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	300.00	ACUITE A- | Stable | Reaffirmed	-
Non Convertible Debentures (NCD)	100.00	PP-MLD | ACUITE A- | Stable | Reaffirmed	-
Non Convertible Debentures (NCD)	45.00	ACUITE A- | Stable | Assigned	-
Non Convertible Debentures (NCD)	60.00	ACUITE A- | Stable | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	505.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of **'ACUITE A-' (read as ACUITE A minus)** on the Rs. 300.00 Cr. bank loan facilities of Satya MicroCapital Limited (SML). The outlook is **'Stable'**.

Acuité has reaffirmed the long-term rating of **'ACUITE A-' (read as ACUITE A minus)** on the Rs. 60.00 Cr. Non-Convertible Debentures of Satya MicroCapital Limited (SML). The outlook is **'Stable'**.

Acuité has reaffirmed the long-term rating of **'ACUITE PP-MLD A-' (read as ACUITE Principal Protected Market Linked Debentures A minus)** on the Rs. 100.00 Cr. principal protected market linked debentures of Satya MicroCapital Limited (SML). The outlook is **'Stable'**.

Acuité has assigned the long-term rating of **'ACUITE A-' (read as ACUITE A minus)** on the Rs. 45.00 Cr. Non-Convertible Debentures of Satya MicroCapital Limited (SML). The outlook is **'Stable'**.

The rating takes into account healthy capitalisation levels, resource raising ability & significant growth in AUM during FY22 and Q1FY 2023. SML's Networth stood at Rs. 611.58 Cr as on June 2022, aided by equity infusion of Rs. 54.57 Cr. by the existing investor Gojo & Company, Inc. in the form of CCPS during Q1FY 2023. Post infusion coupled with conversion of CCPS into equity, the shareholding of Gojo & Company, Inc. has increased to 55.09 percent as on June 30, 2022, from 49.54 percent as on March 31, 2021 and from 24.42 percent as on March 31, 2020. The CAR levels stood at 22.95 percent as on March 31, 2022 (as per Ind AS) which increased to 25.95 percent as on June 30,2022. The credit profile of the company derives strength from its demonstrated ability to raise debt from diverse lenders. SML received sanctions of ~Rs. 2,768.6 Cr. in FY2022 and ~Rs. 502.40 Cr. in Q1FY 2023 in the form of terms loans, NCD's and

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recapitalization. The company reported net loss in GNPA and 6.6 percent as on June 30, 2022 (Provisional) as against 6.33 percent as on March 31, 2022. These strengths are partially offset by the moderate profitability parameters and risks inherent to the nature of the business which renders the portfolio vulnerable to event risks such as natural calamities in the areas of operations. Going forward, continued promoter support, profitability and business growth are key monitorable.

About the company

Delhi based SML was incorporated in 1995. SML is promoted by Mr. Vivek Tiwari (MD, CEO & CIO). SML was acquired by current promoters in 2016 and subsequently registered as NBFC-MFI in 2016. SML is engaged in extending microfinance loans to woman borrowers (spouses/adult sons as their co-borrowers) organized in Joint Liability Groups in rural and semi-rural areas. SML also extends individual micro business loans to men and women in urban areas. SML operates through a network of 338 branches spread across 228 districts of 21 states on pan India basis as on March 31, 2022.

Analytical Approach

Acuité has considered the standalone business and financial risk profile of SML to arrive at the rating.

Key Rating Drivers

Strength

Established presence in microfinance lending coupled with experienced management and reputed investors, healthy growth in AUM

SML, a Delhi based NBFC-MFI, commenced microfinance lending to woman borrowers organized in Joint Liability Groups in 2016. The company is also engaged in extending individual micro business loans to women entrepreneurs in rural and semi-urban areas for income-generating activities. SML has well diversified portfolio spread across 21 states. As on May 31, 2022, Uttar Pradesh accounted for ~21 percent of portfolio, followed by Bihar for ~16 percent and ~9 percent for Punjab and ~8 percent for Haryana, and 7 percent for Rajasthan, and remaining accounting for other states like Odisha, Assam, Madhya Pradesh, Jharkhand, Tamil Nadu amongst others.

SML is managed by Mr. Vivek Tiwari (Managing Director, CEO & CIO). He has nearly two decades of experience in the microfinance space, social entrepreneurship, and impact investing. Prior to SML, Mr. Tiwari had about nine years of experience in Satin Credit Care Network limited (SCCL) as Chief Operating Officer.

SML's equity shareholding includes Mr. Tiwari share (21.46 percent), Gojo & Company Inc (55.09 percent), Dia Vikas Capital Private limited (12.46 percent) and remaining 10.98 percent held by promoter's family, friends, employees, and SATYA Employee Welfare Trust, as on June 30, 2022.

Gojo & company, Inc invested in SML in from of compulsorily convertible preference capital, will be converted to equity which lead to increase its shareholding to 55.09 percent as on June 30, 2022 from 49.54 percent as on March 31, 2021 and from 24.42 percent as on March 31, 2020. Gojo & Company, Inc, a Tokyo based company, established in July 2014 has supported microfinance institutions in Cambodia, Sri Lanka, Myanmar and India. It has been actively involved in providing capital infusion to SML since its inception.

SML's board comprises 8 members with one Managing Director, four Independent Director, one non- executive Director and two Nominee Directors. The Board of directors has a vast industry experience. The MD, CEO& CIO has been involved in microfinance and development sector for nearly 20 years and was associated with Satin Creditcare Network Ltd as the COO. The management has a good experience in the microfinance industry. SML's board has representation from Gojo & Company, Inc. (Mr. Sanjay Gandhi & Mr Taejun Shin). Mr. Sanjay Gandhi, co-founder of Gojo & Company, Inc. joined the microfinance industry in 2003 and has international experience in MFI industry. Mr Taejun Shin is a Founder, Representative Director & CEO of Gojo & Company, Inc. SML continues to benefit from the

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expertise at their direction.

The established track record of promoters in microfinance lending has supported SML's growth strategy. The company's Asset Under Management (AUM) has grown significantly to Rs. 2,883.99 Cr. as on March 31, 2022 from Rs.1,476.16 Cr. as on March 31, 2021. Further it grew to Rs. 2,515.38 Cr. As on June 30, 2022(Provisional). The off-book portfolio stood at ~Rs. 522.47 Cr. as on June 30, 2022(Provisional) vis a vis ~Rs.590.1 Cr. as on March 31, 2022. SML has off-book exposure in the form of business correspondence relationships with Ananya Finance for Inclusive Growth Private Limited and DA transactions with 7 institutions. Acuité believes that SML's business profile will continue to benefit from the established presence in microfinance lending backed by strong promoter support.

Healthy capital raising ability with diversified funding mix

SML's net-worth increased to Rs. 611.58 Cr. as on June 30, 2022(Provisional)from Rs. 552.27 Cr. As on March 31, 2022 The company reported a capital adequacy ratio (CAR) of 22.95 percent comprising Tier I capital at 19.51 percent and Tier II capital at 3.44percent (as per Ind AS) as on March 31, 2022. Further the CAR improved to 25.95 percent as on June 30, 2022. The company's leverage increased to 4.13 times as on March 31, 2022, from 2.79 times as on March 31, 2021. The company has a strong lender profile comprising Banks and Financial Institutions, with total debt increasing to Rs. 2315.57 Cr. outstanding as on June 30, 2022, as compared to Rs.1 127.08 Cr. outstanding as on March 31, 2021. SML's borrowing profile comprised Term loans, NCD's and subordinated debt from IDFC Capital, UC Inclusive Credit private Limited, Northern Arc Capital as on March 31, 2022. The ability to raise debt for microfinance activities remains challenging due to a very selective and cautious approach adopted by Banks and NBFC/FIs. However, SML has demonstrated access to funding from both banks and large NBFC/FIs. SML raised ~Rs.1,131 Cr. from various lenders in FY2021. With improved capitalization levels SML was further able to raise funds in the form of terms loans, NCD's and securitizations of around ~Rs. 2,768.6 Cr. in FY2022.

Comfortable asset quality supported by digital collections

SML reported comfortable asset quality as reflected in on-time portfolio at 92.76 percent as on June 30, 2022 (93 percent as on March 31, 2022) and collection efficiency at ~94 percent for March 2022. Given the risks inherent to microfinance segment, a surge in the delinquencies has been observed, the company reported GNPA at 3.58 percent as on June 30, 2022, as against 3.33 percent as on March 31, 2022.The company has made impairment loss allowance of Rs. 39.99 Cr. as on March 31, 2022. SML's restructured portfolio comprised ~7 percent of its on-book portfolio as on March 31,2022. Prudent risk management practices and digital collections mechanism have helped SML in maintaining asset quality metrics. SML established various collection points by collaborating with banks in its operating area which enabled smooth collections.

Acuité believes, going forward, the ability of the company to maintain comfortable capitalization levels along with stable asset quality in the light of continuously evolving economic scenario will be a key monitorable.

Weakness

Moderate profitability parameters

The company's Asset under Management (AUM) has increased to Rs. 2,883.99 Cr as on March 31, 2022 from Rs. 1,476.16 Cr as on March 31, 2021. The company saw an increase in its Net interest income to Rs. 369.98 Cr for FY2022 from Rs. 255.30 Cr for FY2021. The company has reported a PAT of Rs 32.50 Cr in FY2022. The profitability metrics stood moderate marked by NIM at 8.59 percent for FY2022 as against 10.59 percent for FY2021 (as per Acuité's calculation). RoTA (Return on Total Assets) and RoAA (Return on Average Assets) also stood moderate at 1.13 percent and 1.46 percent for FY2022 as against 0.65 percent and 0.76 percent for FY2021, respectively.

Acuite believes that going forward ability of the company to grow its loan portfolio while improving its profitability will be key monitorable

Susceptibility to risks inherent to microfinance segment

SML primarily extends unsecured loans to economically challenged borrowers who have limited ability to absorb income shocks. Since financial assistance to economic challenged borrowers is a sensitive issue, from government stand point the regulatory dispensation in

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respect of the policies becomes relevant. Any changes in the regulatory environment impeding the ability of entities like SML to enforce collections, etc will have an impact on its operational performance. Besides the regulatory risk, the inherent nature of the business renders the portfolios vulnerable to event risk such as natural calamities in the area of operations.
Acuité believes that containing additional slippages while maintaining the growth in the loan portfolio will be crucial.

ESG Factors Relevant for Rating

Satya MicroCapital Limited (SML) belongs to the NBFC-MFI sector which facilitates lending to the unbanked population. Some of the material governance issues for the financial services sector are policies and practices with regard to business ethics, board diversity and independence, compensation structure for board and KMPs, role of the audit committee and shareholders' rights. On the social aspect, some of the critical issues for the sector are the contributions to financial inclusion and community development, responsible financing including environmentally friendly projects and policies around data privacy. The industry, by nature has a low exposure to environmental risks.
The entity maintains adequate transparency in its business ethics practices as can be inferred from the entity's disclosures regarding related party transactions, vigil mechanism and whistle blower policy. The board of directors of the company comprise of 3 independent directors and 2 female directors out of a total of 7 directors. The audit committee formed by the entity majorly comprises of independent directors with the objective to monitor and provide an unbiased supervision of the management's financial reporting process. SML also maintains transparency in terms of disclosures pertaining to interest rate policy and its adherence to Fair Practice Code as disseminated by Reserve Bank of India's circular.
SML aims to empower women by providing micro loans to help them generate additional income opportunities, hence making an economic contribution by way of financial inclusion. It continues to work on several community development initiatives and has also developed a social performance management system to facilitate financial stability of its staff and clients. As per RBI's guidelines on Information Technology framework for NBFCs, SML has constituted an IT strategy committee to ensure adequate control over issues like cyber security and data privacy.

Rating Sensitivity

- Movement in collection efficiency and asset quality
- Continued funding support from promoters as well as capital raising ability
- Movement in liquidity buffers
- Changes in regulatory environment

Liquidity Position

Adequate

SML's liquidity buffers primarily depend on its cash inflows (collections from clients and loans from banks) vis. a vis. the cash outflows (disbursements, debt servicing commitments, operating expenses). Since SML established various collection points by collaborating with number of banks available in its operating area, this enable SML to maintain its monthly collection rate in the range of 81-95 percent. As per ALM statement as on March 31, 2022, SML has no negative cumulative mismatches in any buckets upto 2 years. As per ALM Statement dated March 31, 2022, around Rs. 1720.36 Cr. ~ 75 percent of borrowings mature within 2 years against Rs. 2225.56 Cr. ~96 percent of total advances in same period. SML maintained unencumbered cash and bank balances of ~Rs. 127.84 Cr. as on March 31, 2022 and maintained unencumbered FD at ~Rs. 20 Cr. Acuité believes that the SML has adequate liquidity to meet its debt obligation in near to medium term.

Outlook - Stable

Acuité believes that SML will maintain a 'Stable' outlook over the medium term supported by its established presence in the microfinance segment along with demonstrated ability to grow its AUM while maintaining healthy asset quality. The outlook may be revised to 'Positive' in

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case of higher than expected growth in AUM while maintaining key operating metrics, asset quality and liquidity. The outlook may be revised to Negative in case of any headwinds faced in scaling up of operations or in case of any challenges in maintaining its asset quality, profitability metrics and capital adequacy parameters around existing levels.

Other Factors affecting Rating
None

Key Financials - Standalone / Originator

Particulars	Unit	FY22 (Actual)	FY21 (Actual)
Total Assets	Rs. Cr.	2660.81	1580.12
Total Income*	Rs. Cr.	230.44	139.41
PAT	Rs. Cr.	32.50	10.22
Net Worth	Rs. Cr.	552.27	404.43
Return on Average Assets (RoAA)	(%)	1.46	0.76
Return on Average Net Worth (RoNW)	(%)	6.79	3.55
Total Debt/ Tangible Networth (Gearing)	Times	4.13	2.79
Gross NPA	(%)	3.33	1.54
Net NPA	(%)	2.53	0.64

*Total Income equals to Net Interest Income plus other income

Status of non-cooperation with previous CRA (if applicable):
None

Any other information
None

Applicable Criteria
- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
- Banks And Financial Institutions: https://www.acuite.in/view-rating-criteria-45.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
- Non-Banking Financing Entities: https://www.acuite.in/view-rating-criteria-44.htm

Note on complexity levels of the rated instrument

https://www.acuite.in/view-rating-criteria-55.htm

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
	Term Loan	Long Term	4.59	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	4.02	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	2.30	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	10.91	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	36.45	ACUITE A- | Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	24.00	ACUITE A- | Stable (Reaffirmed)

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23 Sep 2022	Proposed Bank Facility	Long Term	40.09	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	31.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	22.50	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	40.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	14.18	ACUITE A- | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	11.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	11.46	ACUITE A- | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	50.00	ACUITE PP-MLD A- | Stable (Assigned)
	Non Convertible Debentures	Long Term	50.00	ACUITE PP-MLD A- | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	100.00	ACUITE A- | Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	25.00	ACUITE A- | Stable (Reaffirmed)
02 Sep 2022	Term Loan	Long Term	22.50	ACUITE A- | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	100.00	ACUITE A- | Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	25.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	40.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	11.46	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	4.02	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	2.30	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	14.18	ACUITE A- | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	40.09	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	10.91	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	4.59	ACUITE A- | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	11.00	ACUITE A- | Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	24.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	11.00	ACUITE A- | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	50.00	ACUITE PP-MLD A- | Stable (Assigned)
	Term Loan	Long Term	2.50	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	36.45	ACUITE A- | Stable (Reaffirmed)

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05 Aug 2022	Term Loan	Long Term	5.15	ACUITE A- | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	100.00	ACUITE A- | Stable (Assigned)
	Proposed Bank Facility	Long Term	74.20	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	27.00	ACUITE A- | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	4.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	12.31	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	12.83	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	5.43	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	3.75	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	15.71	ACUITE A- | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	56.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	3.62	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	40.00	ACUITE A- | Stable (Reaffirmed)
20 May 2022	Term Loan	Long Term	15.71	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	3.75	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	40.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	27.00	ACUITE A- | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	4.00	ACUITE A- | Stable (Assigned)
	Proposed Bank Facility	Long Term	24.20	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	12.83	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	5.43	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	12.31	ACUITE A- | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	56.00	ACUITE A- | Stable (Assigned)
	Term Loan	Long Term	3.62	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	5.15	ACUITE A- | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	50.00	ACUITE A- | Stable (Assigned)
	Term Loan	Long Term	6.25	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	30.00	ACUITE A- | Stable (Reaffirmed)

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03 Feb 2022	Term Loan	Long Term	14.17	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	17.19	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	6.24	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	0.71	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	4.91	ACUITE A- | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	51.86	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	13.67	ACUITE A- | Stable (Reaffirmed)
24 Nov 2021	Term Loan	Long Term	30.00	ACUITE A- | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	43.11	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	6.15	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	7.30	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	6.25	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	7.04	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	1.53	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	18.62	ACUITE A- | Stable (Reaffirmed)
06 Aug 2021	Proposed Bank Facility	Long Term	150.00	ACUITE A- | Stable (Upgraded from ACUITE BBB+ | Stable)
26 May 2020	Proposed Bank Facility	Long Term	150.00	ACUITE BBB+ | Stable (Assigned)

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Annexure – Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Not Applicable	INE982X07275	Non-Convertible Debentures (NCD)	30-05-2022	Not Applicable	29-02-2024	25.00	ACUITE A- | Stable | Reaffirmed
Not Applicable	INE982X07259	Non-Convertible Debentures (NCD)	23-05-2022	Not Applicable	23-02-2024	24.00	ACUITE A- | Stable | Reaffirmed
Not Applicable	INE982X07309	Principal protected market linked debentures	Not Applicable	Not Applicable	Not Applicable	50.00	PP-MLD | ACUITE A- | Stable | Reaffirmed
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	40.09	ACUITE A- | Stable | Reaffirmed
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A- | Stable | Reaffirmed
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE A- | Stable | Reaffirmed
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE A- | Stable | Assigned
Not Applicable	Not Applicable	Proposed principal protected market linked debentures	Not Applicable	Not Applicable	Not Applicable	50.00	PP-MLD | ACUITE A- | Stable | Reaffirmed
Capital Small Finance Bank	Not Applicable	Term Loan	13-05-2022	Not available	01-09-2024	11.00	ACUITE A- | Stable | Reaffirmed
Federal Bank	Not Applicable	Term Loan	10-06-2022	Not available	30-09-2027	36.45	ACUITE A- | Stable | Reaffirmed
Federal Bank	Not Applicable	Term Loan	29-03-2022	Not available	29-03-2024	40.00	ACUITE A- | Stable | Reaffirmed
Nabsamruddhi Finance Limited	Not Applicable	Term Loan	04-09-2020	Not available	30-09-2023	4.59	ACUITE A- | Stable | Reaffirmed
Suryoday Small Finance Bank Limited	Not Applicable	Term Loan	26-10-2020	Not available	05-11-2022	2.30	ACUITE A- | Stable | Reaffirmed
Federal Bank	Not Applicable	Term Loan	30-12-2020	Not available	31-12-2022	2.50	ACUITE A- | Stable |

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							Reaffirmed
Capital Small Finance Bank	Not Applicable	Term Loan	17-03-2021	Not available	01-04-2023	4.02	ACUITE A- | Stable | Reaffirmed
Nabsamruddhi Finance Limited	Not Applicable	Term Loan	28-06-2021	Not available	30-06-2024	14.18	ACUITE A- | Stable | Reaffirmed
Capital Small Finance Bank	Not Applicable	Term Loan	29-06-2021	Not available	01-05-2024	10.91	ACUITE A- | Stable | Reaffirmed
Federal Bank	Not Applicable	Term Loan	09-09-2021	Not available	10-04-2023	22.50	ACUITE A- | Stable | Reaffirmed
Suryoday Small Finance Bank Limited	Not Applicable	Term Loan	24-09-2021	Not available	05-04-2024	11.46	ACUITE A- | Stable | Reaffirmed

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Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST

5521/CL/MUM/22-23/DEB/200

September 19, 2022

To,
Satya Microcapital Limited
519, 5th floor DLF Prime Towers,
Okhla Industrial Area, Phase-I,
South Delhi -110020, Delhi

Dear Sir,

Consent to act as Debenture Trustee for Rated, Secured, Taxable, Listed, Redeemable, Non-convertible Debentures aggregating up to Rs. 45 Crores to be issued by the Company

This is with reference to the appointment of Catalyst Trusteeship Limited (CTL) to act as Debenture Trustee for the Rated, Secured, Taxable, Listed, Redeemable, Non-convertible Debentures aggregating up to Rs. 45 Crores to be issued by the Company.

In this regard, we hereby agree to act as Debenture Trustee on the following trusteeship remuneration:

Acceptance fees	**Rs. 1,00,000/- plus applicable taxes (One Time; Non Refundable & payable on appointment as trustee).**
Service Charges (Debenture Trustee)	**Rs.1,50,000/- p.a. plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full.** **Pro-rata charges would apply for the first year from date of appointment till March 31, 2023**

Please note:

- In case of multiple securities or securities across the states, complex/structured covenant monitoring etc. there will be additional fees.
- Expenses related to valuation, search, inspection, etc. arranged through external agencies shall be payable on actual basis over and above the aforementioned fees.

We accept the above terms
For Catalyst Trusteeship Limited

Authorized Signatory

For Satya Microcapital Limited

Authorized Signatory

Note:
As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

Satya MicroCapital Ltd. New Delhi

CATALYST

3321/CTL/MUM/2022-23/DEB/700

September 19, 2022

To,
Satya Microcapital Limited
519, 5th floor DLF Prime Towers,
Okhla Industrial Area, Phase-I,
South Delhi -110020, Delhi

Dear Sir,

Consent to act as Debenture Trustee for Rated, Secured, Taxable, Listed, Redeemablep, Non-convertible Debentures aggregating up to Rs. 45 Crores to be issued by the Company

This is with reference to the appointment of Catalyst Trusteeship Limited (CTL) to act as Debenture Trustee for the Rated, Secured, Taxable, Listed, Redeemable, Non-convertible Debentures aggregating up to Rs. 45 Crores to be issued by the Company.

In this regard, we hereby agree to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

We accept the above terms.

For Catalyst Trusteeship Limited

Authorized Signatory

For Satya Microcapital Limited

Authorized Signatory

ANNEXURE IV: APPLICATION FORM

SATYA MICROCAPITAL LIMITED
A public limited company incorporated under the Companies Act, 1956
CIN: U74899DL1995PLC068688
Date of Incorporation: 18/05/1995
Registered Office:
519, 5th Floor, DLF Prime Towers,
Okhla Industrial Area, Phase I, Delhi - 110020, India
Telephone No.: +91-11-49724000
Website: http://www.satyamicrocapital.com

DEBENTURE SERIES APPLICATION FORM SERIAL NO.										

ISSUE OF UP TO 450 (FOUR HUNDRED AND FIFTY) RATED, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE, TRANSFERABLE, NON-CONVERTIBLE DEBENTURES EACH HAVING A FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) OF THE AGGREGATING TO RS. 45,00,00,000/- (RUPEES FORTY-FIVE CRORE) INCLUSIVE OF GREEN SHOE OPTION OF 350 (THREE HUNDRED FIFTY) RATED, SENIOR, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF INR. 10,00,000/- (INDIAN RUPEES TEN LAKH ONLY) EACH AGGREGATING TO INR. 35,00,00,000 (THIRTY-FIVE CRORES) ("GREEN SHOE OPTION") ON A PRIVATE PLACEMENT BASIS BY SATYA MICROCAPITAL LIMITED (THE "COMPANY" OR "ISSUER") IN ONE OR MORE SERIES/TRANCHES AT PAR COMPRISING OF:

a. **200 (TWO HUNDRED) SECURED, UNSUBORDINATED, RATED, LISTED, REDEEMABLE AND NON-CONVERTIBLE DEBENTURES EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKHS ONLY) AGGREGATING TO INR 20,00,00,000 (INDIAN RUPEES TWENTY HUNDRED CRORES ONLY) INCLUSIVE OF GREEN SHOE OPTION OF 150 (ONE HUNDRED FIFTY) RATED, SENIOR, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF INR. 10,00,000/- (INDIAN RUPEES TEN LAKH ONLY) EACH AGGREGATING TO INR. 15,00,00,000 (INDIAN RUPEES FIFTEEN CRORES) ("SERIES A DEBENTURES"); AND**

b. **250 (TWO HUNDRED AND FIFTY) SECURED, UNSUBORDINATED, RATED, LISTED, REDEEMABLE AND NON-CONVERTIBLE DEBENTURES EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKHS ONLY) AGGREGATING TO INR 25,00,00,000 (INDIAN RUPEES TWO FIVE CRORES ONLY) INCLUSIVE OF GREEN SHOE OPTION OF 200 (TWO HUNDRED) RATED, SENIOR, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF INR. 10,00,000/- (INDIAN RUPEES TEN LAKH ONLY) EACH AGGREGATING TO INR. 20,00,00,000 (INDIAN RUPEES TWENTY CRORES) ("SERIES B DEBENTURES").**

\WHETHER GREEN SHOE OPTION IS BEING EXERCISED (*please select as applicable*)
[__] YES [__] NO

IF YES, AMOUNT FOR WHICH GREEN SHOE OPTION IS BEING EXERCISED:

Satya MicroCapital Ltd. New Delhi

Number of Debentures _____ In words _____

Amount Rs. _____/-_ in words Rupees

_____

_____Crores only

Satya MicroCapital Ltd. New Delhi

DEBENTURE SERIES APPLIED FOR:

Number of Debentures: ____ In words: _____-only
Amount INR_____/-In words Indian Rupees : _____Only

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS
No. _____ Drawn on _____

Funds transferred to **Satya MicroCapital Limited**
Dated _____

Total Amount Enclosed
(In Figures) INR_/- (In words) _Only

APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

APPLICANT'S ADDRESS

ADDRESS																			
STREET																			
CITY																			
PIN							**PHONE**								**FAX**										

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____

I AM/ WE ARE ( ) COMPANY ( ) OTHERS ( ) SPECIFY _____

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the placement memorandum dated October 17, 2022 ("**Placement Memorandum**") issued by the Issuer and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Satya MicroCapital Ltd. New Delhi

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL/CDSL**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Placement Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

Applicant's
Signature

FOR OFFICE USE ONLY DATE OF RECEIPT _____ DATE OF CLEARANCE _____

Satya Micro Capital Ltd. New Delhi

(Note : Cheque and Drafts are subject to realisation)

----------(TEAR HERE)----------

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**									

Received from _____

Address _____

_____

Cheque/Draft/UTR # _____ Drawn on _____ for INR _____ on account of application of _____ Debenture

_____

Satya MicroCapital Ltd. New Delhi

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.

2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.

3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account of ICCL by way of an electronic transfer, in accordance with the terms of the EBP Requirements:

Beneficiary A/C Name:	Satya MicroCapital Ltd Share A/c
Bank Account No.	250605000070
IFSC CODE:	ICIC0000254
Bank Name	ICICI Bank Ltd
Branch Address:	ICICI Bank Ltd, Krishna Apra Royal Plaza, D2, EACB, Alpha 1, Greater Noida, Uttar Pradesh 201306

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than
a) for adjustment against allotment of securities; or
b) for the repayment of monies where the company is unable to allot securities.

4. Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.

5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.

6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.



ANNEXURE V: LIMITED REVIEW FINANCIAL STATEMENTS AS ON JUNE 30, 2022

S.N. Dhawan & CO LLP
Chartered Accountants

51-52, Udyog Vihar Phase 4,
Gurugram, Haryana 122015,
India
Tel: +91 124 461 4444

Independent Auditor's Limited Review Report on the unaudited quarterly 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 standalone financial results of **Satya MicroCapital Limited** ("the Company") for the quarter ended June 30, 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.

Other matter

5. The comparative financial information of the Company for the corresponding three months period ended June 30, 2021 have not been subjected to limited review / audit. 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: 22087701AOQBGH4599

S.N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

Place: New Delhi
Date: August 9, 2022

S.N. Dhawan & CO LLP is registered with limited liability with identification number AAH-1125 and its registered office is 108, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi 110001, India

Satya MicroCapital Ltd. New Delhi

SATYA MicroCapital Ltd.

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 ended June 30, 2022

(₹ in million except EPS)

S.No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Revenue from operations				
	Interest income	1,252.14	1,027.26	694.76	3,333.22
	Fees and commission income	2.70	203.92	8.22	291.22
	Net gain on derecognition of financial instruments under amortised cost category	42.39	227.22	-	366.57
	Total revenue from operations	**1,297.23**	**1,458.40**	**702.98**	**3,991.01**
2	Other income	12.65	10.04	1.07	24.40
3	**Total income (1+2)**	**1,309.88**	**1,468.44**	**704.05**	**4,015.41**
4	**Expenses**				
	Finance costs	629.61	537.21	316.63	1,711.05
	Impairment of financial instruments	58.17	65.42	20.38	170.71
	Employee benefits expenses	405.23	402.16	228.80	1,167.99
	Depreciation and amortisation expenses	13.06	19.48	8.43	57.46
	Other expenses	142.33	182.29	78.66	473.11
	Total expenses	**1,248.40**	**1,206.56**	**652.90**	**3,580.32**
5	**Profit before tax (3-4)**	**61.48**	**261.88**	**51.15**	**435.09**
6	**Tax expense:**				
	Current tax	28.69	58.44	25.22	102.11
	Deferred tax charge/(credit)	(13.20)	7.24	(10.92)	7.95
	Total tax expense	**15.49**	**65.68**	**14.30**	**110.06**
7	**Net profit/(loss) after tax (5-6)**	**45.99**	**196.20**	**36.85**	**325.03**
8	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss	(0.25)	0.46	(0.48)	(0.99)
	Income tax relating to items that will not be reclassified to profit or loss	0.06	(0.11)	0.12	0.25
	Total other comprehensive income	**(0.19)**	**0.35**	**(0.36)**	**(0.74)**
9	**Total comprehensive income (7+8)**	**45.80**	**196.55**	**36.49**	**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 ₹)	0.94	4.21	0.80	7.05
	- Diluted (amount in ₹)	0.88	4.13	0.79	6.94
	(EPS for the quarter ended June 30, 2022, March 31, 2022 and June 30, 2021 are not annualised)				

SATYA MicroCapital Ltd.

SATYA MicroCapital Limited
CIN : U74899DL1995PLC068688
Registered office : 519, 5th Floor, Prime Towers , Okhla Industrial Area, Phase-I, New Delhi-110020

Notes to the unaudited financial results:

1 The above financial results for quarter ended June 30, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on August 09, 2022, in accordance with requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

2 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') pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5 October 2021.

3 Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (amended) for the quarter ended June 30, 2022 are presented in below table:

S.No.	Particulars	Quarter ended June 30, 2022
1	Debt-equity ratio (no. of times)*	3.79
2	Debt service coverage ratio**	Not applicable
3	Interest service coverage ratio**	Not applicable
4	Outstanding redeemable preference shares (In Numbers) :	Nil
5	Capital redemption reserve/debenture redemption reserve (₹ in Million) -Refer note (a)	Nil
6	Net worth (₹ in Million)	6,115.76
7	Net profit after tax (₹ in Million)	45.99
8	Earnings per share: Basic (not annualised)	0.94
	Diluted (not annualised)	0.88
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 (%) #	3.51%
18	Sector specific equivalent ratios, as applicable:	
	a) Net Interest Margin (%)	8.56%
	b) GNPA (%) ##	3.58%
	c) NNPA (%) ###	2.67%
	d) CRAR (%) $	25.95%

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)

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

SATYA MicroCapital Limited
CIN : U74899DL1995PLC068688
Registered office : 519, 5th Floor, Prime Towers , Okhla Industrial Area, Phase-I, New Delhi-110020

4 Disclosure pursuant to RBI Notification – RBI/DOR/2021-22/86 FIDR.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 ended June 30, 2022:

Particular	NBFC-MFI
Number of loan accounts assigned	14,904
Aggregate amount of loan assigned (₹ in Million)	407.52
Sale consideration (₹ in Million)	407.52
Weighted average remaining maturity (in months)	17.38
Weighted average holding period after origination (in months)	NA
Retention of beneficial economic interest (MRR)	15%
Number of Transaction	1
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	Unrated

5 The Company operate 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 operate in single geographic segment i.e., domestic.

6 The Company has evaluated the impact of COVID-19 on the business and operations of the Company as at June 30, 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.

7 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.

8 The listed secured non-convertible debentures of the Company 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.

9 During the quarter, the Company has acquired additional 1,418,893 shares in two tranches in Baid Housing Finance Private Limited (Baid) and holds 89% shares in Baid as on June 30, 2022 and pursuant to which Baid became subsidiary of the Company with effect from June 14, 2022.

10 On June 23, 2022, the Company has issued and allotted 2,214,900 [0.001% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)] aggregating to ₹ 545.70 million to Gojo & Company, Inc. The 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.

11 The figures for the quarter ended March 31, 2022 represent balancing figures between the audited figures for the year ended March 31, 2022 and published year to date figures for the quarter ended December 31, 2021 which were subjected to limited review by statutory auditors. The figures for the quarter ended June 30, 2021 is unaudited and not subjected to limited review by auditors.

12 The comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.

13 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 : August 09, 2022

AUDITED FINANCIAL STATEMENTS FOR PRECEEDING 3 FINANCIAL YEARS

S.N. Dhawan & CO LLP
Chartered Accountants

421, III Floor, Udyog Vihar Phase V
Gurugram, Haryana 122016, India
Tel: +91-124-4814444

Independent Auditor's Report on the Consolidated Financial Results of the Company pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Satya MicroCapital Limited

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the consolidated financial results of **Satya MicroCapital Limited** ("the Holding Company") and its Subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its share of net loss after tax and total comprehensive loss of its associate for the year ended 31 March 2022 included in the accompanying 'Statement of Financial Results for the year ended 31 March 2022' ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results:

i. includes the financial results of the following entities

Holding Company
a. Satya MicroCapital Limited

Subsidiary
a. Credentia Finclusion Private Limited (Incorporated on 25 October, 2021 and disposed-off on 16 February, 2022)

Associate
a. Bajaj Housing Finance Private Limited

ii. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and

iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net profit and total comprehensive income and other financial information of the Group for the year ended 31 March 2022

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 Results 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

These consolidated financial results which have been included in the Statement, have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors

S.N. Dhawan & CO LLP is registered with limited liability with registration number AAK-3129 and its registered office is 106, Mercantile House, New Delhi 110001, India

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Satya MicroCapital Ltd. New Delhi

are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group and its associate in accordance with the Indian Accounting Standards prescribed under Section 133 of 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. 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 of the assets of the Group and its associate 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 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 consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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 its associate are also responsible for overseeing the financial reporting process of the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, 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 controls 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 with reference to consolidated 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 Board of Directors.

- Conclude on the appropriateness of the Board of Directors 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

Satya Micro Capital Ltd. New Delhi

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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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.

Other Matter

We did not audit financial statements of the subsidiary, whose financial results reflect total assets of Rs. Nil as at 31 March 2022, total revenues of Rs. Nil, total net loss after tax of Rs. 2.39 million and net cash outflows/(inflows) amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of loss after tax of Rs. 0.22 million and total comprehensive loss of Rs. 0.22 million in respect of associate. The financial results of the subsidiary and associate is unaudited and has been approved and furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, the said financial results of the subsidiary and associate is not material to the Group.

Our opinion is not modified in respect of above matter.

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

S.N. DHAWAN & CO. LLP * CHARTERED ACCOUNTANTS * GURUGRAM

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 22087701AJGEEI1532

Place: Gurugram
Date: 19 May 2022

Satya MicroCapital Ltd. New Delhi

S.N. Dhawan & CO LLP
Chartered Accountants

421, II Floor, Udyog Vihar Phase IV,
Gurugram, Haryana 122015, India
Tel: +91 124 481 4444

Independent Auditor's Report on the Standalone Financial Results of the Company pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Satya MicroCapital Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the standalone financial results of **Satya MicroCapital Limited** ("the Company") for the year ended 31 March 2022 included in the accompanying 'Statement of Financial Results for the quarter and year ended 31 March 2022' ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:

i. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard, and

ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder, RBI guidelines and other accounting principles generally accepted in India, of the net profit and total comprehensive income and other financial information of the Company for the year ended 31 March 2022.

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 Results 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

These standalone financial results which have been included in the Statement, have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and total comprehensive income and other financial information of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of 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. 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 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 Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

S.N. Dhawan & CO LLP is registered as a limited liability partnership (Registration No. AAH-1125) and its registered office is 108, Mittal ... New Delhi 110001, India

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Satya MicroCapital Ltd. New Delhi

In preparing the standalone financial results, the Board of Directors are 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 Board of Directors 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 financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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 controls 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 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 Board of Directors.

- Conclude on the appropriateness of the Board of Directors 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 Company 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 results 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 Results, including the disclosures, and whether the Standalone Financial Results 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.

Satya MicroCapital Ltd. New Delhi

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

Other Matters

1. The Standalone Financial Results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

2. The standalone financial statements of the Company for the year ended 31 March 2021 were audited by predecessor auditor who expressed an unmodified opinion on those standalone financial statements on 21 May 2021.

   Our opinion is not modified in respect of above matters.

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 22087701AJGDXJ2780

Place: Gurugram
Date: 19 May 2022

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

Satya Micro Capital Ltd. New Delhi

Satya MicroCapital Limited
Consolidated Balance Sheet as at March 31, 2022

(₹ in million unless otherwise stated)

Particulars	Notes	As at March 31, 2022
ASSETS		
Financial assets		
Cash and cash equivalents	4	1,278.44
Bank balances other than cash and cash equivalents	5	3,214.89
Trade receivables	6	73.40
Loan portfolio	7	23,161.34
Investment	8	46.14
Other financial assets	9	570.26
Total financial assets		28,344.47
Non-financial assets		
Current tax assets (net)	10	46.17
Deferred tax assets (net)	11	64.45
Property, plant and equipment	12A	120.56
Intangible assets	12B	0.33
Other non-financial assets	13	296.39
Total non-financial assets		527.90
Total assets		28,872.37
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
Trade Payable	14	
(i) total outstanding dues of micro enterprises and small enterprises		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		82.49
Debt securities	15	5,285.46
Borrowings (other than debt securities)	15	16,353.64
Subordinated liabilities	15	1,150.23
Other financial liabilities	16	368.12
Total financial liabilities		23,239.94
Non-financial liabilities		
Provisions	17	36.58
Other non-financial liabilities	18	73.40
Total non-financial liabilities		109.98
Equity		
Equity share capital	19	490.64
Instruments entirely equity in nature	20	29.85
Other equity	21	5,001.96
Total equity		5,522.45
Total liabilities and equity		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

Vinesh Jain
Partner
Membership No : 087701

Place: Gurugram
Date: May 19, 2022

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 Ranveer Krishanan
Company Secretary & Chief Compliance officer
M No. F7437

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Limited
Consolidated Statement of Profit and Loss for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

Particulars	Notes	For year ended March 31, 2022
Revenue from operations		
Interest income	22	3,333.22
Fee and commission income	23	291.22
Net gain on derecognition of financials instruments under amortised cost category	24	366.57
Total revenue from operations		3,991.01
Other income	25	26.79
Total income		4,017.80
Expenses		
Finance cost	26	1,711.07
Impairment on financial instruments	27	170.71
Employee benefits expenses	28	1,169.87
Depreciation and amortization	12C	57.47
Other expenses	29	473.59
Total expenses		3,582.71
Profit before share of the profit/(loss) of associates accounted for using the equity method		435.09
Share of net profits/(losses) of associates accounted for using the equity method		(0.22)
Profit before tax		434.87
Tax expense:	30	
Current year tax		102.11
Deferred tax charge/(credit)		7.95
Income-tax expense		110.06
Profit for the year		324.81
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans		(0.99)
Income tax effect		0.25
Total comprehensive income for the year		324.07
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 ₹)	31	7.05
Diluted (DEPS) (amount in ₹)	31	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 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Choudhary Ranveer Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Ratnesh Tiwari
Director
DIN: 07131331

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Limited
Consolidated Statement of Cash Flow for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2022
Cash flow from operating activities	
Profit before tax	434.87
Adjustments for:	
Depreciation and amortization	44.41
Depreciation of right-of-use asset	13.04
Share based payment to employees	9.24
Interest expense for leasing arrangements	2.29
Impairment of financial instruments	170.71
Loss/(profit) on sale of property plant and equipment	0.88
Net gain on derecognition of financials instruments under amortised cost category	(366.57)
Operating profit before working capital changes	308.87
Movements in working capital:	
Increase/(decrease) in other financial liabilities	(33.66)
Increase/(decreases) in other non-financial liabilities	24.58
Increase/(decreases) in provisions	10.35
(Increase)/decrease in bank balances other than cash and cash equivalents	(1,844.03)
(Increase)/decrease in trade receivables	34.02
(Increase)/decrease in loan portfolio	(10,819.54)
(Increase)/decrease in other financial assets	(325.78)
(Increase)/decrease in other non-financial assets	(159.04)
Cash used in operations	(12,804.23)
Income-tax paid	(118.91)
Net cash used in operating activities (A)	(12,923.14)
Cash flow from investing activities	
Purchase of property, plant and equipment	(103.35)
Purchase of intangible assets	(0.15)
Proceeds from derecognition of property, plant and equipment	0.89
Purchase of investment	(47.14)
Proceeds from sale of investment	1.00
Net cash used in investing activities (B)	(148.75)
Cash flow from financing activities	
Proceeds from issue of share capital (including premium and net of issue expenses)	1,144.91
Net proceeds from borrowings#	11,516.28
Net cash from financing activities (C)	12,661.19
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(410.70)
Cash and cash equivalents at the beginning of the year	1,689.14
Cash and cash equivalents at the end of the year	1,278.44
Components of cash and cash equivalents as at the end of the year	
Cash on hand	2.91
Balance with banks - on current accounts	765.49
Deposits with original maturity of less than 3 months	510.04
Total cash and cash equivalents	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 43

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 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance officer
M No. F7437

Ratnesh Tiwari
Director
DIN: 07131331

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Limited
Standalone Statement of Profit and Loss for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

Particulars	Notes	For year ended March 31, 2022	For year ended March 31, 2021
Revenue from operations			
Interest income	22	3,535.22	2,444.99
Fee and commission income	23	291.22	114.64
Net gain on derecognition of financial instruments under amortised cost category	24	166.57	108.01
Total revenue from operations		3,991.01	2,667.64
Other income	25	24.40	4.54
Total income		4,015.41	2,672.18
Expenses			
Finance cost	26	1,711.05	1,278.12
Impairment on financial instruments	27	170.71	256.36
Employee benefits expenses	28	1,102.99	687.48
Depreciation and amortization	12C	57.46	27.46
Other expenses	29	473.11	271.70
Total expenses		3,589.32	2,521.12
Profit before tax		435.09	151.06
Tax expense:	30		
Current year tax		102.11	75.62
Deferred tax charge/(credit)		7.95	(26.73)
Income-tax expense		110.06	48.89
Profit for the year		325.03	102.17
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(0.99)	(0.39)
Income tax effect		0.25	0.10
Total comprehensive income for the year		324.29	101.88
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 ₹)	31	7.05	2.57
Diluted (DEPS) (amount in ₹)	31	6.94	2.53

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

Vinesh Jain
Partner
Membership No.: 087701

Place: Gurugram
Date: May 19, 2022

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 Ranveer Krishanau
Company Secretary & Chief Compliance officer
M No. F7437

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Standalone Balance Sheet as at March 31, 2022

(₹ in million unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,278.44	1,689.14
Bank balances other than cash and cash equivalents	5	3,214.89	1,370.86
Trade receivables	6	73.40	107.42
Loan portfolio	7	23,161.34	12,146.09
Investment	8	46.36	-
Other financial assets	9	570.26	344.98
Total financial assets		28,344.69	15,657.50
Non-financial assets			
Current tax assets (net)	10	46.17	29.38
Deferred tax assets (net)	11	64.65	72.14
Property, plant and equipment	12A	120.56	75.74
Intangible assets	12B	0.33	0.87
Other non-financial assets	13	296.39	137.35
Total non-financial assets		527.90	315.48
	Total assets	28,872.59	15,972.98
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade Payable	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		82.49	48.82
Debt securities	15	9,283.46	2,851.39
Borrowings (other than debt securities)	15	16,353.64	7,845.09
Subordinated liabilities	15	1,150.23	574.28
Other financial liabilities	16	368.12	435.45
Total financial liabilities		27,239.94	11,755.03
Non-financial liabilities			
Provisions	17	36.58	25.24
Other non-financial liabilities	18	73.40	48.82
Total non-financial liabilities		109.98	74.06
Equity			
Equity share capital	19	490.64	458.50
Instruments entirely equity in nature	20	29.85	-
Other equity	21	5,002.18	3,585.79
Total equity		5,522.67	4,044.29
	Total liabilities and equity	28,872.59	15,873.38

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

Vinesh Jain
Partner
Membership No : 087701

Place: Gurugram
Date: May 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Rakesh Tiwari
Director
DIN: 07131331

Choudhary Ruswar Krishanan
Company Secretary & Chief Compliance officer
M.No. F7437

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

Satya MicroCapital Limited
Standalone Statement of Cash Flows for the Year Ended March 31, 2022

(₹ in million unless otherwise stated)

Particulars	For year ended March 31, 2022	For year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	435.09	151.86
Adjustments for:		
Depreciation and amortisation	34.41	25.10
Depreciation of right-of-use asset	13.04	2.36
Share based payment to employees	9.24	9.59
Interest expense for leasing arrangements	2.29	0.43
Impairment of financial instruments	170.71	256.36
Loss/(gain) on sale of property plant and equipment	0.88	(0.25)
Net gain on derecognition of financials instruments under amortised cost category	(366.57)	(108.01)
Operating profit before working capital changes	389.09	336.64
Movements in working capital:		
Increase/(decrease) in other financial liabilities	(33.66)	418.65
Increase/(decrease) in other non-financial liabilities	24.58	40.86
Increase/(decrease) in provisions	10.35	11.45
(Increase)/decrease in bank balances other than cash and cash equivalents	(1,844.03)	(495.41)
(Increase)/decrease in trade receivables	34.02	(85.13)
(Increase)/decrease in loan portfolio	(10,819.54)	(3,121.85)
(Increase)/decrease in other financial assets	(325.78)	69.25
(Increase)/decrease in other non-financial assets	(159.04)	(110.71)
Cash used in operations	(12,804.03)	(2,936.25)
Income tax paid	(118.91)	(42.08)
Net cash used in operating activities (A)	(12,922.93)	(2,978.33)
Cash flow from investing activities		
Purchase of property, plant and equipment	(103.35)	(59.24)
Purchase of intangible assets	(0.15)	(0.45)
Proceeds from derecognition of property, plant and equipment	0.89	0.39
Purchase of investment	(47.36)	-
Proceeds from sale of investments	1.00	-
Net cash used in investing activities (B)	(148.97)	(59.30)
Cash flow from financing activities		
Proceeds from issue of share capital (including premium and net of issue expenses)	1,144.91	2,215.14
Net proceeds from borrowings#	11,516.28	2,039.80
Net cash from financing activities (C)	12,661.19	4,254.94
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(410.70)	1,217.31
Cash and cash equivalents at the beginning of the year	1,689.14	471.83
Cash and cash equivalents at the end of the year	1,278.44	1,689.14
Components of cash and cash equivalents as at the end of the year		
Cash on hand	2.91	14.42
Balance with banks - on current accounts	765.49	1,454.70
Deposits with original maturity of less than 3 months	510.04	220.02
Total cash and cash equivalents	1,278.44	1,689.14

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 43

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

Vineet Jain
Partner
Membership No.: 087701

Place: Gurugram
Date: May 19, 2022

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Rajesh Tiwari
Director
DIN: 07131331

Choudhary Ranveer Krishanan
Company Secretary & Chief Compliance officer
M No. F7437

Vandita Kaul
Chief Financial Officer

Place: Mauritius
Date: May 19, 2022

SATYA MICROCAPITAL LIMITED New Delhi

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Satya MicroCapital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Satya MicroCapital Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 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 together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 46(A) of the financial statements which describes the continuing impact of economic and social consequences of the COVID-19 pandemic on the Company's business and financial metrics particularly the Company's estimates of impairment of loans to customers which continue to be dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial instruments (including provision for expected credit losses) *(as described in note 3(e) of the Ind AS financial statements)*	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial assets) using the expected credit loss (ECL) approach. ECL involves an estimation of probability	• Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance with the policies in terms of Ind AS 109.

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4298
Regd. Office: 22, Camac Street, Block B, 3rd Floor, Kolkata 700 016

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
weighted loss on financial assets 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 this process, 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) Determining effect of less frequent past events on future probability of default. Additional considerations on account of CoVID-19 Pursuant to the Reserve Bank of India ("RBI") circular dated March 27, 2020 ("RBI circular") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and May 31, 2020 read with advisory issued by the Microfinance Institutions Network dated March 30, 2020 ("MFIN advisory"), the Company has extended a moratorium to its borrower in accordance with its Board approved policy as described in Note 7.1. As per the guidance from ICAI, extension of the moratorium to borrowers by itself is not considered to result in a SICR for a borrower. Further, in accordance with various stimulus packages announced by Government of India ("GOI") other than moratorium, the Company has restructured loans during the year. The Company in the future will need to evaluate from time to time whether to whom moratorium was granted or loans restructured under the packages announced by GOI will be regular. The Company has recorded a macroeconomic overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (CoVID-19) pandemic. Given the unique nature and scale of the economic impact of this pandemic and no reliable data being available regarding the impact of various regulatory packages, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and	• Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium and rescheduleMent/restructuring of loans in accordance with the regulations issued in this respect. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation and other disclosures as prescribed by RBI relating to moratorium granted or rescheduleMent/restructuring of loans.

Satya Micro Capital Ltd. New Delhi

Key audit matters	How our audit addressed the key audit matter
supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government. Given the high degree of management's judgement involved in estimation of ECL, accentuated by the considerations for CoVID-19 related developments, it is a key audit matter.	

Other Information

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 financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.

Responsibilities of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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

Satya Micro Capital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 21210934AAAACI6758
Chennai
May 21, 2021

Satya Micro Capital Ltd.
New Delhi

S.K. Batra & Associates LLP
Chartered Accountants

Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Satya MicroCapital Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3 (ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in deposit of Tax deduction at source and Professional tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45 IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 21210934AAAACI6758
Chennai
May 21, 2021

Satya Micro Capital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Annexure 2 referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls 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 financial statements of Satya MicroCapital Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 ("ICAI"). 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 its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these financial statements was 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 with reference to these 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 these 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these [standalone] financial statements.

Meaning of Internal Financial Controls with reference to these 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 control

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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 Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 21210934AAAACI6758
Chennai
May 21, 2021

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Balance Sheet as at March 31, 2021

(Rupees in millions unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,689.14	471.83
Bank balances other than cash and cash equivalents	5	1,477.19	981.78
Trade receivables	6	107.42	22.29
Loan portfolio	7	12,146.00	9,172.52
Other financial assets	8	44.45	113.70
Total financial assets		15,464.20	10,762.12
Non-financial assets			
Current tax assets (net)	9	29.38	62.92
Deferred tax assets (net)	10	72.14	45.31
Property, plant and equipment	11	75.74	43.76
Intangible assets	11	0.87	0.75
Other non-financial assets	12	231.05	120.34
Total non-financial assets		409.18	273.08
Total assets		15,873.38	11,035.20
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Debt securities	13	2,851.39	2,425.84
Borrowings (other than debt securities)	13	7,845.09	6,678.97
Subordinated liabilities	13	574.28	125.72
Other financial liabilities	14	479.19	60.54
Total financial liabilities		11,749.95	9,291.07
Non-financial liabilities			
Provisions	15	25.24	13.40
Other non-financial liabilities	16	53.90	13.04
Total non-financial liabilities		79.14	26.44
EQUITY			
Equity share capital	17	458.50	304.47
Other equity	18	3,585.79	1,413.22
Total equity		4,044.29	1,717.69
Total liabilities and equity		15,873.38	11,035.20
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Bharath N S
Partner
Membership No.210934

Place: Chennai
Date: May 21, 2021

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

Vivek Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Rajnish Tiwari
Director
DIN: 07131331

Amit Jain
Company Secretary
M. No. : F3923

Siddhartha Sharma
Chief Financial Officer

Place: New Delhi
Date: May 21, 2021

Satya Microcapital Limited
Statement of Profit and Loss for the year ended March 31, 2021

(Rupees in millions unless otherwise stated)

	Notes	For year ended March 31, 2021	For year ended March 31, 2020
Revenue from operations			
Interest income	19	2,444.99	1,973.52
Fee and commission income	20	114.64	14.96
Net gain on derecognition of financials instruments under amortised cost category	21	108.01	96.56
Total revenue from operations		**2,667.64**	**2,085.04**
Other income	22	4.54	1.09
Total income		**2,672.18**	**2,086.13**
Expenses			
Finance cost	23	1,278.12	1,159.04
Impairment on financial instruments	24	256.36	99.27
Employee benefits expense	25	687.48	473.16
Depreciation and amortization expense	11	27.46	26.43
Other expenses	26	271.70	217.26
Total expenses		**2,521.12**	**1,975.16**
Profit before tax		**151.06**	**110.97**
Tax expense:	27		
Current year tax		75.62	44.78
Earlier year tax		-	0.32
Deferred tax		(26.73)	(9.42)
Income-tax expense		**48.89**	**35.68**
Profit for the year		**102.17**	**75.29**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(0.39)	(1.26)
Income tax effect		0.10	0.37
Total comprehensive income for the year		**101.88**	**74.40**
Earnings per share (equity share, face value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic (Rs.) (EPS)	28	2.57	2.48
Diluted (Rs.) (DPS)	28	2.53	2.41
Nominal value		10.00	10.00
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Bharath N S
Partner
Membership No 210934

Place: Chennai
Date: May 21, 2021

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

Company Secretary
M. No. : F3923

Chief Financial Officer

Place: New Delhi
Date: May 21, 2021

Satya MicroCapital Limited
Cash Flow Statement for the year ended March 31, 2021

(₹ in lakhs, unless otherwise stated)

	For year ended March 31, 2021	For year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	241.06	110.77
Adjustments for:		
Depreciation and amortisation	27.86	26.43
Share based payment to employees	9.50	12.43
Provision for gratuity and leave encashment	11.84	7.13
Re-measurement gains/(losses) on defined benefit plans	(0.39)	(1.20)
Impairment of financial instruments	359.58	99.50
Net gain on derecognition of financial instruments under amortised cost category	(108.01)	(96.50)
Interest income	(2,464.99)	(1,973.52)
Interest expense	1,228.12	1,139.88
	(875.74)	**(685.39)**
Operating cash flows on account of:		
Interest income	2,199.06	1,776.29
Interest expense	(1,306.84)	(1,174.66)
Lease rental reversed upon implementation of Ind AS 116	(4.83)	(5.27)
Operating profit before working capital changes	**9.66**	**(89.12)**
Movement in working capital:		
Increase/(decrease) in other financial liabilities	428.60	(91.48)
Increase/(decrease) in other non-financial liabilities	40.56	(12.69)
(Increase)/Decrease in bank balances other than cash and cash equivalents	(493.41)	849.16
Increase in trade receivables	(85.33)	(8.74)
Increase in loan portfolio	(2,874.14)	(2,967.92)
Decrease/(Increase) in other financial assets	80.25	(6.28)
Increase in other non-financial assets	(55.69)	(43.94)
Cash used in operations	**(2,971.85)**	**(2,371.01)**
Income tax paid	(42.28)	(88.67)
Net cash used in operating activities (A)	**(3,014.13)**	**(2,459.68)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(39.24)	(40.39)
Purchase of intangible assets	(0.45)	(0.57)
Net cash used in investing activities (B)	**(39.69)**	**(40.96)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)*	1,532.63	599.52
Issue of compulsorily convertible preference shares (including securities premium)	682.50	362.50
Net proceeds from borrowings#	2,076.10	1,348.40
Net cash from financing activities (C)	**4,291.23**	**2,610.37**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**1,217.31**	**109.63**
Cash and cash equivalents at the beginning of the year	471.83	362.20
Cash and cash equivalents at the end of the year (refer note 6)	**1,689.14**	**471.83**
Components of cash and cash equivalents as at the end of period		
Cash on hand	14.42	8.81
Balance with banks - on current account	1,454.70	460.52
Deposits with original maturity of less than or equal to 3 months	220.02	2.50
Total cash and cash equivalents	**1,689.14**	**471.83**

* Net of amount recoverable from Satya Employee Welfare Trust
Represents net proceeds from debt securities, borrowings (other than debt securities) and subordinated liabilities
For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 46

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Bhavesh N.S
Partner
Membership No: 210944

Place: Chennai
Date: May 21, 2021

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

Vinod Tiwari
Managing Director, CEO & CFO
DIN: 02174160

Rakesh Tiwari
Director
DIN: 07131331

Arun Jain
Company Secretary
M. No. F3923

Sudhir Sharma
Chief Financial Officer

Place: New Delhi
Date: May 21, 2021

Satya Microcapital Ltd.
New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Satya MicroCapital Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Satya MicroCapital Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 46 of the financial statement which describes the extent to which CoVID-19 Pandemic impacts the Company's operations and financial results will depend on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

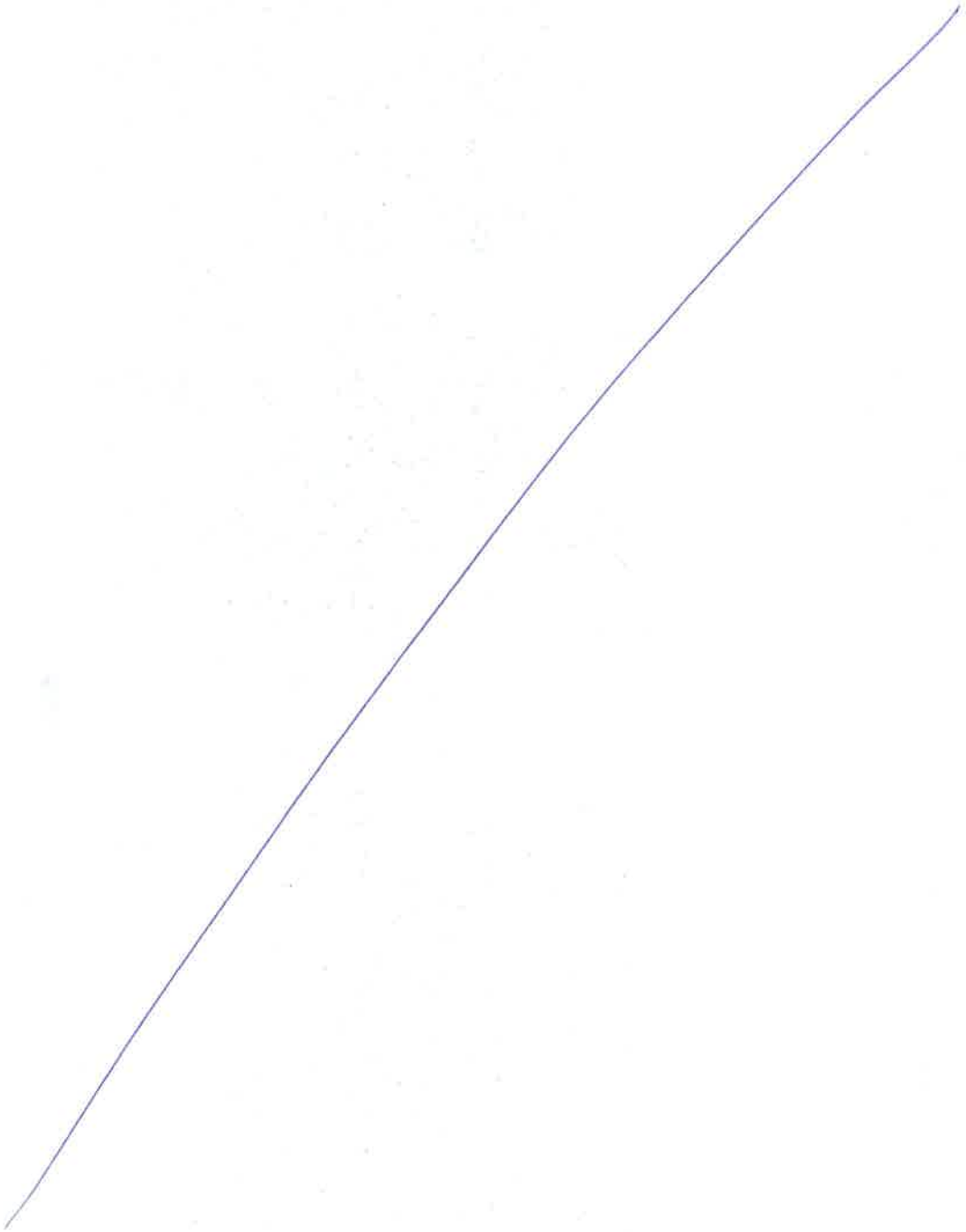
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial instruments (including provision for expected credit losses) *(as described in note 3(c) of the Ind AS financial statements)*	
Ind AS 109 requires the Company to provide for impairment of its loan	• Our audit procedures included considering the Company's accounting policies for impairment of loan

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Satya Microcapital Ltd.
New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
receivables (financial assets) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial assets 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 this 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) Determining effect of less frequent past events on future probability of default.** **Additional considerations on account of CoVID-19** Pursuant to the Reserve Bank of India circular dated March 27, 2020 ("RBI circular") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and May 31, 2020 read with advisory issued by the Microfinance Institutions Network dated March 30, 2020 ("MFIN advisory"), the Company has extended a moratorium to its borrower in accordance with its Board approved policy as described in Note 7.1. As per the guidance from ICAI, extension of the moratorium to borrowers by itself is not considered to result in a SICR for a borrower, however the entity needs to evaluate whether the borrowers to which moratorium is granted will remain regular once the moratorium period gets over. The Company has recorded a macroeconomic overlay of Rs.25.51Mn as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (CoVID-19) pandemic. Given the unique nature and scale of the economic impact of CoVID pandemic, its timing being close to the	receivables and assessing compliance with the policies in terms of Ind AS 109. • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and MFIN advisory and tested the implementation of such policy on a sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation.

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Satya MicroCapital Ltd. New Delhi

Key audit matters	How our audit addressed the key audit matter
year-end, and no reliable data being available regarding the impact of various regulatory packages, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government. **Given the high degree of management's judgement involved in estimation of ECL, accentuated by the considerations for CoVID-19 related developments, it is an area of material uncertainty and a key audit matter.**	
(b) Transition to Ind AS accounting framework *(as described in note 35 of the Ind AS financial statements)*	
In accordance with the roadmap for implementation of Indian Accounting Standards (Ind AS) for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP"). In order to give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS. The transition has involved significant changes in the Company's financial reporting policies and processes, including generation of reliable and supportable financial information. Further, the management has exercised significant judgement for giving an appropriate effect of the first-time adoption principles of Ind AS 101, as at transition date and to	• Read the Ind AS impact assessment performed by the management and the resultant changes made to the accounting policies considering the requirements of the new framework. • Assessed the judgement exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of assets and liabilities existing as at transition date. • Read changes made to accounting policies in light of the requirements of the new framework. • We understood the financial statement closure process and the additional controls (including IT controls) established by the Company for transition to Ind AS. • Assessed the judgement applied by the Company in determining its business model for classification of financial assets. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Assessed the judgements applied by the Company in respect of areas where the accounting treatment adopted or the disclosures made under the new accounting framework were inconsistent with the extant RBI Directions. • Assessed disclosures prescribed under Ind AS

Key audit matters	How our audit addressed the key audit matter
determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under Reserve Bank of India (RBI) directions, to the extent applicable. In view of the material impact and complexities and significant judgement involved in implementing Ind AS, we have focused on this area in our audit.	
(c) IT systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting: • Tested the design and operating effectiveness of IT access controls over the information systems. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Where deficiencies were noted, we tested the design and operating effectiveness compensating controls and, where necessary, extended the scope of our substantive audit procedures.

Other Information

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 Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.





Responsibilities of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 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 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and

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Satya MicroCapital Ltd. New Delhi

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 Ind AS financial statements for the financial year ended March 31, 2020 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, 2016 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094588

UDIN: 20094533AAAACV3303
Gurugram
May 20, 2020

Satya MicroCapital Ltd. New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Satya MicroCapital Limited

Annexure referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Satya MicroCapital Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(C) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3 (ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

S.R. BATLIBOI & ASSOCIATES LLP

Satya MicroCapital Ltd. New Delhi

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533

UDIN: 20094533AAAACV3303
Gurugram
May 20, 2020

Satya MicroCapital Ltd. New Delhi

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Satya MicroCapital Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these financial statements was 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these 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

Satya MicroCapital Ltd. New Delhi

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 Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533

UDIN : 20094533AAAACV3303
Gurugram
May 20, 2020

Satya Microcapital Ltd. New Delhi

Satya MicroCapital Limited
Balance Sheet as at March 31, 2020

(Rupees in millions unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	4	471.83	362.20	113.40
Bank balances other than cash and cash equivalents	5	983.78	1,830.94	507.19
Trade receivables	6	22.29	13.55	13.94
Loan portfolio	7	9,172.52	6,054.91	2,142.06
Investments	8	-	-	1.88
Other financial assets	9	113.70	107.42	53.51
Total financial assets		10,762.12	8,369.02	3,129.98
Non-financial assets				
Current tax assets (net)	10	62.92	12.84	7.58
Deferred tax assets (net)	11	45.31	42.02	27.75
Property, plant and equipment	12	43.76	26.02	19.17
Intangible assets	12	0.75	0.61	0.79
Other non-financial assets	13	120.34	22.79	9.37
Total non-financial assets		273.08	104.28	64.66
Total assets		11,035.20	8,473.30	3,194.64
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Debt securities	14	2,425.84	1,624.32	249.97
Borrowings (other than debt securities)	14	6,678.97	5,674.52	2,571.80
Subordinated liabilities	14	125.72	125.50	100.57
Other financial liabilities	15	60.54	152.02	12.39
Total financial liabilities		9,291.07	7,576.36	2,934.73
Non-financial liabilities				
Provisions	16	13.40	6.22	3.42
Other non-financial liabilities	17	13.04	25.73	25.78
Total non-financial liabilities		26.44	31.95	29.20
EQUITY				
Equity share capital	18	304.47	257.54	128.08
Other equity	19	1,413.22	607.45	102.63
Total equity		1,717.69	864.99	230.71
Total liabilities and equity		11,035.20	8,473.30	3,194.64
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Amit Kabra
Partner
Membership No.094533

Place: Gurugram
Date: May 20, 2020

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

Vivek Tiwari
Managing Director and CEO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Rachna Khandelwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Statement of Profit and Loss for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

	Notes	For year ended March 31, 2020	For year ended March 31, 2019
Revenue from operations			
Interest income	20	1,975.52	977.93
Fee and commission income	21	14.96	11.29
Net gain on derecognition of financials instruments under amortised cost category	22	96.56	15.60
Total revenue from operations		2,085.04	**1,004.82**
Other income	23	1.09	12.25
Total income		2,086.13	**1,017.07**
Expenses			
Finance cost	24	1,159.04	602.47
Impairment on financial instruments	25	99.27	41.87
Employee benefits expense	26	473.16	234.18
Depreciation and amortization expense	12	26.43	16.00
Other expenses	27	217.26	125.97
Total expenses		1,975.16	1,020.49
Profit before tax		**110.97**	**(3.42)**
Tax expense:	28		
Current year tax		44.78	**13.56**
Earlier year tax		0.32	-
Deferred tax		(9.42)	(14.35)
Income-tax expense		35.68	(0.79)
Profit for the year		75.29	(2.63)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(1.26)	0.30
Income tax effect		0.37	(0.08)
Total comprehensive income for the year		74.40	(2.41)
Earnings per share (equity share, face value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic (Rs.) (EPS)	29	2.48	**(0.12)**
Diluted (Rs.) (DPS)	29	2.43	**(0.12)**
Nominal value		10.00	**10.00**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Amit Kabra
Partner
Membership No.094533

S.R. BATLIBOI & ASSOCIATES LLP

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

Vivek Tiwari
Managing Director and CEO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Rachna Khaitwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Satya MicroCapital Ltd. New Delhi

Satya MicroCapital Limited
Cash Flow Statement for the year ended March 31, 2020

(Rupees in million unless otherwise stated)

	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	(10.97)	(3.47)
Adjustments for:		
Depreciation and amortization	26.43	16.60
Share based payment to employees	11.43	0.22
Provision for gratuity and leave encashment	7.18	2.80
Remeasurement gains/(losses) on defined benefit plans	(1.26)	0.36
Impairment of financial instruments	90.50	40.22
Net gain on derecognition of financials instruments under amortised cost category	(96.56)	(15.00)
Interest income	(1,973.52)	(977.93)
Interest expense	1,139.44	598.13
	(685.39)	(339.27)
Operating cash flows on account of:		
Interest income	1,776.29	882.88
Interest expense	(1,174.65)	(693.20)
Lease rental reversed upon implementation of Ind AS 116	(5.33)	(4.07)
Operating profit before working capital changes	**(89.12)**	**(63.66)**
Movements in working capital		
Increase/(decrease) in other financial liabilities	(91.48)	139.93
Increase/(decrease) in other non-financial liabilities	(12.69)	(6.05)
(Increase)/decrease in bank balances other than cash and cash equivalents	849.16	(1,323.75)
(Increase)/decrease in trade receivables	(8.74)	(1.61)
(Increase)/decrease in loan portfolio	(2,967.92)	(3,849.85)
(Increase)/decrease in other financial assets	(6.28)	(33.91)
(Increase)/decrease in other non-financial assets	(43.94)	(6.01)
Cash used in operations	**(2,371.01)**	**(5,159.31)**
Income tax paid	(88.67)	(18.82)
Net cash used in operating activities (A)	**(2,459.68)**	**(5,178.03)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(40.39)	(21.58)
Purchase of intangible assets	(0.57)	(0.38)
Proceeds from derecognition of property, plant and equipment	-	1.19
Proceeds from sale of investments	-	1.85
Net cash used in investing activities (B)	**(40.96)**	**(18.89)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)*	399.37	636.47
Issue of compulsorily convertible preference shares (including securities premium)	367.50	-
Net proceeds from borrowings#	1,843.40	4,509.25
Net cash from financing activities (C)	**2,610.27**	**5,145.72**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**109.63**	**(51.20)**
Cash and cash equivalents at the beginning of the year	362.20	413.40
Cash and cash equivalents at the end of the year (refer note 4)	**471.83**	**362.20**
Components of cash and cash equivalents as at the end of period		
Cash on hand	8.81	7.86
Balance with banks - on current account	460.52	351.83
Deposits with original maturity of less than or equal to 3 months	2.50	2.51
Total cash and cash equivalents	**471.83**	**362.20**

* Net of amount recoverable from Satya Employee Welfare Trust
Represents net proceeds from debt securities, borrowings (other than debt securities) and subordinated liabilities.
For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 42

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

per Amit Kabra
Partner
Membership No 094533

Place: Gurugram
Date: May 20, 2020

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

Vivek Tiwari
Managing Director and CEO
DIN 02174160

Ratnesh Tiwari
Director
DIN 07131331

Rachna Khanna
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Satya MicroCapital Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakh)
Issue Date / Date of Allotment	Issue Opening Date: October 19, 2022 Issue Closing Date: October 19, 2022 Payin date- October 20, 2022 Deemed Date of Allotment: October 20, 2022
Redemption Date / Maturity Date	Redemption Date / Maturity Date: Series A Debentures: October 20, 2024 that is 24 months from the Deemed Date of Allotment Series B: October 20, 2025 that is 36 months from Deemed Date of Allotment
Coupon Rate	means Series A: 12.00% (twelve percent) Series B: 12.75% (twelve decimal seven five percent)
Frequency of the Coupon Payment with specified dates	Coupon payable monthly First Coupon on October 20, 2022 and subsequently on 14th of each month until Maturity Date (subject to Business Day Convention).
Day Count Convention	Actual/Actual

Series A:

Period (Months)	Interest/Principal Payment Dates	Principal Repayment Per Bond	Interest Payment Per Bond	Total Cashflows
0	20-Oct-22	(10,00,000)		
1	20-Nov-22	41,666.67	10,191.78	51,858.45
2	20-Dec-22	41,666.67	9,452.05	51,118.72
3	20-Jan-23	41,666.67	9,342.47	51,009.13
4	20-Feb-23	41,666.67	8,917.81	50,584.47
5	20-Mar-23	41,666.67	7,671.23	49,337.90
6	20-Apr-23	41,666.67	8,068.49	49,735.16
7	20-May-23	41,666.67	7,397.26	49,063.93
8	20-Jun-23	41,666.67	7,219.18	48,885.84
9	20-Jul-23	41,666.67	6,575.34	48,242.01
10	20-Aug-23	41,666.67	6,369.86	48,036.53
11	20-Sep-23	41,666.67	5,945.21	47,611.87
12	20-Oct-23	41,666.67	5,342.47	47,009.13
13	20-Nov-23	41,666.67	5,095.89	46,762.56
14	20-Dec-23	41,666.67	4,520.55	46,187.21
15	20-Jan-24	41,666.67	4,234.97	45,901.64
16	20-Feb-24	41,666.67	3,811.48	45,478.14
17	20-Mar-24	41,666.67	3,169.40	44,836.07

Satya MicroCapital Ltd. New Delhi

18	20-Apr-24	41,666.67	2,964.48	44,631.15
19	20-May-24	41,666.67	2,459.02	44,125.68
20	20-Jun-24	41,666.67	2,117.49	43,784.15
21	20-Jul-24	41,666.67	1,639.34	43,306.01
22	20-Aug-24	41,666.67	1,270.49	42,937.16
23	20-Sep-24	41,666.67	846.99	42,513.66
24	20-Oct-24	41,666.67	409.84	42,076.50

Series B:

Period (Months)	Interest/Principal Payment Dates	Principal	Interest	Total
0	20-Oct-22	10,00,000.00		
1	20-Nov-22	27,777.78	10,828.77	38,606.54
2	20-Dec-22	27,777.78	10,188.36	37,966.13
3	20-Jan-23	27,777.78	10,227.17	38,004.95
4	20-Feb-23	27,777.78	9,926.37	37,704.15
5	20-Mar-23	27,777.78	8,694.06	36,471.84
6	20-Apr-23	27,777.78	9,324.77	37,102.55
7	20-May-23	27,777.78	8,732.88	36,510.65
8	20-Jun-23	27,777.78	8,723.17	36,500.95
9	20-Jul-23	27,777.78	8,150.68	35,928.46
10	20-Aug-23	27,777.78	8,121.58	35,899.35
11	20-Sep-23	27,777.78	7,820.78	35,598.55
12	20-Oct-23	27,777.78	7,277.40	35,055.18
13	20-Nov-23	27,777.78	7,219.18	34,996.96
14	20-Dec-23	27,777.78	6,695.21	34,472.98
15	20-Jan-24	27,777.78	6,599.50	34,377.28
16	20-Feb-24	27,777.78	6,299.52	34,077.30
17	20-Mar-24	27,777.78	5,612.48	33,390.26
18	20-Apr-24	27,777.78	5,699.57	33,477.35
19	20-May-24	27,777.78	5,225.41	33,003.19
20	20-Jun-24	27,777.78	5,099.61	32,877.39
21	20-Jul-24	27,777.78	4,644.81	32,422.59
22	20-Aug-24	27,777.78	4,499.66	32,277.44
23	20-Sep-24	27,777.78	4,199.68	31,977.46
24	20-Oct-24	27,777.78	3,773.91	31,551.68
25	20-Nov-24	27,777.78	3,599.73	31,377.50
26	20-Dec-24	27,777.78	3,193.31	30,971.08
27	20-Jan-25	27,777.78	3,007.99	30,785.77
28	20-Feb-25	27,777.78	2,707.19	30,484.97

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29	20-Mar-25	27,777.78	2,173.52	29,951.29
30	20-Apr-25	27,777.78	2,105.59	29,883.37
31	20-May-25	27,777.78	1,746.58	29,524.35
32	20-Jun-25	27,777.78	1,504.00	29,281.77
33	20-Jul-25	27,777.78	1,164.38	28,942.16
34	20-Aug-25	27,777.78	902.40	28,680.18
35	20-Sep-25	27,777.78	601.60	28,379.38
36	20-Oct-25	27,777.78	291.10	28,068.87

*************CASH FLOWS****************



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE VII: DUE DILIGENCE CERTIFICATES

CATALYST
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CTL/22-23/4424

(Annexure A)

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM
(Applicable for Secured and Unsecured Issuances)

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001.

Dear Sir / Madam,

SUB.: ISSUE OF UP TO 450 (FOUR HUNDRED AND FIFTY) RATED, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE, TRANSFERABLE, NON-CONVERTIBLE DEBENTURES EACH HAVING A FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) OF THE AGGREGATING TO RS. 45,00,00,000/- (RUPEES FORTY- FIVE CRORE) INCLUSIVE OF GREEN SHOE OPTION OF 350 (THREE HUNDRED FIFTY) RATED, SENIOR, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF INR. 10,00,000/- (INDIAN RUPEES TEN LAKH ONLY) EACH AGGREGATING TO INR. 35,00,00,000 (THIRTY-FIVE CRORES) ("GREEN SHOE OPTION") ON A PRIVATE PLACEMENT BASIS BY SATYA MICROCAPITAL LIMITED (THE "COMPANY" OR "ISSUER") IN ONE OR MORE SERIES/TRANCHES AT PAR COMPRISING OF:

A) 200 (TWO HUNDRED) SECURED, UNSUBORDINATED, RATED, LISTED, REDEEMABLE AND NON-CONVERTIBLE DEBENTURES EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKHS ONLY) AGGREGATING TO INR 20,00,00,000 (INDIAN RUPEES TWENTY CRORES ONLY) INCLUSIVE OF GREEN SHOE OPTION OF 150 (ONE HUNDRED FIFTY) RATED, SENIOR, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF INR. 10,00,000/- (INDIAN RUPEES TEN LAKH ONLY) EACH AGGREGATING TO INR. 15,00,00,000 (INDIAN RUPEES FIFTEEN CRORES) ("SERIES A DEBENTURES") AND

B) 250 (TWO HUNDRED AND FIFTY) SECURED, UNSUBORDINATED, RATED, LISTED, REDEEMABLE AND NON-CONVERTIBLE DEBENTURES EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKHS ONLY) AGGREGATING TO INR 25,00,00,000 (INDIAN RUPEES TWENTY-FIVE CRORES ONLY) INCLUSIVE OF GREEN SHOE OPTION OF 200 (TWO HUNDRED) RATED, SENIOR, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF INR. 10,00,000/- (INDIAN RUPEES TEN LAKH ONLY) EACH AGGREGATING TO INR. 20,00,00,000 (INDIAN RUPEES TWENTY CRORES) ("SERIES B DEBENTURES").

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

CATALYST TRUSTEESHIP LIMITED
Mumbai Office: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098. Tel: +91 (022) 4922 0555. Fax: +91 (022) 4922 0505
Regd. Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038. Tel: +91 (020) 25280081. Fax: +91 (020) 25290275
Delhi Office: Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001. Tel: 11 430 29101/02
CIN No. U74999PN1997PLC107262. Email: dldcell@ctltrustee.com. Website: www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

Satya Microcapital Ltd. New Delhi

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2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.

d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.

g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai
Date: October 10,2022

For Catalyst Trusteeship Limited

Authorised Signatory

Satya Micro Capital Ltd. New Delhi

ANNEXURE VIII: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE AGREEMENT

Attached separately.



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE IX: IN-PRINCIPLE APPROVAL RECEIVED FROM BSE

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

DCS/COMP/MJ/IP-PPDI/374/22-23 October 14, 2022

SATYA MICROCAPITAL Ltd
519, 5th Floor, DLF Prime Towers,
Okhla Industrial Area, Phase I,
Delhi, South Delhi - 110020

Dear Sir,

Re: Private Placement of up to 450 rated, listed, unsubordinated, secured, redeemable, transferable, Non-Convertible Debentures each having a face value of Rs. 10 Lakh aggregating to Rs. 45 Crore inclusive of Green Shoe Option of 350 rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of Rs. 10 Ten Lakh only) each aggregating to Rs. 35 Crores) ("Green Shoe Option") in one or more series/tranches at par comprising of:

A. 200 secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of Rs 10 Lakhs Only aggregating to Rs. 20 Crores Only inclusive of Green Shoe Option of 150 rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of Rs. 10 Lakh only each aggregating to Rs. 15 Crores) ("Series A Debentures") and

B. 250 secured, unsubordinated, rated, listed, redeemable and non-convertible debentures each having a face value of Rs 10 Lakhs Only aggregating to Rs.25 Crores Only inclusive of Green Shoe Option of 200 rated, senior, listed, unsubordinated, secured, redeemable non-convertible debentures of the face value of Rs. 10 Lakh only each aggregating to Rs. 20 Crores) ("Series B Debentures") (THE "ISSUE").

We acknowledge receipt of your application on the online portal on October 06, 2022 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

Satya MicroCapital Ltd. New Delhi

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T: +91 22 2272 8045 / 8055 F: +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com)

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. ***Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.***

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, which ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,

For BSE Limited

Sd/-
Rupal Khandelwal
Assistant General Manager

Sd/-
Raghavendra Bhat
Deputy Manager

Satya Micro Capital Ltd. New Delhi

S&P BSE SENSEX

ANNEXURE X: LENDING POLICY

SATYA has chosen Group Lending (GL) Product through its leadership expertise and based on this model's appreciable characteristics:

- Group Lending Model ensures better credit appraisal, and it also helps in reducing transactional cost
- This model compliments SATYA's essence of TRUST. Group Lending unites the economically active section with each other and enhances their trustworthiness towards their financial institution and between group members.
- On a common platform, Group Lending Model appraises TRANSPARENCY; they all take the loan collectively and then together they repay it. All through, right from the process of village selection to client selection to loan disbursal Satya staff sticks to transparency (one of organization's five core values) by sharing to clients with full clarity the various features of product and terms and conditions of repayment
- Through Group TRAINING and Meetings, together SATYA staff share with clients their social experiences and educate them on relevant topics such as financial literacy (income, expenditure, saving, Investment, etc.) and raise awareness about socially uplifting topics like Nasha Bandi and sanitation and hygiene (Swachh Bharat movement).

In India, Microfinance has the main practice of **Joint Liability Group (JLG)**, wherein borrowers come together to form a group and take the responsibility of repaying the loan of each other member in case of default by any of the members in the group. In such a scenario, the responsibility of the financially disciplined members is extended to a large extent in case the group has few clients who are intentional defaulters. This puts additional financial pressure on the disciplined clients and at times, such good clients also default in repayment due to extended financial obligations. So, the existing JLG model has this limitation that good clients face pressure due to few deliberate defaulting clients in the group.
Satya has adopted **Joint Liability Group** model of microfinance with **Limited Liability** suiting the local context. In Satya, Joint Liability Group Loan is hereinafter referred as **Limited Liability Group Loan (LLG)**.

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ANNEXURE XI- ALM STATEMENTS

NOT APPLICABLE

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ANNEXURE XII: BOARD RESOLUTION OF THE ISSUER AND RESOLUTION OF WORKING COMMITTEE OF BOARD

SATYA MicroCapital Ltd.

EXTRACTS OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF SATYA MICROCAPITAL LIMITED (THE "COMPANY") HELD ON THURSDAY, 19TH DAY OF MAY, 2022 AT 13:00 PM MUT (12:30 PM IST) AT HILTON MAURITIUS RESORT, WOLMAR, COASTAL ROAD MU, FLIC EN FLAC 90503, MAURITIUS.

"RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "Act"), the Foreign Exchange Management Act, 1999, (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "**Stock Exchanges**") where the securities of the Company may be listed and subject to such approvals, consents, permissions and sanctions as may be required from any statutory/regulatory authority, the approval of the Board be and is hereby accorded for:

(a) issue and allotment of non-convertible debentures (i) listed or unlisted, (ii) senior secured, (iii) senior unsecured, (iv) unsecured, (v) subordinated, (vi) any others (including market linked debentures), as may be determined, and which may or may not be rated (as may be determined), of such face value as may be determined up to the aggregate amount of INR 500,00,00,000 (Indian Rupees Five Hundred Crores) ("**Debentures**") in one or more tranches/issues ("**Tranches/Issues**"), at such interest rate as may be determined, payable at such frequency as may be determined, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for such maturity (subject to applicable law) as may be determined, on a private placement basis to eligible investors (including without limitation, any banks, financial institutions, mutual funds, foreign portfolio investors, individuals, or any other persons/entities in accordance with applicable law) ("**Investors**") for raising debt for such purposes as may be determined; and

(b) securing the amounts to be raised pursuant to the issue of Debentures or any Tranche/Issue together with all interest and other charges thereon (up to such limits and security cover as may be agreed and within such timelines as may be agreed) by one or more of the following (i) hypothecation of certain identified loans/book debts, and/or any other assets of the Company, and/or (ii) such other security or contractual comfort (including personal and/or corporate guarantees) as may be required in terms of the issuance of the Debentures or any Tranche/Issue (the "**Security**")."

"RESOLVED FURTHER THAT the working committee of the board of directors ("**Committee**") is hereby empowered (in addition to any powers that the Committee presently has or may have from time to time), within the overall ambit of the resolutions set out herein, to (a) consider and approve the particular terms of each Tranche/Issue to more effectively implement any of the resolutions of the Board set out herein, (b) consider and approve any terms or modifications thereof for any Tranche/Issue, (c) direct any officers of the Company to do such things and to take such actions as the Company is entitled to do or take (as the case may be) in terms of the resolutions set out herein, and

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(d) generally do or to take any action, deed, or things, as may be necessary to remove any difficulties or impediments to the effective implementation of the resolutions set out herein."

"RESOLVED FURTHER THAT Mr. Vivek Tiwari, Managing Director, CEO & CIO, Mr. Sanjay Goel, Deputy CFO and Mr. Choudhary Ranveer Krishanan, Company Secretary & Chief Compliance Officer of the Company or such other persons as may be authorised by the Board or the Committee (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures, including, without limitation the following:

(a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;

(b) executing the term sheet in relation to the Debentures or any Tranche/issue of the Debentures;

(c) negotiating, approving and deciding the terms of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and all other related matters (including but not limited to, the amounts proposed to be raised, the Security proposed to be provided by the Company, the rate of interest, the terms of repayment and the end use);

(d) if required by the holders of the Debentures or any Tranche/issue of the Debentures (the "**Debenture Holders**"), seeking the listing of any of the Debentures or any Tranche/Issue of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;

(e) (If so required) issuing the Debentures or any Tranche/Issue of the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect, and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider";

(f) (if so required) creating and maintaining a recovery expense fund with the relevant Stock Exchanges in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "*Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"*" issued by SEBI;

(g) (if so required) providing such information or documents to the debenture trustee in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*" issued by SEBI;

(h) (if so required) providing such information/disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the requirements of the circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" issued by SEBI;

(i) approving the debt disclosure document/placement memorandum and the private placement

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

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offer cum application letter (as may be required) (including amending, varying or modifying such documents, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(j) finalising the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository and such other intermediaries including their successors and their agents, as may be required in relation to the issue, offer and allotment of Debentures or any Tranche/Issue of the Debentures;

(k) finalising the terms of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;

(l) entering into arrangements with the depository in connection with the issue, offer and allotment of Debentures or any Tranche/Issue of the Debentures in dematerialised form;

(m) creating and perfecting the Security as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;

(n) finalising the deemed date of allotment of the Debentures or any Tranche/Issue of the Debentures;

(o) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and dealing with regulatory authorities in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest and such other authorities as may be required;

(p) to execute all documents with, file forms with and submit applications to any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest or any depository;

(q) to sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;

(r) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) the debt disclosure document/placement memorandum and the private placement offer cum application letter for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures (as may be required) (the "**Disclosure Documents**");

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(h) the debenture trust deed, the debenture trustee agreement, the deed of hypothecation and any other documents required for the creation of security interest over the Company's movable properties and the providing of any other Security, or the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures (including any power(s) of attorney in connection thereto) and any other document in relation thereto ((i) and (ii) above are collectively referred to as the "**Transaction Documents**");

(iii) the debenture certificate(s) for the Debentures or any Tranche/Issue of the Debentures (if required);

(iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(v) any other document designated as a Transaction Document by the relevant debenture trustee/Debenture Holders;

(s) to pay stamp duty required to be paid for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures in accordance with the laws of India;

(t) to do all acts necessary for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures in accordance with the terms set out in the Disclosure Documents and the Transaction Documents; and

(u) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable in relation to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest and other relevant governmental authorities."

"**RESOLVED FURTHER THAT** any one of the Authorised Persons be and are hereby severally authorised to record the name of the Debenture Holders in the register of debenture holders and to undertake such other acts, deeds and things as may be required to give effect to the Issuance and allotment of the Debentures or any Tranche/Issue of the Debentures and the listing of the Debentures or any Tranche/Issue of the Debentures if and as and when required by the Debenture Holders."

"**RESOLVED FURTHER THAT** the Company be and is hereby authorised to maintain any bank account(s) with such bank(s) in India as may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and that any one of Authorised Persons, be and are hereby severally authorised to sign and execute any form(s) and other documents required for opening the said account(s), to operate such account(s), and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that such bank(s) be and is/are hereby has been duly authorised to honour all cheques and other negotiable instruments drawn,

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...signed or endorsed and instructions given by the aforesaid Authorised Persons on behalf of the Company."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent of the Company, as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures."

"**RESOLVED FURTHER THAT** the Board hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures."

"**RESOLVED FURTHER THAT** the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of any director(s) of the Company and/or any Authorised Person and/or the Company Secretary of the Company and/or any one or more of them in accordance with the Articles of Association of the Company who shall sign/countersign the same in token thereof."

"**RESOLVED FURTHER THAT** the copies of the foregoing resolutions certified to be true copies by any director or the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

For SATYA MicroCapital Limited

New Delhi

Choudhary Runveer Krishan
Company Secretary & Chief Compliance **Officer**
Membership No.: F 7437

Satya MicroCapital Ltd. New Delhi

RESOLUTION OF WORKING COMMITTEE OF BOARD

SATYA MicroCapital Ltd.

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE WORKING COMMITTEE OF THE BOARD OF DIRECTORS ("THE COMMITTEE") OF SATYA MICROCAPITAL LIMITED (THE "COMPANY") HELD ON MONDAY, SEPTEMBER 19, 2022, AT 10:30 A.M. AT REGISTERED OFFICE 519, 5TH FLOOR, DLF PRIME TOWERS, OKHLA INDUSTRIAL AREA, PHASE-1, DELHI-110020, INDIA

ISSUANCE OF RATED, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE, TRANSFERABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES ("NCDS" OR "DEBENTURES") AGGREGATING UP TO RS. 45 CRORES IN TWO SERIES ON A PRIVATE PLACEMENT BASIS TO NORTHERN ARC CAPITAL LIMITED.

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "**Act**"), the Foreign Exchange Management Act, 1999 (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "**Stock Exchanges**") where the securities of the Company may be listed, and subject to such approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities, the approval of the Board be and is hereby accorded for (a) issue and allotment of 450 (four hundred and fifty) rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures ("NCDs" or "Debentures") denominated in Indian Rupees ("**INR**") each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of INR 45,00,00,000 (Indian Rupees Forty Five Crore) or such other number of debentures, face value, interest rate and amount as may be determined ("**Debentures**"), net of withholding tax, or such other interest rate as may be agreed, payable semi-annually or at such other interest periods as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, in dematerialised form, on private placement basis to identified persons for the purposes of Section 42 of the Act) ("**Investors**") for raising debt to augment the long-term resources of the company, & to meet working capital requirement and for such other purposes as may be agreed with the Investor, and securing the amounts to be raised pursuant to the issue of the Debentures together with all interest and other charges thereon (up to such limits and security cover as may be agreed) by hypothecation of certain identified receivables (and/or other assets) of the Company (the "**Security**").

Issue size (INR)	INR 45,00,00,000/- (Indian Rupees Forty-Five Crores only) Series A: 5,00,00,000/- (Indian Rupees five Crores only) with a green shoe option of up to 15 crores Series B: 5,00,00,000/- (Indian Rupees Five Crores only) with a green shoe option of up to 20 crores

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Coupon Rate	Series A: 12.00% (twelve percent) Series B: 12.75% (twelve decimal seven five percent)
Coupon Payment Frequency	Monthly
Principal Repayment	Series A: October 20, 2024 Series B: October 20, 2025
Tenor	Series A: 24 months Series B: 36 months
Security	The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables (**"Hypothecated Receivables"/"Hypothecated Assets"**), value of security at all times equal to 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) the aggregate amount of principal outstanding of the NCDs.
Debenture Trustee	Catalyst Trusteeship Limited
Investor	Northern Arc Capital Limited

RESOLVED FURTHER THAT Mr. Vivek Tiwari, Managing Director, Chief Executive Officer and Chief Information Officer, Mr. Sanjay Goel, Deputy Chief Financial Officer and Choudhary Runveer Krishanan, Company Secretary & Chief Compliance Officer of the Company (**"Authorised Signatories/Persons"**), be and are hereby severally authorized to do such acts, deed and things, as they deem necessary or desirable in connection with the issue, creation of security, offer and allotment of the Debentures, including without limitation to:

(a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;

(b) executing the term sheet in relation to the Debentures;

(c) negotiating, approving and deciding the terms of the issue of the Debentures and all other related matters;

(d) seeking the listing of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;

(e) (if so required) issuing the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect, and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider";

(f) (if so required) creating and maintaining a recovery expense fund with the relevant Stock Exchanges in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on *"Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund""* read with circular no: SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 setting out "Revised format of security cover certificate, monitoring and revision in timelines and issued by SEBI;

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(g) providing such information or documents to the debenture trustee in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on *"Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)"*, SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 (Monitoring and Disclosures by Debenture Trustee(s)) and dated November 12, 2020 read with circular no: SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 setting out "Revised format of security cover certificate, monitoring and revision in timelines and issued by SEBI;

(h) providing such information/disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the requirements of the circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on *"Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper"* issued by SEBI;

(i) approving the placement memorandum/ and the private placement offer cum application letter ("**Disclosure Documents**") (including amending, varying or modifying the Disclosure Documents, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(j) finalising the terms and conditions of the appointment of an arranger, a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, the depository(ies) and such other intermediaries including their successors and their agents, as may be required for the issue, offer and allotment of the Debentures;

(k) finalising the terms of the issue, offer and allotment of the Debentures;

(l) entering into arrangements with the depository(ies) in connection with the issue, offer and allotment of the Debentures in dematerialised form;

(m) creating and perfecting the Security as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures;

(n) finalising the deemed date of allotment of the Debentures and credit the Debentures to the demat account of the Investors within timelines as per applicable regulations ;

(o) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and dealing with regulatory authorities in connection with the issue, offer and allotment of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository(ies), and such other authorities as may be required;

(p) to execute all documents with, file forms with and submit applications to any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, Central Registry of Securitisation Asset Reconstruction and Security Interest or any depository(ies);

(q) sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;

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(r) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

i. the Disclosure Documents for the issue, offer and allotment of the Debentures;

ii. the debenture trust deed, the debenture trustee agreement, the deed of hypothecation, and any other documents required for the creation of security interest over the Company's movable properties and assets, or the issue, offer and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto ((i) and (ii) above are collectively referred to the "**Transaction Documents**");

iii. debenture certificate for the Debentures;

iv. any other documents required for the purposes of the issue, offer and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

v. any other document designated as a Transaction Document by the debenture trustee/holders of the Debentures;

(s) do all acts necessary for the issue, offer and allotment of the Debentures in accordance with the terms set out in the Disclosure Documents and the Transaction Documents; and

(t) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable with regard to the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or the depository(ies), and/or any other relevant governmental authorities.

RESOLVED FURTHER THAT the Board hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other deeds and acts as may be required to give effect to the issuance, allotment and the listing of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the issue, offer and allotment of the Debentures in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and such other agreements, deeds, undertakings,

indemnities and documents as may be required, or any of them in connection with the Debentures to be issued by the Company.

RESOLVED FURTHER THAT the Authorised Persons be and hereby severally authorised to register or lodge for registration upon execution documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or any governmental authority competent in that behalf.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue of the Debentures.

RESOLVED FURTHER THAT the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of any director(s) of the Company and/or any Authorised Person and/or the Company Secretary of the Company who shall sign/ countersign the same in token thereof in accordance with the articles of association of the Company.

RESOLVED FURTHER THAT copies of the foregoing resolutions certified to be true copies by any Director or Company Secretary of the Company be furnished to such persons as may be deemed necessary."

//Certified True Copy//
For SATYA MicroCapital Limited

For SATYA MicroCapital Limited

(CHOUDHARY RUNVEER KRISHANAN)
M. No. - FCS 7437

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance Officer
Membership No.: F7437

Date: 19 September, 2022

Place: Delhi

Satya MicroCapital Ltd. New Delhi

ANNEXURE XIII: SHAREHOLDERS RESOLUTION

SATYA MicroCapital Ltd.

CERTIFIED TRUE COPY OF THE RESOLUTIONS PASSED AT THE 22ND ANNUAL GENERAL MEETING OF THE MEMBERS OF SATYA MICROCAPITAL LIMITED HELD ON WEDNESDAY, 06TH DAY OF JULY 2022 AT 11:30 A.M AT THE REGISTERED OFFICE AT 519, 5TH FLOOR, DLF PRIME TOWERS, OKHLA INDUSTRIAL AREA, PHASE-I, DELHI-110020, INDIA

1. TO PROVIDE THE SECURITY FOR SECURING THE BORROWINGS

"**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. 75,000 million (Rupees Seventy-Five 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."

2. ENHANCEMENT IN THE LIMIT OF BORROWINGS

"**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. 75,000 million (Rupees Seventy-Five Thousand Million only) at any time.

RESOLVED FURTHER THAT the Board of Directors 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."

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3. ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS

"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. 25,000 Million (Rupees Twenty-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."

Certified to be true copy
For SATYA MICROCAPITAL LIMITED

Chaudhary Runveer Krishanan
Company Secretary & Chief Compliance Officer
Membership No.: F7437

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ANNEXURE XIV

CHAPTER F: THE NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS / PRIVATE PLACEMENT / RIGHTS ISSUE HAS ALREADY BEEN MADE DURING THE YEAR, IN TERMS OF SECURITIES AS WELL AS PRICE

Allotment Details:

Sr. No	Name	Number of Securities Allotted	Type of securities allotted	Face value of each security (in INR)	Aggregate value of securities (in INR) (in Crore)	Preferential basis/private placement/rights issue
1	Axis Trustee Services Limited acting in its capacity as the trustee of the Northern Arc Income Builder Trust (Series II) with Northern Arc Income Builder Fund (Series II) as its scheme.	2000	Secured, Rated, Listed, Redeemable, Transferable, Principal Protected Market Linked Non- Convertible Debentures	1,00,000/-	20,00,00,000	Private Placement
2	Covid-19 Emerging and Frontier Markets MSME Support Fund SCSp SICAV-RAIF – AfrAsia sub- fund (as managed by BlueOrchard Finance Ltd.)	221	Secured, Rated, Listed, Redeemable, Non-convertible Debentures	10,00,000/-	22,10,00,000/-	Private Placement
3	JAPAN ASEAN Women Empowerment Fund SA, SICAV-SIF	161	Secured, Rated, Listed, Redeemable, Non-convertible Debentures	10,00,000/-	16,10,00,000/-	Private Placement
4	Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF (as managed by	161	Secured, Rated, Listed, Redeemable, Non-convertible Debentures	10,00,000/-	16,10,00,000/-	Private Placement

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	BlueOrchard Finance Ltd.)					
5	UTI International Wealth Creator 4	800	Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures	10,00,000/-	80,00,00,000/-	Private Placement
6	GMO-Z.com Payment Gateway India Credit Fund 1	300	Secured, Rated, Redeemable, Non-Convertible Debentures	10,00,000/-	30,00,00,000/-	Private Placement
7	Vivriti India Impact Bond Fund acting through its Trustee Vistra (ITCL) India Limited	3000	Rated, Unlisted, Subordinated, Unsecured, Redeemable, Transferable, Dematerialised, Non-Convertible Debentures	1,00,000/-	30,00,00,000/-	Private Placement
8	1. Microfinance Enhancement Facility SA, SICAV- SIF UTI International Wealth Creator 4	370 50	Secured, Rated, Listed, Redeemable, Transferable Non-convertible Debentures	10,00,000/-	42,00,00,000/-	Private Placement
9	Northern Arc India Impact Trust	30	Rated, Subordinated, Unsecured, Taxable, Unlisted, Redeemable, Transferable Non-Convertible Debentures	10,00,000/-	30,00,00,000/-	Private Placement
10	Gojo & Company, Inc.	2650000	Equity Shares	10/-	53,26,50,000/-	Private Placement
11	Gojo & Company, Inc.	2985100	Non – Cumulative, Compulsorily Convertible Preference Shares	10/-	60,00,05,100/-	Preferential & Private Placement Basis
12	JAPAN ASEAN Women Empowerment Fund SA, SICAV-SIF.	225	Secured, Rated, Listed, Redeemable, Transferable Non-convertible Debentures	10,00,000/-	45,00,00,000/-	Private Placement

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	BlueOrchard Microfinance Fund	225	Secured, Rated, Listed, Redeemable, Transferable Non-convertible Debentures			
13	Vivriti Capital Private Limited Creation Investments FPI LLC	130 130	Rated, Unlisted, Senior, Transferable, Redeemable, Taxable, Non-Convertible Debentures	10,00,000	26,00,00,000	Private Placement
14	Unifi AIF	240	Secured, Listed, Rated, Redeemable, Non-Convertible Debentures	10,00,000	24,00,00,000	Private Placement
15.	Hinduja Leyland Finance Limited	250	Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures	10,00,000	25,00,00,000/-	Private Placement
16.	BlueOrchard Microfinance Fund and Microfinance Initiative for Asia (MIFA) Debt Fund SA	375	Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures	10,00,000	37.50,00,000	Private Placement
17.	Gojo & Company, Inc	610	Rupee denominated, unlisted, unsecured, transferable, redeemable and interest bearing non-convertible debentures	10,00,000	61,00,00,000	Private Placement
18.	Global Access Fund LP	467	Secured, Rated, Unlisted, Redeemable, Transferable Non-Convertible Debentures	10,00,000	46,70,00,000	Private Placement

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19.	Gojo & Company, Inc.	2714900	Non – Cumulative, Compulsorily Convertible Preference Shares	10	27149000	Preferential & Private Placement Basis
20.	S K FINANCE LIMITED MAS Financial Services Limited	300 50	Fully Paid, Rated, Listed, Senior, Secured, Redeemable, Taxable Principal Protected Market Linked Non-Convertible	10,00,000	30,00,00,000 5,00,00,000	Private Placement
21.	Northern Arc Income Builder Series B Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund as its scheme Northern Arc Income Builder Trust (Series II) with Northern Arc Income Builder Fund (Series II) as its scheme	188 112 150	Fully Paid, Rated, Unsubordinated Listed, Senior, Secured, Transferable, Redeemable, Taxable Principal Protected Market Linked Non-Convertible	10,00,000	18,80,00,000 11,20,00,000 15,00,00,000	Private Placement

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